



**KEY**

Test Number 1069

# Marketing Cluster Exam

ADC - Advertising Campaign Event  
AAM - Apparel and Accessories Marketing Series Event  
ASM - Automotive Services Marketing Series Event  
BSM - Business Services Marketing Series Event  
BTDM - Buying and Merchandising Team Decision Making Event  
FMP - Fashion Merchandising Promotion Plan Event  
FMS - Food Marketing Series Event  
MTDM - Marketing Communications Team Decision Making Event  
MMS - Marketing Management Series Event  
PSE - Professional Selling Event  
RMS - Retail Merchandising Series Event  
SEM - Sports and Entertainment Marketing Series Event  
SEPP – Sports and Entertainment Promotion Plan Event  
STDM - Sports and Entertainment Marketing Team Decision Making Event

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1. B  
Consistent treatment. Legal procedure refers to the methods and processes used to protect an individual's or business's legal rights. These rights include the right to obtain legal counsel, the right to be heard in court, the right to confront the accuser, etc. Legal procedure involves following the same steps and protocol to ensure that both the defendant and the plaintiff are treated in a fair and consistent manner. The purpose of legal procedure is not to ensure that each party receives ongoing advice. In most legal proceedings, one party is not going to be satisfied with the verdict or outcome. An indictment is a formal charge or accusation of a crime.  
SOURCE: BL:070  
SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3rd ed.) [pp. 116-117]. Mason, OH: Thomson/South-Western.
2. B  
Corporation. Wal-Mart, Chevron Texaco, and Ford Motor Company are all large businesses owned by their shareholders, who own stock in the company. These businesses are operated under written permission from the states or provinces in which they operate. A sole proprietorship is a business owned and operated by one person. A partnership is owned by two or more people. A franchisee purchases the rights to operate a business using the parent company's (franchisor's) name.  
SOURCE: BL:003  
SOURCE: BL LAP 3—Own It Your Way (Types of Business Ownership)
3. B  
Getting their products to consumers more efficiently. Channels of distribution benefit businesses by getting their products to consumers more efficiently. This may help to raise profits, but it is not a guarantee. Channels may lower the prices of some but not *all* industrial goods. Channels allow businesses to share channel tasks, but they will not be able to avoid all channel tasks—every channel member contributes.  
SOURCE: CM:001  
SOURCE: CM LAP 2—Chart Your Channels (Channel Management)
4. C  
Producer. The channel of distribution begins with the producer. The producer's goal is to reach the consumer as quickly and efficiently as possible. A retailer buys consumer goods or services and sells them to the ultimate consumer. A wholesaler buys goods from producers or agents and sells them to retailers. An agent assists in the sale and/or promotion of goods and services, but does not take title to them. The retailer, wholesaler, and agent are intermediaries because they operate between the producer and consumer to help the movement of goods and services.  
SOURCE: CM:003  
SOURCE: CM LAP 1—Channel It (Channels of Distribution)
5. A  
Introduce new items in the marketplace. A slotting fee is a cash premium that producers pay to businesses to cover the costs associated with carrying a new product. In many cases, the producer that offers the largest fee is the one that gets shelf space for its new product. This presents an unethical situation because many small producers cannot afford to pay large slotting fees, which limits the introduction of new items in the marketplace. Exclusive dealing is an illegal practice when it restricts competition; however, it may be legal when small businesses are entering the marketplace. Direct distribution is a channel of distribution in which products move directly from the producer to the end user. Slotting fees may hinder a business's ability to distribute its products to the target market, but the slotting fees do not limit the business's ability to identify potential target markets.  
SOURCE: CM:006  
SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [p. 399]. Boston: McGraw-Hill/Irwin.

6. D

Vertical. Vertical conflict involves disagreements among businesses on different levels of the same channel of distribution. Manufacturers and their authorized dealers are in the same channel of distribution, but they are on different levels. Conflict might occur if the manufacturers develop policies or restrictions that anger the dealers and which the dealers refuse to accept. Horizontal conflict occurs among businesses at the same level in a channel of distribution. Indirect and corporate are not types of channel conflict.

SOURCE: CM:008

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 339]. Upper Saddle River, NJ: Prentice-Hall.

7. D

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.

8. D

Follow directions. In order to follow directions or instructions, the person receiving them must listen carefully. Listening is an important skill for everyone, but it is especially important to workers who receive directions from supervisors about their job duties. Good listeners are often effective workers who are less likely to receive criticism and more likely to earn raises. However, listening skill does not enable workers to avoid all criticism, to earn frequent raises, or to become good speakers themselves.

SOURCE: CO:017

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 179-182). New York: Glencoe/McGraw-Hill.

9. B

Actively. Active listening is giving full attention to what is being said. It enables the listener to note major points and to notice gestures or actions which give added meaning to what is being said. Passive listening is casual listening, or paying only partial attention to what is being said. Distractedly describes a listener whose mind is on other things, not just on what the customer is saying. Listening to customers should be thoughtful and rational, not emotional.

SOURCE: CO:147

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 52]. Upper Saddle River, NJ: Pearson Prentice Hall.

10. B

Frustrated. Nonverbal cues can tell others a lot about your emotions. In this situation, Ryan's nonverbal behavior indicated that he was frustrated because he couldn't get his computer to do what he wanted it to do. If Ryan was patient, he would not continuously hit his keyboard, turn red, or frown. If Ryan was bored, he would be inattentive about his situation or surroundings. He might even yawn or do something other than computer work for a while. Enthusiasm is associated with a positive attitude.

SOURCE: CO:059

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 54-57]. Upper Saddle River, NJ: Pearson Prentice Hall.

11. D

The use of toxic chemicals in the environment can result in the extinction of many species of waterfowl. This example indicates that the extinction of waterfowl (the end result or effect) is caused by the use of toxic chemicals (the cause). The public supports increased spending on national security, and a survey reports that over seventy percent of the citizens fear future terrorist attacks: This is an example of the use of a generalization with an example method of presentation organization. Monet and Cezanne were both impressionist artists; however, their painting techniques and use of color varied greatly: This is an example of the compare and contrast method of presentation organization. An example of the enumeration method of presentation organization is as follows: We will begin by discussing the basic steps used in developing effective time management techniques, and the first step is to prioritize all of your commitments.

SOURCE: CO:025

SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [p. 191]. Mason, OH: Thomson South-Western.

12. A

Use abbreviations and symbols. Developing a system of and writing down abbreviations and symbols (i.e., shorthand) is much quicker than writing out long phrases and complete sentences. For example, to remember a very important point, Allison might place a star or asterisk by a key word, short phrase, or abbreviation. After the seminar, Allison can refer to her “shorthand” notes and write more comprehensive notes for future use. Writing on note cards, focusing on subtopics, and asking the speaker to provide handouts will not help Allison take accurate notes in real time.

SOURCE: CO:085

SOURCE: Pearson Education. (2000-2012). *Taking notes*. Retrieved August 8, 2012, from <http://www.factmonster.com/homework/studyskills2.html>

13. C

Essential information. E-mail is a quick, efficient way to communicate with customers and coworkers. The primary reason for writing the e-mail message is to inform others about various business activities; therefore, it should be written in a friendly, professional manner that contains essential information. Businesspeople tend to receive a lot of e-mail messages, so it is important to get to the point quickly. The message should be concise, free of typographical errors, and grammatically correct. The e-mail message may or may not be urgent, persuasive, or encouraging in nature—these factors depend on the purpose of the message.

SOURCE: CO:090

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 183-186]. Upper Saddle River, NJ: Pearson Prentice Hall.

14. D

Routine. Employees often use simple written reports to provide managers with routine information, such as the number of items sold each week. Routine information is the type of data that managers need on a regular basis in order to monitor the operation of the business. Simple written reports are straightforward and direct and contain only routine business information. They do not contain analytical, extensive, or in-depth information, which is usually presented in complex written reports.

SOURCE: CO:094

SOURCE: Berman, B., & Evans, J.R. (2004). *Retail management: A strategic approach* (9th ed.) [p. 190]. Upper Saddle River, NJ: Prentice Hall.

15. B

Friendly. Positive customer/client relations are important to the success of the business because they help to create repeat business. Many businesses encourage employees to adopt a friendly, helpful attitude toward customers as part of their efforts to create positive relations. Being reserved could prevent employees from offering appropriate help and might be interpreted as coldness. Being talkative may offend customers or prevent employees from identifying their needs. Being authoritative is only appropriate when providing the customer with technical or factual information.

SOURCE: CR:003

SOURCE: CR LAP 1—Accentuate the Positive (Nature of Customer Relations)

16. B  
Builds customer loyalty. Employee courtesy at the checkstand reminds customers that the supermarket appreciates their business, which builds customer loyalty to the store. Employee courtesy should not encourage rivalry among front-end employees. Building customer loyalty through courtesy would increase, not decrease, customer patronage. A decrease in employee productivity should not occur as the result of courtesy toward customers.  
SOURCE: CR:004  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 281-282). Woodland Hills, CA: Glencoe/McGraw-Hill.
17. A  
Summarize benefits. Slow/Methodical customers need to have the salesperson draw out the needed information, to be treated patiently, and to have the benefits of the good/service summarized in order to guide them to a close. The other three approaches are aimed at the domineering/superior type, who need to do most of the talking, be complimented and praised, and allowed to sell themselves on the good/service.  
SOURCE: CR:009  
SOURCE: CR LAP 3—Making Mad Glad (Handling Difficult Customers)
18. B  
Producers and resource owners. Distribution examines how producers and resource owners divide the income that they receive from consumers. Anyone who uses goods and services is a consumer. Producers are individuals who make or provide goods and services to consumers. Resource owners are individuals and organizations who provide human resources, natural resources, or capital goods for use in production. An economizer is someone who strives to obtain the greatest satisfaction from his/her limited resources.  
SOURCE: EC:001  
SOURCE: EC LAP 6—Are You Satisfied? (Concept of Economics)
19. B  
Themselves. Consumers buy products to benefit themselves. Their purchases may also benefit marketers, producers, and/or retailers—but consumers *aim* to please themselves.  
SOURCE: EC:004  
SOURCE: EC LAP 13—Use It (Economic Utility)
20. D  
It violates the unity of command principle. The matrix organizational structure violates the unity of command principle by giving employees more than one manager to answer to at a time. It does not make the organization less competitive. It does not lack flexibility. Balancing conflicting organizational objectives is an advantage of the matrix structure.  
SOURCE: EC:103  
SOURCE: EC LAP 23—Designed to Work (Organizational Design)
21. A  
Economic. Economic risks are changes in the market that force prices to be lowered, products to change, or even businesses to fail. Changes in the market that may make some products go out of style are a type of economic risk. Natural risks result from such natural causes as floods, tornadoes, fires, lightning, blizzards, and earthquakes. Human risks are caused by human weakness and the unpredictability of employees and/or customers. Incompetence is a form of human risk whereby the employee does not have the skills, knowledge, or attitudes needed to succeed in the position.  
SOURCE: EC:011  
SOURCE: EC LAP 3—Lose, Win, or Draw (Business Risk)

22. A  
Businesses; households. The net taxes paid by both are translated by government programs into goods and services for businesses and individuals. Resource markets provide resources to the government and in return receive government expenditures. The product market provides goods and services to the federal government and receives government expenditures as payment.  
SOURCE: EC:072  
SOURCE: McConnell, C.R., & Brue, S.L. (2005). *Economics: Principles, problems, and policies* (16<sup>th</sup> ed.) [p. 84]. Boston: McGraw-Hill/Irwin.
23. B  
Diminishing returns. The law of diminishing returns states that, at some point, adding more employees does not proportionately increase productivity. Each business operates effectively with a certain number of employees who are able to make the best use of the business's resources. After that point is reached, hiring more employees causes an overabundance of employees in relation to the available resources. The additional employees get in each others' way, which causes an overall decrease in each employee's level of productivity. Negative returns is a stage of production in which businesses usually stop hiring employees. Marginal revenues and variable products are not economic laws.  
SOURCE: EC:023  
SOURCE: McConnell, C.R., & Brue, S.L. (2005). *Economics: Principles, problems, and policies* (16th ed.) [p. 395]. Boston: McGraw-Hill/Irwin.
24. C  
Exports. Exports are goods and services sold to other countries. Imports are the goods and services that one country purchases from a foreign country. Gross private investments is the value of all capital goods created in the economy during the year and inventories held by businesses from current production. Personal consumption expenditures is the final market value of goods and services purchased for direct consumption by individuals, families, and nonprofit organizations.  
SOURCE: EC:017  
SOURCE: Clayton, G.E. (2005). *Economics: Principles & practices* (pp. 342-343). New York: Glencoe/McGraw-Hill.
25. B  
Comparative advantage. A country has a comparative advantage when it produces and sells those goods and services for which it will earn the most money, while trading for those which will earn relatively less money. A country has an absolute advantage when it can produce a product for less than another nation can. A trade deficit exists when a nation's imports are greater than its exports. A trade surplus exists when a nation's exports are greater than its imports.  
SOURCE: EC:016  
SOURCE: EC LAP 4—Beyond US (International Trade)
26. B  
Adaptability. This is the ability to be flexible and to change with the times. Friendliness means to display good feelings toward others. Loyalty means giving steady support. Tact is the ability to say the right thing in all circumstances.  
SOURCE: EI:018  
SOURCE: EI LAP 9—You've Got Personality (Personality Traits in Business)
27. B  
Everyone is unique. There's no reason to draw distinctions between people because everyone is unique. There's no such thing as "normal." Everyone deserves to be treated with kindness and respect. In many cases, discrimination is illegal, but drawing distinctions between people is something that happens on a personal level and can only be controlled by ourselves.  
SOURCE: EI:021  
SOURCE: EI LAP 21—Make the Honor Role (Acting Responsibly)

28. A

Blaming another person for a communication breakdown. When you accept responsibility for your behavior, you are willing to accept the consequences of your actions. In Cameron's situation, he is blaming another person for a work-related mistake. While Sam may be partially responsible for not communicating the stock outage to Cameron, Cameron did not follow up on the order. If he had followed up on the order, he may have detected that there was a problem. Cameron is not acknowledging his responsibility for the problem, and he is not stating facts on Sam's behalf. Sam may have another view or opinion about the chain of events. There is not enough information provided to determine if Cameron's manager made an inappropriate remark.

SOURCE: EI:075

SOURCE: eHow.com. (n.d.). *How to take responsibility for your actions*. Retrieved August 9, 2012, from [http://www.ehow.com/how\\_4802685\\_responsibility-actions.html](http://www.ehow.com/how_4802685_responsibility-actions.html)

29. C

Evaluate. Report cards are a form of feedback. In order for teachers to provide students with this feedback, they must first evaluate the students' work and behavior. Their findings are reflected in the grades and comments on the report card. Whether those findings are criticisms or compliments depends upon the students' performance. The results may indicate that the teacher needs to motivate the students to work harder, but motivation is not a part of evaluation.

SOURCE: EI:003

SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)

30. B

Anticipate. You must be able to anticipate and plan for changes that are likely to occur if you want some control over your future. Avoiding change is not possible. Agonizing over change or waiting for change to occur would not help you to control your future.

SOURCE: EI:026

SOURCE: Lussier, R.N. (2008). *Human relations in organizations: Applications and skill building* (7th ed.) [p. 511]. New York: McGraw-Hill Irwin.

31. C

Communication. Communication is an exchange of information in which the words and gestures are understood in the same way by both the speaker and the listener. Persuasion is an important part of communication and is something you do almost every time you talk to someone. You want others to understand your message and agree with you. During the process of persuading, you usually try to motivate others to take some kind of action. Education involves learning. Self-control is restraint of your feelings, words, and actions.

SOURCE: EI:012

SOURCE: QS LAP 10—Win Them Over

32. B

Flexible. During a negotiation, one person may change strategies one or more times in order to confuse or distract the other person. To remain effective if this situation occurs, a negotiator must be flexible, patient, and aware of the tactics that the other person is using. Effective negotiators try to remain optimistic during a session under all circumstances, not only when the other person changes strategies. An indifferent or uneasy attitude often hinders the negotiating process.

SOURCE: EI:062

SOURCE: EI LAP 8—Make It a Win-Win (Negotiation in Business)

33. A  
Become bored with the work. Burnout is a type of exhaustion that is usually caused by too much stress. Stress is a mental, physical, or emotional feeling of pressure or tension. Burnout can occur when employees perform the same tasks over and over again, which causes them to become bored. Ongoing boredom can create a certain type of stress and burnout in some individuals, especially those who thrive on variety and activity. Receiving new work assignments and interacting with coworkers often relieve boredom. Receiving (positive) feedback from managers often motivates employees to improve or continue producing quality work rather than causing them to experience burnout.  
SOURCE: EI:028  
SOURCE: Jackson, S.E., Schuler, R.S. (n.d.). *Preventing employee burnout*. Retrieved August 9, 2012, from <http://selfhelpmagazine.com/article/how-managers-can-prevent-employee-burnout>
34. D  
Mental ability. A person's mental ability refers to his/her learning and thinking ability. People are born with different levels of mental ability. This ability is difficult to change. Job position is the worker's assigned duties and level of responsibility, which the worker can change by changing jobs or seeking promotions. Language usage is the way the language is used in certain parts of the country. People are able to change the way they speak if they so desire. Education is the amount of learning a person has acquired. Learning is an ongoing process.  
SOURCE: EI:036  
SOURCE: EI LAP 20—Fair and Square (Treat Others Fairly at Work)
35. A  
Transfer payment. Income is money received from outside sources. Sources of income include salaries, interest earned, dividends, rent, and transfer payments. Transfer payments are monies paid by the government in which no goods or services are received in exchange, such as welfare benefits, veterans' benefits, disaster aid, and unemployment. To receive transfer payments, individuals, businesses, or jurisdictions must meet certain criteria. A rebate is a return of part of the price a customer pays for a product, usually from the product's manufacturer. A refund is a sum of money given back to individuals or businesses. Refunds are issued when an excessive amount has been paid (e.g., tax refund) or when items have been returned to a business. Wage garnishments are court-ordered initiatives that involve taking income taken from an employee's salary and submitting it to another person or organization. Examples of garnishments include child support and alimony.  
SOURCE: FI:061  
SOURCE: WebFinance. (2012). *Transfer payments*. Retrieved August 9, 2012, from [http://www.investorwords.com/5050/transfer\\_payments.html](http://www.investorwords.com/5050/transfer_payments.html)
36. D  
Add to the cost of the purchase. Using credit can add to the total cost of goods and services. For example, interest, or finance, charges are added to accounts that are not paid in full at the end of each payment period. When customers buy products with a credit card, they often pay over a period of time. Then, each month they pay interest on the unpaid balance. The interest charges add to the cost of the purchase. Interest charges do not increase the retail price because customers who pay in cash are not charged interest. Interest usually is calculated monthly rather than yearly. Interest generates profit for the credit-card company rather than the store.  
SOURCE: FI:002  
SOURCE: FI LAP 2—Give Credit Where Credit Is Due (Credit and Its Importance)
37. B  
Car payment. Developing a personal budget helps individuals manage their income and expenses. An important consideration in budgeting involves identifying fixed expenses, which are the expenses (cash outflows) that do not fluctuate or change from month to month. Car payments, insurance, and rent are examples of fixed expenses. Groceries, home repairs, and clothing are variable expenses, or expenses that may fluctuate slightly from month to month.  
SOURCE: FI:066  
SOURCE: Ryan, J.S. (2010). *Managing your personal finances* (6th ed.) [p. 165]. Mason, OH: South-Western Cengage Learning.

38. A

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.

39. 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. (2012). *Commercial bank*. Retrieved August 9, 2012, from [http://www.investorwords.com/955/commercial\\_bank.html](http://www.investorwords.com/955/commercial_bank.html)

40. B

Human. The possibility of financial loss in marketing is called risk. Human risks are those risks that result from human weakness and unpredictability. Economic risks are those risks related to changes in the market that force a lowering of prices, a change of product, or even failure of businesses. Natural risks are those that result from natural causes such as fires, floods, etc. Since shoplifting is theft by persons who are not employees of the business, it is not considered an internal risk.

SOURCE: FI:084

SOURCE: FI LAP 7—Money Matters (Role of Finance in Business)

41. A

Payroll and benefits. Payroll and benefits are often one of the largest sources of money flowing out of a business because businesses must pay employees for their labor. Many businesses also pay for employee benefits, such as health insurance, paid vacation, sick leave, tuition reimbursements, and retirement savings. Businesses bring money in by selling goods and services. Accounts receivable are all the monies owed to a firm by its customers. Profit and loss indicates if the business is making sufficient money to cover its expenses.

SOURCE: FI:091

SOURCE: FI LAP 6—Count the Cash (Cash Flow Statements)

42. C

Finance. This is the process of obtaining funds and using them to achieve the goals of the business. If one of the goals of the business is to expand, then investing funds in expansion is part of the finance process. Depreciation is the reduction in value of goods or assets occurring over a period of time. Selling is a marketing function that involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Capitalism is an economic system that depends on honest, healthy competition among businesses.

SOURCE: FI:354

SOURCE: Pride, W.M., Hughes, R.J., & Kapoor, J.R. (2008). *Business* (9th ed.) [p. 667]. Boston: Houghton Mifflin.

43. D

Orient. One of the main sources of printed information that businesses use in order to orient new employees is the company manual. A manual usually contains the information that a new employee needs to know about company benefits, vacation policy, absenteeism, etc. Businesses usually encourage new employees to thoroughly read the company manual because it will answer most of their questions about routine policies. Businesses do not use their company manuals as a source of information to recruit, manage, or select new employees.

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. D

To increase production. To meet the potential increase in demand, the manufacturer should increase production. An expanding market implies a positive outlook, while laying off employees and dropping product lines are actions taken with negative outlooks. Buying insurance does not indicate an expanding or contracting market.

SOURCE: IM:001

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 235-237). Tinley Park, IL: Goodheart-Willcox.

45. A

Intranet. An intranet is an organization's private, secure network that allows authorized users to share information while reducing waste of materials, time, and effort. The Internet is a worldwide network of linked computers that allows the transfer of data from one computer to another anywhere in the world. E-mail (electronic mail) is the basic Internet tool for sending messages to other computer users. An extranet is a private network that companies use to share information with selected people outside the organization.

SOURCE: IM:183

SOURCE: Dlabay, L.R., Burrow, J.L., & Kleindl, B.A. (2012). *Principles of business* (8<sup>th</sup> ed.) [p. 264]. South-Western, Cengage Learning.

46. C

Primary market research. Concept testing involves exploring the concept, or idea, for a product in order to obtain feedback. Concept testing is one way to conduct primary market research, which results in obtaining new information specifically for the project at hand. The benefit of conducting primary market research is that it provides information that is relevant to the concept being tested. Other ways to conduct primary market research include analyzing focus groups, evaluating readership, and pretesting.

SOURCE: IM:281

SOURCE: Lane, W.R., King, K.W., & Russell, J.T. (2005). *Kleppner's advertising procedure* (16th ed.) [pp. 468-469]. Upper Saddle River, NJ: Pearson/Prentice Hall.

47. B

Purpose dictates design. Research purpose and design have a very important relationship. Purpose dictates design. If the design is not appropriate to the purpose, a company can waste a lot of time and money. Both are very necessary ingredients of a research project; one is not more important than the other.

SOURCE: IM:284

SOURCE: IM LAP 14—Better By Design (Marketing-Research Designs)

48. B

The larger the sample size, the better. The size of a sample does matter. Generally speaking, the larger the sample size, the better. It leaves less room for error. Marketers decide on sample size *after* they have defined their target population. Sample size is not more important than sample design.

SOURCE: IM:285

SOURCE: IM LAP 16—Take Your Pick (Nature of Sampling Plans)

49. A

Company sales reports. The data needed for sales volume analyses and market share analyses come from the facts and figures in sales reports. Expense reports let a company know how much money is being spent on employees' food, lodging, travel, etc. Sales invoices don't show sales in relation to goals, budgets, prior time periods, etc. Customer records don't include sales data for the entire company.

SOURCE: IM:184

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

50. B

Volume-tracking scanner. A scanner is an electronic device that reads or translates codes that are placed on products and enters the product information into a computer. Scanners are commonly used during a sales transaction, which is the point of purchase. This is a popular method of collecting information about customers' buying habits and inventory status because the scanning system can track large volumes of goods. Once enough data are collected, researchers evaluate the data to determine how fast or slow certain products are moving, which is information they can use to make business decisions. Photographic scanners, e-mail surveys, and statistical surveys are not data-collection methods that researchers use during the point-of-purchase process.

SOURCE: IM:289

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 256-257]. Mason, OH: South-Western Cengage Learning.

51. B

Keyboarding. The most popular technique for entering marketing data into a computer for analysis is keyboarding. The keyboarding technique involves the use of a keyboard that is connected to a computer. An individual types in the information via the keyboard and then saves it to the computer for future use and analysis. Before the data are entered into a computer, they are edited for mistakes. Screening is a method of validating the accuracy of the data. After the data are entered into a computer, researchers are able to tabulate and analyze the information.

SOURCE: IM:062

SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [p. 153]. Mason, OH: South-Western Cengage Learning.

52. D

Response error. One of the issues associated with collecting research information is the possibility that some of the information will be incorrect. A participant providing incorrect information is an example of a response error that may affect the accuracy of the research results. There are many reasons why a participant might give an incorrect answer, such as not understanding the question. A participant providing incorrect information on a questionnaire is not an example of a negative answer, a false positive, or a feedback method.

SOURCE: IM:292

SOURCE: Churchill, G.A., Brown, T.J., & Suter, T.A. (2010). *Basic marketing research* (7th ed.) [p. 380]. Mason, OH: South-Western Cengage Learning.

53. A

Assess timeliness. To be useful, research information should be timely and current. If the information is outdated, it might be inaccurate and not helpful in addressing the research problem or issue. As a result, it is important to assess timeliness when collecting research information to make sure it is as current as possible. It is not possible to determine the usefulness and accuracy of research information by organizing a database, calculating frequency, or developing a profile.

SOURCE: IM:428

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

54. C

The product is expensive. Because money is a limited resource, customers tend to spend more time comparing and evaluating the features and benefits of expensive items before making a decision to buy. Individuals tend to spend more time evaluating options when buying homes, cars, and computers. Businesses tend to spend more time evaluating items such as operating equipment and contract services (e.g., ad agencies and tech support) before making a decision. Customers are less likely to spend a lot of time evaluating perishable items (e.g., food) or things that they need immediately (emergency health care). If a customer has a high level of loyalty to a specific brand, then the customer will spend less time evaluating competitors' products before making a decision to buy.

SOURCE: MK:014

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

55. D

Potential consumers. A market is composed of individuals who have unfulfilled desires and are willing and able to spend money in order to satisfy those desires. Without knowing the needs of professionals, homeowners, or laborers, it cannot be determined if they are potential consumers.

SOURCE: MP:003

SOURCE: MP LAP 3—Have We Met? (Market Identification)

56. D

Internal and external. The environmental factors that businesses consider when conducting a situational analysis may be internal as well as external. Internal factors are those within the business itself that have an impact on the business's marketing effort, such as the distribution system or the pricing strategy. External factors are those that exist outside the business and over which the business may have no control, such as the state of the economy or the number of competitors. Businesses examine both types of environmental factors in order to adapt to change and make effective marketing decisions. For example, a business might decide to adjust its prices to remain competitive if the economy is slowing down. Physical and personal, ethical and legal, and formal and informal are not types of environmental factors that businesses consider when conducting a situational analysis.

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.

57. A

Factual information. Facts contain true data or information. Microsoft has multiple sources of documentation that indicates it generated \$51.12 billion in revenue in 2007, which makes the statement a fact. It is important for companies to verify facts when they are making business decisions. Basing decisions on incorrect information can be very costly to a company. Unwarranted criticism is inappropriate, biased, or exaggerated feedback. Inconclusive evidence means that the presented facts do not indicate a distinct or unquestionable outcome of a situation. The amount of money Microsoft generated occurred a few years ago; therefore, the statement does not contain current data.

SOURCE: NF:077

SOURCE: WiseGEEK.com. (2003-2012). *What is the difference between fact and opinion?* Retrieved August 9, 2012, from <http://www.wisegeek.com/what-is-the-difference-between-fact-and-opinion.htm>

58. C

Businesses serve customers more effectively. Managing information appropriately helps businesses focus on the important task of serving customers more effectively which, in turn, *may* help lead to higher profits, although it is not a guarantee. A business's financial decisions may or may not have to do with serving customers.

SOURCE: NF:110

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

59. D  
Multiprocessing. The computer's operating system consists of the components needed to run all of the computer applications and programs. An operating system that allows several central processing units (computers) to access a single program has multiprocessing capabilities. Multithreading capabilities allow different components of one computer program to run at the same time. Augmented and hosted are not types of operating systems.  
SOURCE: NF:085  
SOURCE: Webopedia. (2012). *Operating system*. Retrieved August 9, 2012, from [http://www.webopedia.com/TERM/O/operating\\_system.html](http://www.webopedia.com/TERM/O/operating_system.html)
60. D  
Dictionary. Many word-processing software programs contain a dictionary, which enables businesses to check the spelling in their documents. The dictionary feature identifies words that are incorrectly spelled and provides several alternatives. This feature helps businesses to prepare accurately-written documents and avoid sending letters or reports to customers that contain misspelled words. Some word-processing software programs include a calculator, which helps businesses with mathematical tabulations. A flowchart is part of spreadsheet software programs. Businesses with Internet capability have access to online encyclopedias.  
SOURCE: NF:007  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* [p. 199]. Woodland Hills, CA: Glencoe McGraw-Hill.
61. A  
Manage all aspects of the operation. Integrated software application packages allow businesses to manage all aspects of the operation, including planning sales, marketing, etc. For example, businesses can monitor the manufacturing process to track the level of inventory to know when products will be available to ship to customers and then generate invoices. Word processing software is used to develop research reports. Spreadsheet programs are used to prepare routine budgets. These programs, as well as programs that enable businesses to search the Internet, may be combined in an integrated software application package.  
SOURCE: NF:088  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 206). New York: Glencoe/McGraw-Hill.
62. D  
Groupware computer. Groupware computer software allows employees to share and access the same information from a variety of locations. The ability to access the same information allows each employee to have the necessary data to complete his/her portion of the project in a timely manner. Using groupware computer applications can increase productivity and efficiency. Businesspeople use presentation software to develop computer-operated visual aids that support an oral presentation. Spreadsheet software programs are designed to organize, calculate, and analyze mathematical or numerical information. Data mining is the process of searching computer databases to look for patterns and relationships among information.  
SOURCE: NF:011  
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 109]. Upper Saddle River, NJ: Pearson Prentice Hall.
63. B  
Types of products being purchased. Businesses maintain a variety of records about the quantities and types of products that customers are purchasing. These records are usually known as sales records. By analyzing past sales records, businesses can determine what customers are buying, when they are buying, and how much they are buying. This helps a business forecast future sales so it can be prepared to offer the products that customers want. Businesses do not maintain customer sales records that contain information about the discounts offered by manufacturers, the cost of paying commissioned salespeople, or the suppliers that provide the goods.  
SOURCE: NF:002  
SOURCE: Burrow, J.L. (2006). *Marketing* (2nd ed.) [pp. 120-121]. Mason, OH: South-Western.

64. C  
Assurance. This clothing manufacturer is using quality assurance. Quality assurance is a process businesses use to prevent defective products from being created, not just to eliminate or correct them after they've already been produced. Quality inspection is a process businesses use to check for defects after products have been produced. Quality guarantee and quality delivery are not traditional terms used in operations or quality control.  
SOURCE: OP:189  
SOURCE: OP LAP 3—Smooth Operations (Nature of Operations)
65. B  
Safety programs. These programs include accident prevention instruction and educational presentations such as safety lectures, slides, films, and booklets. Hiring fewer workers or providing suggestion boxes would not reduce the number of accidents on the job. Surveillance cameras are used to prevent shoplifting.  
SOURCE: OP:007  
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 407-408]. Tinley Park, IL: Goodheart-Willcox Company, Inc.
66. A  
Robbery. Cash drop boxes are built into the floor of the business and cannot be removed or opened by employees. Businesses using drop boxes often attempt to prevent robberies by posting a sign indicating that they use a drop box. Fraud, deceiving or cheating an individual or a business out of money; burglary, any illegal entry into a building to commit a theft; and pilferage, theft of small sums of money or inexpensive items, are all types of losses that businesses try to prevent.  
SOURCE: OP:013  
SOURCE: eHow.com. (1999-2012). *About retail security*. Retrieved August 9, 2012, from [http://www.ehow.com/about\\_7217080\\_retail-security.html](http://www.ehow.com/about_7217080_retail-security.html)
67. D  
Prepare a report. When a project has been successfully completed, it's a good idea to have a final meeting. Group members often will have suggestions for improvement that the manager can include in a report. Managers usually prepare some type of brief report that explains the project, what worked, and what didn't work. This is particularly helpful if the project is one that will be completed again. The information in the report will make next year's project much easier to plan and manage. In many cases, there is no front office to close. Managers do not actually give up power or authority. The project they were in charge of is simply over. After the project has been completed, managers often obtain feedback from the group to include in a report.  
SOURCE: OP:002  
SOURCE: QS LAP 18—Make It Happen
68. C  
Discussion of specific challenges encountered. After the stakeholders receive the deliverables, the project manager often meets with the team members to discuss what went well and what didn't go well with the project. The team members also discuss how processes could have been improved. The information obtained from the "lessons learned" meeting is summarized in a "lessons learned" document, which can be used by teams that execute similar projects for the organization in the future. The project's purpose and the stakeholders' expectations are explained during the initiation phase of the project. The allocation of resources is determined during the planning phase of the project.  
SOURCE: OP:159  
SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 335-336]. New York: Penguin Group.

69. C

Cost of utilities. This is an expense that is part of a business's day-to-day operation. Sales revenue is income coming into the business from sales. The cost of goods is the expense of purchasing the goods. Returns and allowances are refunds or price adjustments given to customers.

SOURCE: OP:024

SOURCE: Ivancevich, J.M., & Duening, T.N. (2007). *Business principles, guidelines, and practices* (2<sup>nd</sup> ed.) [pp. 523-524]. Mason, OH: Thomson.

70. C

It is an ongoing responsibility. Keeping the sales areas of a retail business clean and neat is not a one-time or monthly activity, but an ongoing responsibility. It can include dusting, straightening stock, picking up debris from the floor, getting rid of empty boxes, or any other light housekeeping chores that are needed. It is important to the success of the business for customers to find sales areas as neat and clean as possible.

SOURCE: OP:032

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [p. 407]. Tinley Park, IL: Goodheart-Willcox Company, Inc.

71. B

Saving enough to buy a DVD. A short-term goal is an objective or want that takes less than a year to achieve—normally set for a day, week, or month. Saving money for any purpose, such as purchasing a DVD, is a financial goal. Starting your own business would be a career goal that includes long-term financial goals. Walking a mile every day is a physical goal. Getting a promotion within five years is a long-term career goal.

SOURCE: PD:018

SOURCE: PD LAP 16—Go For the Goal (Goal Setting)

72. A

Nontraditionally. To solve problems innovatively, you must be able to break away from traditional, systematic, methodical thought patterns. By no means, however, does this imply that creative thinking should be illogical.

SOURCE: PD:012

SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [pp. 331-333]. Mason, OH: South-Western Cengage Learning.

73. B

Values. In order to develop self-understanding, you should examine your values because they affect everything you are and plan to become. Feelings are the emotional responses (positive or negative) elicited by values, issues are points of interest and/or disagreement, and interests are the things that we are involved with, concerned for, or curious about.

SOURCE: PD:013

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 258-260). New York: Glencoe/McGraw-Hill.

74. D

Write N/A in the space. Some questions on job applications do not pertain to all applicants, such as military service. In those cases, the applicants should write N/A, or Not Applicable, indicating that they have read and understood the question, but that it does not pertain to them. Applicants should not leave the space blank because businesses may think that they overlooked the question or did not understand it. It is never appropriate to make up an answer or to purposely ignore a question.

SOURCE: PD:027

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [p. 47]. Mason, OH: South-Western Cengage Learning.

75. A

References. Many job applicants include the names, positions, and addresses of several people who have agreed to be their references. References are people who can provide information about an applicant's character and qualifications. References often include former teachers and employers and long-time family friends. Companions and associates are terms for people who work, travel, and participate in activities together. Colleagues are coworkers.

SOURCE: PD:031

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [pp. 45-48]. Mason, OH: South-Western Cengage Learning.

76. B

National Restaurant Association. Members of the National Restaurant Association all have interests in the field of food service. Merchants' associations and chambers of commerce unite individuals who represent the same geographic region but different areas of marketing. SMEI is a professional organization for sales executives who work in a variety of industries.

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. B

Interdependent. Pricing plays a key role in marketing. In fact, it is one of four factors in marketing: product, price, place, and promotion. These factors are interdependent because a change in one of these will change the others. The four factors are not in competition, nor are they unique or unusual. The marketing factors are not equivalent or the same.

SOURCE: PI:001

SOURCE: PI LAP 2—The Price is Right (Pricing)

78. A

Consumers have fewer choices. Predatory pricing is the practice of pricing goods extremely low with the goal of driving the competition out of business. If a company forces its competitors out of business, consumers have fewer items from which to choose or fewer places to purchase goods. Predatory pricing practices might leave fewer choices for consumers, but they do not necessarily lead to higher property taxes. Small companies are often the businesses that are most affected by predatory pricing.

SOURCE: PI:015

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [p. 364]. Upper Saddle River, NJ: Pearson Prentice Hall.

79. A

Business risk. A company that spreads its business risk over several products is in a much better position than a company that relies on one or two products for its income. If one of those products fails, and no replacement products have been planned, the company may be in serious trouble. Product/service management is supposed to increase profits, sales, and financial success rather than decrease them.

SOURCE: PM:001

SOURCE: PM LAP 17—Rapping Up Products (Nature of Product/Service Management)

80. A

Mass customization. Computerization and the technology of mass production have created the method of mass customization which allows businesses to produce customized products for one customer or only a very few customers. Businesses that use a mass-customization method can produce large quantities of one product in many different varieties. This method allows businesses to meet the individual needs of many customers by making variations of one product. Automatic production, computerized robotics, and intermittent conversion are not methods that allow businesses to produce products that are specialized for a very few customers.

SOURCE: PM:039

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5<sup>th</sup> ed.) [p. 220]. Upper Saddle River, NJ: Pearson Prentice Hall.

81. D

Using tamper-resistant packaging. Many businesses produce products that might be harmful to consumers if the products are tampered with or become contaminated. To protect consumers, businesses often use tamper-resistant packaging which makes it extremely difficult for someone to get to the product without damaging the packaging. As a result, customers are able to easily determine if this type of packaging has been tampered with, which warns them not to buy the products. Using tamper-resistant packaging is an ethical procedure that businesses follow in an effort to protect their products and ensure the safety of their customers. Products usually are not wrapped in plain paper. Placing informative commercials on television and explaining the new manufacturing process are not ways of protecting consumers.

SOURCE: PM:040

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 661-663). Woodland Hills, CA: Glencoe/McGraw-Hill.

82. D

Product opportunities. A product opportunity occurs when a favorable circumstance to market a product exists. Entrepreneurs uncover these circumstances by being attentive, watching trends, and pinpointing problems. Financial strategies are plans of action for achieving financial goals. An intangible goal is an objective or desired outcome that cannot be detected through the senses. True motives are the real reasons for taking a certain course of action.

SOURCE: PM:134

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 279-280). Tinley Park, IL: Goodheart-Willcox.

83. B

Forced analogies. A forced analogy is a synectics technique that compares a problem with something totally unrelated. Arbitrary metaphors, discretionary comparisons, and deliberate allegories are not terms widely used to describe a synectics creative-thinking method.

SOURCE: PM:127

SOURCE: PM LAP 11—Unleash Your Oh! Zone (Idea Generation)

84. C

Make product improvements. Businesses receive benefits from offering warranties and guarantees. One benefit is getting feedback from customers about unsatisfactory products. Without this feedback, the company would not be able to make corrections and improvements in its products. Companies do not use information about problems with products to select promotional media, hire employees, or modify brand values.

SOURCE: PM:020

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

85. C

Precautions when using the product. Labels for nonhazardous products should list all ingredients, any additives or preservatives the product contains, fiber content, acceptable uses, unacceptable uses, or proper circumstances for use. On the other hand, producers of hazardous products can use the product label to warn consumers of any dangers involved in using the product and tell them what precautions to take. For example, the makers of a drain cleaner print a poison "death's head" on the label and tell consumers how to protect themselves when using the cleaner. All label information should be accurate and as easy to understand as possible.

SOURCE: PM:017

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 664-667). Woodland Hills, CA: Glencoe/McGraw-Hill.

86. A

Personality. Just as with a person, the brand has an essence, or a personality, that embodies what it is, what it stands for, and how it behaves. Brand equity is customers' goodwill that accumulates over time, while brand identity consists of a brand's representations, including a name, logo, and possibly, a trade character. A logo is a brand symbol—that part of its identity that cannot be spoken.

SOURCE: PM:206

SOURCE: PM LAP 6—It's a Brand, Brand, Brand World! (The Nature of Branding)

87. B

Promotion. Promotion is the communication of information about goods, services, images, and/or ideas. It is used by businesses to inform consumers about products and to persuade them to buy. Distribution is the marketing function that is responsible for moving, storing, locating, and/or transferring ownership of goods or services. Purchasing is a business activity which involves the planning and procedures necessary to obtain goods and services for use in the operation of a business or for resale. Financing is a business activity which involves understanding the financial concepts used in making business decisions.

SOURCE: PR:001

SOURCE: PR LAP 2—Razzle Dazzle (Promotion)

88. A

Use drugs they do not need. Advertising prescription drugs is often a controversial topic. Those who feel it is ethical to advertise drugs believe that the ads are simply providing information. Those who feel that this type of advertising might be unethical believe that it persuades customers to ask their doctors for drugs they do not need. If customers see ads for certain drugs, they may decide they would like to try them. Oftentimes, doctors will write prescriptions for patients if they are persistent, even if the doctors don't think the drugs are necessary. Also, promoting name-brand prescription drugs encourages customers to ask for them rather than comparable generic drugs that are less expensive. Customers usually are unable to buy drugs they cannot afford. Prescription drugs usually must be purchased from a licensed pharmacy rather than from the manufacturer. Persuading customers to order inexpensive drugs is not an ethical issue.

SOURCE: PR:099

SOURCE: NGP. (2012). *Pharmaceutical marketing: Just what the doctor ordered?* Retrieved August 9, 2012, from <http://www.ngpharma.com/article/Pharmaceutical-marketing-just-what-the-doctor-ordered/>

89. A

Electronic mail. Electronic mail (e-mail) refers to the electronic transmission of messages across computer networks. Businesses often use electronic mail to send promotional messages to customers or potential customers in a cost-efficient manner. Encryption card, interactive banner, and exclusive kiosk are not technological terms that are commonly used to describe a means of sending promotional messages.

SOURCE: PR:100

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 503-504]. Upper Saddle River, NJ: Prentice-Hall.

90. B

Suburban newspapers. Newspapers are the main advertising media for supermarkets. Suburban newspapers are intended for audiences within a certain geographic area. These newspapers contain articles that appeal to customers who live in that area and attract advertisers who want to reach that specific market. A statewide chain of supermarkets might choose to advertise in suburban newspapers in order to reach a large number of potential customers who live in the area that the chain services. Transit advertising serves certain city areas and would not reach customers in the chain's entire area. Regional magazines and national television would reach customers far beyond the chain's geographic area.

SOURCE: PR:007

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

91. B

Providing information to activists to share with others. Word-of-mouth promotion involves customers who tell others about their satisfaction with the business. Amplified word-of-mouth promotion involves the use of proactive efforts (campaigns) in which the business provides specific information to customers (activists) to pass along to their friends, family, and business contacts. On the other hand, organic word-of-mouth promotion occurs naturally. Because customers are satisfied with the business and its products, they tell others about this satisfaction in the course of normal conversation. For example, if a business shows a sincere interest in the customer by asking for feedback, taking actions to ensure customer loyalty, or improving products, the customer is likely to share those positive experiences with others.

SOURCE: PR:247

SOURCE: Digital Vibes. (2008, June 1). *Word of mouth: Organic or amplified*. Retrieved August 9, 2012, from <http://digitalvibes.wordpress.com/2008/06/01/word-of-mouth-101-organic-vs-amplified/>

92. A

Newsletters, annual reports, and the company's web site. Public relations involves establishing good relationships between the business and the public. A business tries to maintain positive relationships with different groups that make up the public, such as employees, local businesses, government officials, the media, and the business's shareholders. Because the shareholders are the owners of the company, it is important to develop and maintain positive relationships with them. The public-relations department does this by communicating with them through newsletters, annual reports, the company's web site, and online social networks. Print advertisements and commercials are forms of nonpersonal advertising. Businesses use press releases and news conferences to convey information to the media. Policy manuals help guide employees' actions on the job. Consumer blogs can be developed by anyone to communicate positive and negative information about various goods and services. A sponsorship is a partnership in which a company pays a fee to affiliate itself with a team, league, or event.

SOURCE: PR:250

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5<sup>th</sup> ed.) [pp. 432-435]. Upper Saddle River, NJ: Pearson Prentice Hall.

93. A

The media. The media are the message channels used by a seller to promote a good, service, or ideas, e.g., radio, television, newspapers, magazines, Internet, etc. Businesses often use the media to disseminate positive information about themselves and their employees to external audiences in order to establish good relations with those audiences. For example, businesses might prepare press releases or hold press conferences so the media will publicize the information and inform external audiences. A marketing-research firm conducts marketing research for clients. A creative writer puts the information in a written format but does not disseminate it. An infomercial is a lengthy commercial that looks like a television program.

SOURCE: PR:253

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [pp. 356-357]. Upper Saddle River, NJ: Prentice Hall.

94. B

Holding product demonstrations. A trade show is an event where businesses communicate information about products to build sales leads and interest. Trade-show participation is a way for businesses to communicate with the individuals or businesses most likely to buy the business's products. When a business's salesperson demonstrates the product, trade-show attendees see the product's attributes and how it works. In some demonstrations, the show attendees often have an opportunity to try the product themselves. Businesses send direct mail to their customers' homes and businesses. A billboard is a form of outdoor advertising. Direct mail and billboards are not the most appropriate ways to communicate at a trade show. A contest is a sales promotion activity that offers a prize or award. Holding a contest, rather than developing one, is a good way to draw attendees to a trade-show booth, so the business can communicate information about its products.

SOURCE: PR:254

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 579]. Mason, OH: South-Western Cengage Learning.

95. B

Coordinated. Advertising and display should work together and have a common theme in order to do an effective job of selling the business's products. Such coordination results in a comprehensive promotional approach, rather than a disjointed one that would result from independent, contradictory, or competitive efforts.

SOURCE: PR:076

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

96. A

Constantly providing new choices for consumers. There is much competition between businesses, which leads to increased competition to produce better products. Businesses need to develop new or improved products in order to make more sales than their competitors. A company that raises or lowers the prices of existing products may make temporary sales gains, but only a company that provides choices based on the needs of its consumers will enjoy a long-term sales increase. Elimination of a slow-selling product line may not increase sales for a business.

SOURCE: SE:017

SOURCE: SE LAP 117—Sell Away (The Nature and Scope of Selling)

97. D

Selling. Selling policies are general rules established by management to guide the personal selling effort and outline how things must be done. Salespeople may encounter problems when they are not knowledgeable of their company's selling policies, and are unable to explain them to potential customers. Salespeople may risk losing a sale if they are unable to explain policies about issues such as credit terms and delivery service. Operating policies regulate the actual running of a business. Employee policies are guidelines explaining how employees are to act and how they are to deal with customers. Purchasing policies are guidelines that direct purchasing decisions.

SOURCE: SE:932

SOURCE: Levy, M., & Weitz, B.A. (2007). *Retailing management* (6<sup>th</sup> ed.) [pp. 251-252, 262]. Boston: McGraw-Hill/Irwin.

98. D

What is the right thing to do? With a high level of selling ethics, you would typically ask, "What is the right thing to do?" You would not consider what you could get away with, and you would not do only what is required. Although you might consider someone else's advice, the right thing to do may be different from that advice.

SOURCE: SE:106

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

99. D

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.

100. B

Affiliation. By understanding peoples' needs and the factors that motivate them to buy, a salesperson is in a better position to help his/her customers make appropriate purchasing decisions. Many theories exist that try to explain peoples' needs and the factors that motivate them to behave in certain ways. The Acquired Needs Theory places needs into three categories—achievement, power, and affiliation. The Acquired Needs Theory suggests that one of the three needs tends to be dominant in an individual, and the dominant needs guide or motivate the person's behavior. A person's self-esteem and her/his desire for advancement and enrichment are possible factors that affect the individual's level of need for achievement, power, and affiliation.

SOURCE: SE:359

SOURCE: DuBrin, A. (2009). *Essentials of management: Instructor's edition* (8th ed.) [p. 377]. Mason, OH: South-Western Cengage Learning.