

KEY

Test Number 1055

Marketing Cluster Exam

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1. D

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

SOURCE: BL:002

SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3rd ed.) [p. 217]. Mason, OH: Thomson/South-Western.

2. C

Sole proprietorship. A sole proprietorship is a form of business ownership in which the business is owned by one person. It is a form of ownership that appeals to individuals with business experience who want to be independent. A partnership is a form of business ownership in which the business is owned by two or more persons. A corporation is a form of business ownership owned by stockholders who have purchased stock. A franchise is an agreement between a parent company and a franchisee to distribute goods and services.

SOURCE: BL:003

SOURCE: BL LAP 1—Own It Your Way (Types of Business Ownership)

3. D

Setting channel objectives. The first decision that marketers must make when managing channels is setting channel objectives. They can't make any further decisions until they've determined what they're trying to achieve. After channel objectives have been set, marketers can move on to decisions such as determining distribution patterns, selecting channel members, and determining channel responsibilities.

SOURCE: CM:001

SOURCE: CM LAP 2—Chart Your Channels (Channel Management)

4. C

Bar codes and EDI. Bar codes are a way of marking products that allows for electronic data interchange (EDI). This is an example of integrated information sharing that has advanced most areas of physical distribution. Merchandise information stored on the magnetic bar code is used for pricing, inventory control, reordering, market research, etc. PLUs or price look-ups are codes assigned to merchandise that typically changes price frequently. The number is entered into the checkout system and the assigned price ID rung. Outsourcing requires an outside business to complete a specified task.

SOURCE: CM:004

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 683-685]. South-Western Cengage Learning.

5. D

A tying agreement. A tying agreement is an illegal agreement requiring a customer to buy other products in order to obtain desired goods and services. Company A's goal is to increase sales by coercing Company B to carry and sell unwanted products. Intensive distribution and selective distribution are legal strategies for moving products. An open agreement may or may not be legal.

SOURCE: CM:005

SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 442-443]. Mason, OH: Thomson/South-Western.

6. A

Horizontal. Horizontal conflict occurs among channel members that are at the same level of the channel. These businesses usually are distributors for the same major organization and are selling within an assigned territory. Conflict often occurs when one or more channel members attempt to cut prices and lure customers away from other channel members. One fast-food franchiser trying to take business away from other franchise members in the same city is an example of horizontal conflict. Vertical conflict occurs between different levels of the same channel. Conventional and internal are not types of channel conflict.

SOURCE: CM:008

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 395-396]. Boston: McGraw-Hill/Irwin.

7. A

Nodding, smiling, and writing down the idea. By nodding, smiling, and writing down Kevin's idea, Kevin's supervisor would indicate that he likes what Kevin said. The supervisor could also indicate his/her support of Kevin's idea by asking follow-up questions, maintaining eye contact with Kevin, and enthusiastically telling Kevin that he has provided a great idea. Sarcasm, frowning, crossing arms, and cutting off the speaker are rude and unsupportive actions.

SOURCE: CO:082

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 54-56]. Upper Saddle River, NJ: Pearson Prentice Hall.

8. A

Chronological order. When assigning jobs or tasks to employees, managers need to provide employees with precise, easy-to-follow directions. Often, these directions involve performing tasks that need to be completed in a certain order. Then, the directions should be explained in chronological order so the employees will be able to follow them correctly. For example, employees need to know that steps one and two must be completed before step three. If directions are given out of chronological order, employees might not understand or be able to perform as expected. Directions that are explained in complex terminology, in excessive detail, or in technical language may be difficult for employees to understand and follow.

SOURCE: CO:119

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [pp. 12-13]. Mason, OH: Thomson South-Western.

9. A

Tone. Tone is the sound of a speaker's voice, which should carry the meaning of the subject. It is used to communicate emotions, feelings, and attitudes. Enunciation is speaking distinctly. Tempo is the rhythm of speech. Empathy is the ability to listen to what is being discussed from the speaker's point of view.

SOURCE: CO:147

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [pp. 76-77]. Mason, OH: Thomson South-Western.

10. D

To prepare. Oral presentations have one of three purposes: to inform, to persuade, and to entertain. Although preparing for an oral presentation is critical, it is not one of the three purposes.

SOURCE: CO:025

SOURCE: QS LAP 9—Well Said!

11. D

Appropriate way to cite his resources. To provide consistency throughout written documents, certain businesses or industries often follow a specific writing style, such as Associated Press (AP) or Chicago Manual. Because each style manual varies and often follows different standards, writers should check the appropriate style manual to ensure that s/he is formatting a resource citation correctly. A computer-software manual, the computer-software “help” function, or a computer-software web site provides information about setting up tables in documents. A dictionary or glossary provides formal definitions of words. A thesaurus provides synonyms for words.

SOURCE: CO:089

SOURCE: California State University, Los Angeles. (2011, May 5). *Style manuals and writing guides*. Retrieved August 8, 2011, from <http://www.calstatela.edu/library/styleman.htm>

12. A

An inquiry. Inquiries are written to ask for more information concerning a product or service. An application is a form requesting acceptance into an organization, group, or company. A short report gives brief details about a project, product, or service. A proposal suggests a course of action to be taken.

SOURCE: CO:040

SOURCE: Beare, K. (2011). Retrieved August 8, 2011 from *Business letter writing: Enquiries--Asking for information* http://esl.about.com/od/businessenglishwriting/a/w_make_enquire.htm

13. B

Face-to-face meeting. When a supervisor must address a sensitive, personal, or confidential issue (e.g., salary) with an employee, it is best to discuss the issue in a private, face-to-face meeting. Company newsletters, telephone conference calls, and staff memos are appropriate ways to communicate and share pertinent information with several people at one time.

SOURCE: CO:092

SOURCE: Moghadas, K. (n.d.). *Dealing with difficult employees: Have a one-on-one discussion*. Retrieved August 8, 2011, from http://www.medscape.com/viewarticle/590691_2

14. D

Provide a meeting agenda to review. An agenda is a list of topics that will be discussed in a meeting. By having an agenda before the meeting takes place, employees can gather information and prepare notes for the discussion. Unless the department's financial status is the reason for the meeting, participants are unlikely to need a copy of the department budget. It is seldom appropriate to limit each participant's speaking opportunities.

SOURCE: CO:063

SOURCE: Lussier, R.N. (2003). *Management fundamentals: Concepts, applications, skill development* (2nd ed.) [pp. 326-328]. Mason, OH: South-Western.

15. D

Create positive customer/client relations. Policies that establish appropriate attitudes toward customers/clients help to ensure that employees will treat customers in a way that will create positive relations. Such policies do not eliminate all product returns and refunds. These policies are not established for the purpose of making employees' jobs easier. Customer objections are reasons customers have for not buying, and they are handled with selling techniques that may involve disagreeing politely with the customer.

SOURCE: CR:003

SOURCE: Odgers, P. (2004). *The world of customer service* (p. 26). Mason, OH: South-Western.

16. C

Arguing politely. Salespeople should never argue with the customer, not even in a polite manner. Allowing the person to express dissatisfaction will place the customer in a positive frame of mind. Therefore, you need to listen carefully, empathize with the customer's problem, and discuss the problem and possible solutions.

SOURCE: CR:010

SOURCE: Odgers, P. (2004). *The world of customer service* (pp. 54-55). Mason, OH: South-Western.

17. D

Sales force automation technology. Many companies use sales force automation (SFA) technology to support, coordinate, and increase the productivity of their sales professionals. SFA technology, which is a type of customer relationship management software, can help to automate many aspects of the sales process, such as tracking leads, prospects, and customers. Other SFA technology features include contact management, sales forecasting, and sales report generation. Campaign management software is used by marketers to develop, execute, and track the effectiveness of promotional campaigns to targeted groups of potential or established customers. Businesses often use personalization technology to target certain products to certain customers based on the customers' purchase history. Matching engine technology works in a similar manner. Based on a particular customer's needs or preferences, matching engine technology determines the product offering that would best appeal to that customer.

SOURCE: CR:018

SOURCE: Peppers, D. & Rogers, M. (2004). *Managing customer relationships: A strategic framework* (pp. 192-195). Hoboken, NJ: John Wiley & Sons, Inc.

18. D

Automation. Automation is the use of robots or other automatic equipment to do certain tasks. A business might make up for the shortage of qualified workers by relying more on the use of automated equipment or machinery. For example, the use of automatic telephone systems often eliminates the need for a business to hire experienced phone operators. Production is the process or activity of producing goods and services. Specialization is the process of making the best use of resources in the production of goods and services. Conservation is the preservation and protection of resources and usually refers to natural resources rather than human resources.

SOURCE: EC:003

SOURCE: EC LAP 14—Be Resourceful (Economic Resources)

19. D

Increase. As prices increase, the quantity supplied will generally increase. Rising prices have the opposite effect on producers than on consumers. Increased prices will cause producers to increase supply, while consumers will demand less. Although the quantity supplied might vary, the trend with supply will be to increase as prices increase.

SOURCE: EC:006

SOURCE: EC LAP 12—When More is Less (Functions of Prices)

20. A

The business takes care of the responsibilities associated with having employees. Human resources management involves taking care of the responsibilities associated with having employees. Giving preferred customers a special discount is part of marketing. Including top-level managers in long-term planning is part of strategic management. And, acting on new information about a competitor can be marketing and/or operations management.

SOURCE: EC:071

SOURCE: EC LAP 19—Strictly Business (Business Activities)

21. D

To save on taxes. One reason a company might organize itself under the laws of a different country than its "home" country is to save on taxes. Some countries, known as tax havens, have little to no taxes. A business would not necessarily organize itself under the laws of a different country to remain competitive, build brand value, or take advantage of technology—all of these objectives could be achieved without doing so.

SOURCE: EC:104

SOURCE: EC LAP 22—Stretch Your Boundaries (Global Environment's Impact on Business)

22. A
Misleading consumers. Ethics are the principles that guide a person's behavior. Ethics provide direction for a person when s/he is determining which actions are right and which actions are wrong. Society, which includes the business environment, provides us with general rules about ethical (right) or unethical (wrong) behavior. For example, deliberately misleading consumers is unethical business behavior. Misleading consumers involves not revealing the full truth about a good, service, or business activity. In some cases, misleading consumers can cause physical harm, which is clearly unethical behavior by societal standards. Identifying target markets, persuading others, and questioning standards are reasonable, ethical business activities.
SOURCE: EC:106
SOURCE: Pride, W.M., Hughes, R.J., & Kapoor, J.R. (2008). *Business* (9th ed.) [p. 42]. Boston: Houghton Mifflin.
23. B
The freedom to compete. In the U.S., people are free to compete for a job in any occupation, to go into business for themselves, and to compete actively in the marketplace. Government regulations protect this economic freedom. Consumers can never be fully satisfied, although efforts to do so are a critical element in marketing. Gross profit is the difference between the selling price of a product and its cost to the business.
SOURCE: EC:012
SOURCE: EC LAP 8—Ready, Set, Compete! (Competition)
24. A
Personal consumption expenditures. This category of GDP includes the final market value of all services and new and used goods purchased for consumption by individuals. This would include such payments as tuition for higher education. Gross private domestic investment includes investment in both residential and nonresidential buildings and equipment as well as changes in the value of business inventories. Government purchases of goods and services include everything purchased by local, state, and federal governments. Net exports of goods and services is the difference between what the U.S. buys from other countries and what it sells to other countries.
SOURCE: EC:017
SOURCE: EC LAP 1—Measure Up? (Gross Domestic Product)
25. D
Growth. Other indications of economic growth are rising employment, wages, and profits. Little or no economic progress occurs during periods of economic stagnation, which is the opposite of economic growth. A recession is a downturn in economic activity that lasts six months or longer. A depression is a severe recession characterized by high rates of unemployment and business failures.
SOURCE: EC:018
SOURCE: EC LAP 9—Boom or Bust (Impact of Business Cycles)
26. C
Affirmations. Affirmations are positive statements about something you want to accept, incorporate, or develop. Roles are parts or positions that one plays in life in response to the various demands of society (e.g., student, parent). Images are mental pictures. Visualization is the practice of imagining yourself in possession of a present or desired strength.
SOURCE: EI:016
SOURCE: Dalton, M., Hoyle, D.G., & Watts, M.W. (2006). *Human relations* (3rd ed.) [p. 40]. Mason, OH: South-Western Cengage Learning.
27. C
Promptly. Honest people pay what they owe creditors when it is due. If some unexpected event makes it impossible for them to do so, they contact the creditor to explain. Paying debts sluggishly or eventually would not indicate honesty and integrity. Not all debts include interest.
SOURCE: EI:022
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 184). New York: Glencoe/McGraw-Hill.

28. A
Feedback. Feedback is evaluative information given to you about the things you say and do. Terry's supervisor is suggesting ways that Terry can do his job better. This is part of the supervisor's job and is not unfair treatment. External training is conducted by persons or organizations outside the business, not by the business's employees. Empathy is the ability to put yourself in another person's place.
SOURCE: EI:003
SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)
29. B
Ethics. Melissa has developed higher ethics by considering how her actions might affect other people and their feelings. Showing empathy and considering other people and their feelings does not have a direct impact on productivity, wages, or profit margins.
SOURCE: EI:030
SOURCE: EI LAP 12—Have a Heart (Showing Empathy for Others)
30. C
Standing very close to others when talking. Aggressive behavior is characterized by a willingness to ignore the rights of others and to exploit them in order to achieve personal goals. It is sometimes described as "in-your-face" behavior because aggressive people tend to get "in the faces" of people to whom they are talking. Beginning a conversation with strangers, openly expressing negative thoughts, and refusing to do things you don't wish to do are examples of assertive behavior.
SOURCE: EI:008
SOURCE: EI LAP 18—Assert Yourself (Assertiveness)
31. D
Collaborate with others. Effective team members must be willing to help, work well with, recognize the strengths of, and listen to other team members. It is important for team members to be objective, provide positive and negative feedback in a courteous, respectful way, and offer their opinions as needed. Team members should be willing to perform any activities they can—even those activities they don't like to do, but they shouldn't take on complex or technical jobs that they are not qualified to perform.
SOURCE: EI:045
SOURCE: QS LAP 6—Lean on Me (Teamwork)
32. D
Level of uncertainty. The difficulty of a decision increases with the level of uncertainty. Amount of money, number of participants, and lack of competence may themselves increase the uncertainty, but it is the uncertainty itself that causes increased difficulty.
SOURCE: EI:009
SOURCE: QS LAP 27—Follow Me
33. B
Realistic. A vision must be realistic in order to be achievable. Although visions are made from abstract dreams and lofty goals, they must be achievable at some point in time. If a vision is unrealistic, there will be no way to obtain it. For example, you might have a dream of bringing about world peace in the next year. That's fairly unrealistic. Even though you want that to happen, you have no way of achieving it. Visions can be complex and expensive. However, they are still achievable if they are also realistic. A vision is a dream for the future rather than a current situation. However, it might involve changing a current situation or solving a current problem.
SOURCE: EI:063
SOURCE: QS LAP 11—Picture This!
34. B
Increased cooperation. When a business's employees practice good human relations skills, increased cooperation usually results because employees are willing to help each other. Practicing good human relations skills usually increases communication and loyalty. Benefits are not affected.
SOURCE: EI:037
SOURCE: EI LAP 5—Can You Relate? (Positive Working Relationships)

35. D

Installment. Installment credit is often used to make major purchases such as cars and trucks. The title of ownership will carry the purchaser's name, but the seller may hold the title or have a claim against it until all installment payments are complete. Regular and revolving credit purchases pass legal ownership to the buyer at the time of purchase. Trade credit is credit extended by one business to another business.

SOURCE: FI:002

SOURCE: FI LAP 2—Give Credit Where Credit is Due (Credit and Its Importance)

36. B

College fund. In many cases, paying for college is a future financial need for which many individuals and married couples plan. In order to make sure sufficient money will be available to pay for college, individuals often establish a college fund. This may be set up with a bank or an investment company. People often set aside a certain amount to invest on a monthly basis so the fund will have a certain value by the time it is needed to pay college expenses. A living will involves a person's wishes concerning medical issues. A work history is a list of jobs a person has had during his/her life. Emotional intelligence is the ability to recognize and manage emotions in ourselves and in others.

SOURCE: FI:064

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 266). New York: Glencoe/McGraw-Hill.

37. C

Amount due on an inheritance. A tax liability is a debt, or the total amount of tax an individual owes. There are many types of taxes, and one of them is an inheritance tax. When individuals receive an inheritance, they usually have to pay tax on at least a portion of the inheritance based on the amount of the inheritance. The inheritance tax is a debt that individuals must pay when they receive an inheritance. Deductions for a charitable contribution, interest paid on a mortgage, and the value of an exemption reduce the tax liability on the amount of income that a person earns.

SOURCE: FI:067

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.

38. D

As soon as each check is written. To keep accurate records, you need to record all information in the check register as each transaction occurs. Otherwise, the date, check number, or check amount may be recorded inaccurately. Waiting to record check information can result in difficulties with balancing bank statements when they arrive. This could also result in checks being returned to you for inadequate funds.

SOURCE: FI:069

SOURCE: Credit Union National Association. (2008). *The balancing act part 1: Keep good records*. Retrieved August 8, 2011, from http://googolplex.cuna.org/12433/cnote/article.php?doc_id=1608

39. C

Stocks. When people buy a company's stock, they are, in effect, becoming an owner of a piece of that company. Certificates of deposit, money market accounts, and savings accounts are examples of lending investments.

SOURCE: FI:077

SOURCE: QS LAP 32—Risky Business

40. A
Financial plan. The risk of financial loss is the basic risk in business. The key to reducing financial risk is the estimate of financial needs, capital, to support alternative target returns for each aspect of the business. Therefore, the development of a financial plan is a critical step in reducing business risk. The marketing plan is a set of procedures or strategies for attracting the target customer to a business. The information system provides an organized way of gathering, sorting, analyzing, evaluating, and distributing the data the business needs. Cash-flow analysis predicts whether the cash generated by a business can cover the operating expenses and loan repayments. This analysis identifies the need for capital but does not create it.
SOURCE: FI:084
SOURCE: FI LAP 8—Plan for the Worst...Expect the Best (Nature of Risk Management)
41. B
How to manage cash flow. How to manage cash flow is not a capital investment decision. Cash flow is a concern addressed in working capital management. The three capital investment decisions are which projects to invest in, how to finance the investments, and whether or not to pay dividends to shareholders.
SOURCE: FI:354
SOURCE: FI LAP 7—Money Matters (Nature of Finance)
42. D
Middle managers. Budgets are often prepared by the ones responsible for managing people and money, including everyone from top executives to middle managers. Middle managers often supervise business departments and are responsible for the financial activities of those departments. Not all employees prepare budgets. Inventory clerks and sales cashiers are entry-level employees who do not prepare a business's budget.
SOURCE: FI:106
SOURCE: FI LAP 3—Money Tracks (Nature of Budgets)
43. A
Comfortable. One benefit of effective employee orientation is that it makes new employees feel comfortable on the job. Helping employees to adjust to their new positions makes them feel comfortable so that they are better able to do a good job and to be accepted by their coworkers. New employees usually do not feel experienced, accomplished, or invaluable until they have been on the job for a period of time after orientation.
SOURCE: HR:360
SOURCE: Noe, R.A., Hollenbeck, J.R., Gerhart, B., Wright, P.M. (2010). *Human resource Management: Gaining a competitive advantage* (7th ed.) [pp. 333-334]. New York: McGraw-Hill Irwin.
44. A
Determine customer-satisfaction levels. Businesses obtain and use marketing information for many reasons. Businesses often ask customers for feedback to determine how satisfied the customers are with their goods and services. Some tools that businesses use to obtain this information are written surveys and telephone and personal interviews. After a business collects the information, it can determine what it is doing well and where it might need to make changes to improve customer-satisfaction levels. The primary purpose of conducting the survey is not to obtain demographic data, predict the feasibility of a product idea, or learn about trends in the marketplace.
SOURCE: IM:012
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 237-238]. Tinley Park, IL: Goodheart-Willcox.
45. C
A customer survey would be conducted. Primary data are facts collected specifically for the problem or project at hand. Economic reports, trade publications, and sales records are examples of secondary data that have been collected for some other purpose.
SOURCE: IM:001
SOURCE: IM LAP 2—Get the Facts Straight (Nature of Marketing-Information Management)

46. D

Leading manufacturer. More than 85% of the country's leading manufacturers have marketing-research departments. Businesses of all sizes can hire the services of outside market researchers, but large businesses often have their own marketing-research departments. Small retail businesses, local charities, and political candidates would conduct their own research or hire an outside researcher.

SOURCE: IM:010

SOURCE: IM LAP 5—Seek and Find (Marketing Research)

47. B

Losing market share. Marketing research is the systematic gathering, recording and analyzing of data about a specific issue, situation, or concern. Marketers often conduct marketing research when they want to determine why problems are occurring, such as market-share loss. Market-share loss is a problem because it usually indicates that the business is selling less and losing profits. In other situations, the business wants to obtain information about competitors, new products, new market opportunities, or economic conditions (e.g., inflation), which are not always problems for the business.

SOURCE: IM:282

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 113-115]. Upper Saddle River, NJ: Pearson Prentice Hall.

48. C

Attitude. Semantic-differential rating scales are used to measure attitude. Research participants are asked to check the box that best describes their feelings. Each box on the scale contains an adjective or phrase, such as courteous or discourteous. By checking a box, respondents indicate their attitude or how they feel about statements. Behavior is the manner in which individuals act. Personality is an individual's qualities or traits and behavior. Talent is an individual's aptitude for learning specific skills.

SOURCE: IM:286

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 348-350]. Mason, OH: South-Western Cengage Learning.

49. A

Market share data for his company during the past year. Having the appropriate data is very important for marketing decision making. Knowing about his company's market share during the past year can help Ted while he is planning the new ad campaign. Sales volume data for the horse racing industry would not be helpful because Ted's industry is different. Strengths and weaknesses of local coffee shops would not be helpful because Ted's business isn't competing with these businesses. Demographic data for local dog owners would not be helpful since Ted's business caters to those who wish to take horseback-riding lessons.

SOURCE: IM:184

SOURCE: IM LAP 11—Data Diving (Identifying Marketing Data)

50. C

Analysis. Coding is a process which assigns a score to each response within a data set. This is done to make analysis easier. Collecting data includes processes like conducting surveys. Presentation is the step where the conclusions of the research are presented to the business so that the business can act upon the results of the research. Preparation is the step where questions for the surveys are chosen, the sample size is chosen, and the method of data collection is decided upon.

SOURCE: IM:062

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [p. 491]. Mason, OH: South-Western Cengage Learning.

51. B

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

SOURCE: IM:191

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 444-446]. Mason, OH: South-Western Cengage Learning.

52. A

Simple words without jargon. Wording is an important consideration when developing a survey. To obtain objective, honest answers, respondents must be able to understand the questions. This requires the use of simple and clear (not vague) wording so respondents are not confused when they read the questions. Jargon is technical language, which may confuse respondents. Surveys should not contain words with dual meanings because these words may confuse respondents, too.

SOURCE: IM:293

SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [p. 276]. Mason, OH: South-Western Cengage Learning.

53. D

May be inaccurate. The government is a valuable source of secondary information because government agencies collect data about many issues on a regular basis. However, some of this information may be inaccurate because it is collected at specific intervals of time. For example, census information is obtained every ten years, so it may be dated and irrelevant after a certain period of time. Secondary information obtained from government sources is inexpensive, easy to find, and not complicated to process.

SOURCE: IM:428

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 614). New York: Glencoe/McGraw-Hill.

54. B

Not keeping promises. This is an example of a business that hasn't kept its promise to customers. By not having the DVDs in stock, the video store has damaged the trust its customers have placed in it. This is not an example of using high-pressure sales techniques, delivering low-quality goods and services, or responding inappropriately to crises.

SOURCE: MK:019

SOURCE: MK LAP 3—Just Do It...Right (Company Actions and Results)

55. B

Strategy. Marketing strategies are plans of action for achieving marketing goals and objectives. In order to meet its goal of increasing market share, Heyman's planned the marketing strategy of participating in a variety of promotional activities. Tactics are specific actions that will be used to carry out strategies. A concept is an idea or a philosophy. Objectives are goals.

SOURCE: MP:001

SOURCE: MP LAP 2—Pick the Mix (Nature of Marketing Strategies)

56. B

Production quantities. Production quantities are set based on the projected sales for the company's products. The company's past sales records would be considered in preparing the sales forecast. The policies established by management for the operation of the company are not directly affected by sales forecasts. The target market is made up of consumers to whom the business hopes to sell its products.

SOURCE: MP:013

SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 278-298]. Upper Saddle River, NJ: Pearson Prentice Hall.

57. B

A business is planning to sell out to another company. When businesses merge or sell out to other companies, they need to provide records to prove their value to the other companies. Although businesses might retain documentation of employee anniversaries, press releases, and training plans, these records have less significance than records needed to provide proof of a business's income, expenses, and capital investments.

SOURCE: NF:081

SOURCE: Omar, S. (2004-2011). *What every small business owner should know about record retention*. Retrieved August 9, 2011, from <http://www.isnare.com/?aid=298230&ca=Business>

58. D

It is data put into a useful form. Data and information are not the same thing. Data are the necessary facts and figures, but information is what you get when data are in a useful form. Information is something an organization values, and it is not always simple to manage.

SOURCE: NF:110

SOURCE: NF LAP 3—In the Know (Nature of Information Management)

59. C

Internet. The Internet is a worldwide network of computers that enables users to access information and communicate with others. The Internet provides businesses with the ability to post a lot of information (e.g., product information) in a cost effective way. The Internet also provides consumers with the ability to obtain a lot of product information from a central location at their convenience. Many web sites have employees who answer customers' questions in real time through chat-room and text-messaging capabilities. High definition television (HDTV) and satellite radio are forms of media that communicate information; however, they are expensive forms of media, and are limited in scope, depth of information, and interactivity. Scanners are electronic tools that transmit paper copies of text and graphics into a computer.

SOURCE: NF:086

SOURCE: Roberts, M. (2008). *Internet marketing: Integrating online and offline strategies* (2nd ed.) [pp. 10-12]. Mason, OH: Cengage Learning.

60. A

Forward. By clicking the "forward" button, the message recipient can send the message to another person. The reply key allows the recipient to respond to the sender's message. The edit function allows changes to be made to an e-mail message. The new key allows the sender to create an e-mail message.

SOURCE: NF:004

SOURCE: About.com. (n.d.). *How to forward e-mails*. Retrieved August 9, 2011, from http://email.about.com/od/howtoforwardemails/How_to_Forward_Emails.htm

61. D

Cut and paste. Businesspeople use word-processing software programs to create text documents such as business letters, memos, reports, etc. Word-processing software programs have many features and functions that allow the computer user to manipulate text. For example, the cut function allows the user to select a block of text and remove it from a certain location. By moving the cursor to another location and selecting the paste function, the user can place the previously cut text into a different part of the document. This process eliminates the need to delete text and retype it in a different section of the document, which can be time consuming. The copy function copies the selected text but does not remove it from its existing location. If the text is not copied before it is deleted, then it would not be possible to move the text to a new location in the document.

SOURCE: NF:007

SOURCE: Gookin, D. (n.d.). *How to cut and paste (move) text in Word 2007*. Retrieved August 9, 2011, from <http://www.dummies.com/how-to/content/how-to-cut-and-paste-move-text-in-word-2007.html>

62. B

Sales. Many businesses are implementing customer loyalty programs. The purpose of the program is to encourage customers to buy from the business by offering incentives or rewards. By asking the customers to complete questionnaires, the business collects information about the customers' purchasing preferences and habits. This information can help the business understand what it needs to do to satisfy customers, which often results in sales increases. Although the overall business benefits when sales increase, it is sales that receive the direct benefits by obtaining and monitoring customer profile information.

SOURCE: NF:014

SOURCE: Burrow, J.L. (2006). *Marketing* (2nd ed.) [pp. 120-121]. Mason, OH: South-Western.

63. D

Respond to opportunities and threats quickly. A business should conduct environmental scans on a continuous basis so that it can respond to opportunities and threats quickly. Scanning on a continuous basis will not change customers' attitudes, save money, or allow a business to control the external environment.

SOURCE: NF:015

SOURCE: NF LAP 2—Get the 411 (Environmental Scanning)

64. A

Bomb threat. Emergency situations usually occur unexpectedly. Therefore, business employees should know how to handle and report them even if it is unlikely they will occur. An example of an emergency situation is a bomb threat. Although most businesses will never have a bomb threat, employees should know what to do to be prepared if it happens. Internal theft, check fraud, and stolen identity are not examples of emergency situations.

SOURCE: OP:010

SOURCE: Ball, D.A., McCulloch, W.H., Frantz, P.L., Geringer, J.M., & Minor, M.S. (2006). *International business: The challenge of global competition* (10th ed.) [pp. 281-286] Boston: McGraw-Hill/Irwin.

65. C

Support services. Support services are the technical or complicated activities that project members cannot do themselves. After you decide what type of additional help you might need to complete the project, you should identify the other people, organizations, and businesses that need to be involved in the project. Maybe you need the help of trained professionals to use complex equipment or different types of transportation. While determining the type of work that needs to be done, you might identify technical equipment. However, it is possible that a member of the group knows how to use this equipment. In many cases, it will not be possible to identify alternative tasks or replacement items. Then, it will be necessary to locate support services.

SOURCE: OP:003

SOURCE: QS LAP 19—Get What You Need

66. A

Selecting vendors. Businesses often buy from several vendors, or ask several vendors to submit bids. Therefore, an important step in the process of purchasing equipment and supplies for the business involves selecting the vendors. Businesses often establish criteria for selecting vendors such as reputation, quality of goods, delivery time, price, discounts, etc. Then, the business may decide to use the vendors that meet the criteria. Reviewing revenues, monitoring competitors, and visiting trade shows are not important steps in the purchasing process.

SOURCE: OP:161

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 236-237]. South-Western Cengage Learning.

67. C

Production. This process makes resources more useful to ultimate consumers and industrial users. Marketing is all those functions involved in getting goods, services, and ideas to the final user. Refinement is the process of making ongoing product improvements. Entrepreneurship involves taking the risks of business ownership.

SOURCE: OP:017

SOURCE: OP LAP 4—Can You Make It? (Nature of Production)

68. A

To minimize errors. Quality control involves ensuring the degree of excellence of a good or service. Most businesses use some type of quality control method at work in order to achieve excellence and minimize errors. Quality control methods vary depending on the type of business, but they are all intended to help the business operate efficiently and correctly. An example of a quality control method might be having two people conduct an inventory count to minimize the possibility that one person will make a mistake. Businesses do not use quality control methods to organize employees, attract vendors, or guarantee safety.

SOURCE: OP:164

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [p. 16]. South-Western Cengage Learning.

69. A

\$526,750. A fixed cost is the sum of all the costs incurred by a business that usually remain at the same level no matter how many units of a product are produced or marketed. Fixed costs include rent, salaries, insurance, advertising, and the cost of maintaining a web site. Bonuses are a type of variable cost because they increase or decrease in proportion to sales volume. In this example, add the cost of rent, salaries, and maintaining a web site to determine fixed costs ($\$423,500 + \$88,000 + \$15,250 = \$526,750$).

SOURCE: OP:024

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 767). Woodland Hills, CA: Glencoe/McGraw-Hill.

70. A

Housekeeping. Housekeeping involves conducting activities that maintain the facility's appearance and cleanliness and facilitate positive working conditions. Changing worn-out or broken light bulbs is a housekeeping activity that facilitates positive working conditions. By changing light bulbs, employees can turn on light fixtures so they can see and retrieve the items they need to perform their jobs. Managing is the process of coordinating resources in order to accomplish a business's goals. Receiving is the acceptance of a shipment of goods. Warehousing is placing goods in safe locations until they are needed or are ready to be sold.

SOURCE: OP:032

SOURCE: Educational Institute of the American Hotel & Lodging Association. (2005). *Lodging management program: Year 1* (2nd ed.) [pp. 220, 225]. Lansing, MI: Educational Institute of the American Hotel & Lodging.

71. B

Doing things in an organized and methodical manner. People who are orderly and systematic act in an organized and methodical manner. They keep calendars and lists rather than trying to memorize what needs to be done. They put a lot of thought into planning their activities and carrying them out efficiently. This does not mean that they have rigid personalities.

SOURCE: PD:009

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 722-723). Tinley Park, IL: Goodheart-Willcox.

72. B

Occupational publications. The library is a good source for people to get information about career opportunities. Governments and private publishers often develop and print up-to-date reference books that contain information about career trends, salaries, skills, training and education for a wide variety of jobs. These types of reference books usually are available at the library. Fictitious magazine articles, technical books, and international data almanacs are not the best sources for Janelle to obtain credible career information.

SOURCE: PD:022

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 54-56). Woodland Hills, CA: Glencoe/McGraw-Hill.

73. B

Proper names. Job applicants should always sign their proper names on the application form so that their names will be correct in the business's records if they are hired. The correct format is to sign the name in the order that it reads, which is first name, middle initial, and last name. Applicants should not sign their last names first. It is not correct to sign a nickname, even if the applicant prefers to be called by that name, or to use initials only.

SOURCE: PD:027

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [p. 47]. Mason, OH: South-Western.

74. C

"Ms. Martin, I know that I can do this job, and I would like to have it." At the end of an interview, job applicants should let the interviewer know that they are interested in the job, that they can do the job, and that they want the job. This is similar to closing a sale—salespeople should ask customers to buy. In job-interview situations, applicants should ask interviewers to buy their services (labor). Mr. Murray will doubt the applicant's ability to do the job—is there someone better qualified? Ms. Collins should be able to ask all of her questions during the interview without having to call the applicant again. Mr. Maxwell will feel that the applicant had not been listening when the reason for the job opening was discussed earlier.

SOURCE: PD:028

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 68-71]. Mason, OH: South-Western.

75. C

Learning a complex computer software program. Some computer programs are very complex to use and often require special training to learn how to use them. When a business does not have personnel who are familiar with computer software, it might hire an external trainer to come to the business to show employees how to correctly use the software. In some situations, employees might attend a class or workshop off site at a training center. Understanding the company's policy manual, interpreting a quarterly sales report, and analyzing the results of a research project do not require special training from a source outside the company.

SOURCE: PD:033

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 480-481]. Mason, OH: South-Western.

76. B

Trade shows. A trade show is a promotional method that many businesses use to introduce new products, generate new sales leads, and contact current customers at the same time. A trade show gives businesses the opportunity to display their products and meet with a large number of potential and current customers. Many businesses spend a significant portion of their promotional budgets on trade shows because they are an effective promotional method. Cash rebates involve returning part of the price a customer pays for a good or service. A sales contest is a way of motivating salespeople to increase their sales performance. Free samples are offers of a small amount of a product.

SOURCE: PD:036

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 789-790). Woodland Hills, CA: Glencoe/McGraw-Hill.

77. A
Flexible. Economic hardships often force companies to lower prices to sell their products. Realistic prices are often associated with the quality of the product. Competitive pricing occurs when you try to meet or beat your nearest competitor's prices. Inflexible pricing occurs when a company refuses to change its prices to meet customer demand.
SOURCE: PI:001
SOURCE: PI LAP 2—The Price is Right (Nature of Pricing)
78. D
Pure competition. In a pure competitive market, there are a great many buyers and sellers of nearly identical products, and businesses have very little control over pricing. More competition exists in this kind of market than in any other. In an oligopoly, there are relatively few sellers, and the industry leader usually determines prices. In monopolistic competition, there are many buyers and sellers, but there is a wide range of prices. In a monopoly, there is only one seller or provider of a product.
SOURCE: PI:002
SOURCE: PI LAP 3—Make Cents (Factors Affecting Selling Price)
79. B
Product managing. Product management involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities and includes all activities from the time of a product's conception to the time of its elimination. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Positioning is a product-mix strategy in which a business creates a certain image or impression of a product in the minds of consumers. Concept testing is exploring the concept, or idea, for a product in order to obtain feedback.
SOURCE: PM:001
SOURCE: PM LAP 17—Rapping Up Products (Nature of Product/Service Management)
80. B
Unconscious problem solving. Sometimes, people need to step away from the conscious creative thinking techniques, such as mind mapping, morphological analysis, and synectics, to allow their unconscious minds take over. During this time, people need to be open to listening to their relaxed minds and recording the ideas that come forth.
SOURCE: PM:128
SOURCE: PM LAP 11—Unleash Your Oh! Zone (Idea Generation)
81. C
Government agencies, trade associations, and businesses. Government agencies are often responsible for setting grades and standards. The government grades many foods, sets standards for over-the-counter and prescription drugs, oversees interstate commerce and transportation, and enforces standards for fair advertising. Trade associations and professional organizations develop standards to guarantee product quality, safety, and uniformity. Businesses often set grades and standards for their own products, as well as their suppliers' products and components. To set their own standards, businesses may seek the input of their consumers, but consumers rarely set grades and standards themselves.
SOURCE: PM:019
SOURCE: PM LAP 8—Raise the Bar (Grades and Standards)

82. A

Increased profits. Companies that build a reputation for carrying out the terms of their warranties and guarantees generally have higher sales, more repeat customers, and greater profits. Establishment of clear standards for the business is a business benefit concerned with better organization of the business. Increased feedback from customers is a business benefit of warranties and guarantees concerned with customers' providing information about problems and needed product improvements. Businesses should maintain a customer-oriented focus rather than a business-oriented focus. A customer-oriented focus for the business is a business benefit from warranties and guarantees concerned with meeting the needs of the business's market.

SOURCE: PM:020

SOURCE: PM LAP 4—Promises, Promises (Warranties and Guarantees)

83. D

Encourage future sales. Product bundling involves combining goods and/or services and offering them to customers as one product for a lower price than if the customers were to buy all of the products individually. The reason why businesses bundle products is to get customers to try a product they would not normally purchase. If the customers try the product, and like it, they might purchase the product as an unbundled item at another time, which encourages future sales. Businesses do not bundle products so they can limit returns, monitor promotional activities, or eliminate cash shortages.

SOURCE: PM:041

SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 425-426]. Mason, OH: Thomson/South-Western.

84. D

Avoid selecting a name already in use by another business. When selecting a brand name, a business should have several of its preliminary choices researched legally. Not only will this help the business ultimately protect its chosen name, but it will also help to avoid selecting—and becoming attached to—names that other businesses may already legally own. Legally researching names will not help avoid names that are unpleasant, nor will it help to stimulate consumers' buying habits. Other types of qualitative, consumer-based, and secondary research can help a business learn these things about potential brand names. The same holds true for determining if a name is adaptable to displays, signage, and advertising.

SOURCE: PM:021

SOURCE: PM LAP 10—Build Your Corporate Brand...Before Someone Builds It for You (Corporate Branding)

85. A

Company web site, sales calls, and trade shows. A corporate brand is all of the combined impressions and experiences associated with a particular company. A successful corporate brand involves developing product and promotional mixes that communicate a desired image of the business. This communication occurs through a variety of touch points. Touch points are the opportunities that the business has to connect with customers and reinforce its brand. Some opportunities that the business has to communicate and reinforce the corporate brand are through the company's web site and during sales calls and trade shows. These opportunities involve the efforts of many of the company's employees, including the sales staff. Compensation policies, sales reports, and marketing audits are not target-market touch points.

SOURCE: PM:206

SOURCE: Brighter Naming. (2011). *Measuring your brand touch points*. Retrieved August 10, 2011, from http://www.brighternaming.com/brand_touch_points.html

86. D

Value. A corporate brand is all of the impressions and images associated with a company in the minds of the consumers. To create these impressions and images, the company uses a series of activities; it positions the brand. This involves the company communicating its value to the target market. The value is the amount of satisfaction that the good or service will provide the target market. Slogans and logos are brand elements or touch points that marketers use to position the corporate brand. The brand's size is not usually a relevant factor.

SOURCE: PM:207

SOURCE: Kotler, P., & Keller, K. L. (2006). *Marketing management* (12th ed.) [p. 316]. Upper Saddle River, NJ: Prentice Hall/Pearson.

87. D

Institutional public service. The purpose of this type of promotion is to inform consumers of noncontroversial issues that are in the public's best interest. These types of promotions often build goodwill among the firms and the public. In this specific example, the businesses that used the "Just Say No" campaign were depicted as friends of the community. Primary product promotion focuses on creating consumer demand for an entire class of goods or services. Secondary product promotion attempts to create demand for a specific brand. Institutional public-relations promotions inform consumers of controversial issues that are in the public's best interest as well as being related to the company or its products. These promotions may improve a negative image or establish a positive one.

SOURCE: PR:002

SOURCE: PR LAP 4—Know Your Options (Types of Promotion)

88. B

E-mail. Electronic mail is a method of sending promotional messages via computer networks. Each computer has its own e-mail address or path. A street address is a number and street name of a facility that is set up to receive traditional mail service. A P.O. box is a location in a post office where customers can send their mail to hold until they pick it up. A secondary address is a general term used to describe an alternate address to send mail; it can be an electronic or traditional mail location.

SOURCE: PR:100

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 60]. Mason, OH: South-Western Cengage Learning.

89. D

Pay a monetary fine to the government. When businesses fail to comply with government advertising regulations, some countries penalize the businesses by requiring them to pay fines. For example, in the U.S., a government agency (FTC) can fine a business up to \$11,000 per showing of an advertisement when the business ignores a cease-and-desist order. A comparative disclosure form is not a common term used to describe government regulatory policies. A cease-and-desist order is a demand to stop running an advertisement. A cease-and-desist order is issued by a governmental agency rather than a business. An endorsement is an approval by a reputable external source.

SOURCE: PR:101

SOURCE: Arens, W. (2004). *Contemporary advertising* (9th ed.) [p. 83]. New York: McGraw-Hill.

90. C

E-mail filter. An e-mail filter prevents messages with unfamiliar addresses from reaching an inbox. This means that an unsolicited advertisement is likely to never reach the intended recipient. Personalization has a positive impact on advertising because businesses can send e-mails with a recipient's name in the body of the message or direct targeted ads based on visitor behavior. Action and sound capabilities make Internet ads more memorable, much like television commercials. Linking allows a user to access an advertiser's web site, thereby increasing the likelihood of a purchase decision.

SOURCE: PR:007

SOURCE: PR LAP 3—Ad-quipping Your Business (Types of Advertising Media)

91. A

Sales promotions. Sales promotion involves promotional activities other than advertising, personal selling, and publicity that stimulate customer purchases. Sweepstakes and contests are examples of communications channels, the means used to provide information to others, that are often used in sales promotions. Sweepstakes and contests attract a lot of attention and are effective ways to provide information about products. Sweepstakes and contests are used in sales promotions rather than in advertising campaigns and publicity programs. They may be advertised through commercials on various media.

SOURCE: PR:249

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [pp. 563-564]. Mason, OH: South-Western Cengage Learning.

92. C

Want to read the message. The headline and the illustrations are two of the main elements in an advertisement. They should be coordinated to make the reader want to read the message in the copy, which is the third element in the ad. For example, the headline should attract attention and lead the reader to the illustration, which supports the headline. The coordinated headline and illustration create a desire in the reader to want to know more about the subject of the ad and, therefore, to read the message. It is not important to coordinate the headline and illustrations to make the reader appreciate the style of layout, understand the company name, or be aware of the cost involved.

SOURCE: PR:251

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 425). New York: Glencoe/McGraw-Hill.

93. C

Participate in trade shows. When evaluating whether to participate in trade shows, businesses often take into consideration the size of their sales staff and the amount of their advertising budget. For businesses that have a small sales staff and a limited advertising budget, it is often worthwhile to participate in trade shows because this provides the opportunity to contact a large audience of potential customers. The trade show provides access to more contacts than the small sales staff can reach, and for less cost than extensive advertising. A business with a limited advertising budget probably would not develop television commercials or sponsor major sporting events because of the high cost associated with those activities. Buying space on billboards usually is not effective for businesses that sell to other businesses.

SOURCE: PR:255

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [pp. 563-564]. Mason, OH: South-Western Cengage Learning.

94. A

Demographic trends. Demographic trends refer to the direction the population is moving in terms of physical (e.g., age) and social (e.g., income) attributes. These external characteristics can affect the manner in which a business plans its promotional activities. For example, a large portion of the population falls into the baby-boomer age group. As this group reaches retirement age, its needs and preferences change. Therefore, a business targeting its promotional efforts to this group needs to consider these changes, and adapt the promotional strategies appropriately. Product lines, staffing responsibilities, and pricing strategies are internal factors that affect a business.

SOURCE: PR:073

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [p. 102]. Upper Saddle River, NJ: Prentice Hall.

95. C

A business advertises a product and mails free samples to consumers. Promotional activities are coordinated when two or more different types of activities, such as advertising and sales promotion, are combined in order to achieve a goal. Cooperative advertising occurs when advertising costs are shared by members of the distribution channel. Using the same theme for ads in different media, such as an endorsement by an athlete, and developing a display schedule, are examples that demonstrate only one type of promotional activity.

SOURCE: PR:076

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 367). New York: Glencoe/McGraw-Hill.

96. B

Favorable adjustment and return policies. The clerk informed Tim that he could come back and get the right size if the original-size nails were wrong. The hardware store is offering a liberal return policy which creates an environment that helps to build customer loyalty. Quality maintenance and repair services involve a company providing good services to back up its product. Readily available credit refers to a store providing credit, which may be needed for the sale of more expensive goods. Assistance with merchandising refers to the company and salesperson assisting with merchandising the product, such as helping with sales promotion ideas and/or point-of-purchase displays.

SOURCE: SE:828

SOURCE: SE LAP 115—Keep Them Loyal (Building Clientele)

97. A

Simply guessing. In sales ethics, when salespeople answer questions they don't really know the answers to, they are simply guessing. Whether or not they are displaying arrogance or acting aloof is not within the main focus of sales ethics. Plainly deceiving a customer is a legal issue. Guessing may or may not be considered outright deception.

SOURCE: SE:106

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

98. C

Fraud. Fraud is intentionally deceiving or cheating an individual or business out of money or property. By establishing legal guidelines for selling practices, consumers are protected from deceptive selling practices. Individuals or businesses that engage in fraudulent selling activities can face imprisonment and/or monetary fines if they are prosecuted. Therefore, the consequences of committing fraud often discourage individuals and businesses from engaging in fraudulent behavior. Debt is the money that individuals or businesses owe to others. Selling regulations do not lower business debt nor do they reduce taxation rates. Regulations are not generally established to lower competition.

SOURCE: SE:108

SOURCE: Spiro, R.L., Rich, G.A., & Stanton, W.J. (2008). *Management of a sales force* (12th ed.) [pp. 494-495]. New York, McGraw-Hill Irwin.

99. D

Hidden benefit. A hidden benefit is an advantage of a product not recognizable unless it is pointed out by a salesperson. During the selling process, the salesperson should point out hidden benefits to further entice the customer to buy. If a business offers its customers a service such as a 24-hour helpline, the salesperson should let the customer know that the service is available—it might be something that helps close the sale. The example does not point out an obvious feature or exclusive want. There isn't enough information provided to indicate that the hidden benefit is a limited offer.

SOURCE: SE:109

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

100. A

Reaching closure. Reaching closure is the phase of the selling process in which the salesperson addresses customer objections and asks the customer to buy. Prescribing solutions is the phase of the selling process in which the salesperson recommends the specific products that will meet the customer's needs. During the establishing-relationships phase of the selling process, salespeople make their initial contacts with customers. When salespeople are discovering needs, they are questioning and listening to customers to determine what their customers really want or need.

SOURCE: SE:048

SOURCE: SE LAP 126—Set Your Sales (The Selling Process)