



# MARKETING

2012 PRACTICE EXAM BOOKLET  
CHARTERED ASSOCIATION EDITION



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# **Marketing**

## **2012 CLUSTER EXAM**

Chartered Association Edition, 2012

This comprehensive exam was developed by *MBAResearch* and Curriculum Center®, under contract with DECA, Inc.





1. Which of the following is a characteristic of debtor-creditor relationships:
  - A. Designed to monitor accounts
  - B. Controlled by industry standards
  - C. Intended to increase competition
  - D. Regulated by various laws
2. Which of the following is a benefit of the business-format franchise arrangement:
  - A. Strict operating hours
  - B. Reduced risk of failure
  - C. Limited number of vendors
  - D. Uniform store appearance
3. The total number of members in a channel is called
  - A. channel length.
  - B. distribution intensity.
  - C. distribution pattern.
  - D. channel width.
4. For which of the following markets would producers use a short channel of distribution:
  - A. Baby boomers
  - B. Generation X
  - C. Local consumers
  - D. Senior citizens
5. Channel members' sharing inventory and order-processing information through databases and computer systems is an example of the use of technology in
  - A. pricing.
  - B. planning.
  - C. distribution.
  - D. promotion.
6. It is important for the JBH Company to advise all of its channel members about a sales promotion that it plans to hold next month so the
  - A. risk of inventory stock-outs is eliminated.
  - B. transporters can hire more order takers.
  - C. company can avoid inventory shrinkage.
  - D. products are available to meet the demand.
7. One reason a channel of distribution that has strong leadership is often able to avoid conflict within the channel is because the leader has the
  - A. ability to provide training.
  - B. personality to develop friendships.
  - C. authority to demand cooperation.
  - D. capacity to regulate change.
8. In a weekly staff meeting, Morgan presents a set of new procedures that she believes will improve the department's productivity levels. Jacob disagrees with Morgan's approach and provides an alternative for improvement. Although Morgan agrees with a couple of Jacob's points, she still thinks her plan will be better for the company in the long run. How can Morgan effectively defend her idea for improvement?
  - A. Tell Jacob that most of his ideas are weak and restate her suggestions
  - B. Present supporting research for her suggestions in an unbiased way
  - C. Request that the group meet again, so she has time to come up with new ideas
  - D. Ask the other members of the group for their input and ideas
9. Employees should answer the telephone in a businesslike manner in order to
  - A. be a candidate for a promotion.
  - B. reflect the importance of the job.
  - C. handle a lot of calls at one time.
  - D. project the image of the business.
10. Before organizing an oral presentation, the presenter should
  - A. gather information from a variety of sources.
  - B. determine the size of the audience.
  - C. determine the purpose or nature of the message.
  - D. prepare appropriate visual aids.
11. What does an enclosure notation at the bottom of a business letter signify?
  - A. Something is being sent with the letter.
  - B. Copies of the letter were sent to others.
  - C. The sender wishes a reply.
  - D. The sender prepared the letter.

12. Which of the following is an example of persuasive messages that businesses write:
- A. Interoffice memo
  - B. Electronic mail
  - C. Handwritten note
  - D. Collection letter
13. Which of the following is a reason why it is important for businesses to have effective staff communication:
- A. To promote social interaction
  - B. To encourage personal relationships
  - C. To develop business contacts
  - D. To help employees do a good job
14. When employees strive to see things from the customer's viewpoint, it helps the business build positive customer/client relations because the employees are
- A. resourceful.
  - B. empathetic.
  - C. knowledgeable.
  - D. accommodating.
15. When customers complain, what is the general rule that business personnel follow in order to assure that customers receive fair and consistent treatment?
- A. Customer complaint plan
  - B. Store procedure
  - C. Customer service plan
  - D. Store policy
16. Which of the following is an example of an economic good:
- A. Guitar lessons
  - B. Medical exam
  - C. Automobile
  - D. Photo developing
17. For the long-term success of the business, Stacey's Steamers has decided to add a self-serve laundromat. Which of the following describes the business activity Stacey's Steamers is likely involved in:
- A. Organizing itself for meeting its objectives
  - B. Establishing a system for retrieving information
  - C. Promoting its new service to potential customers
  - D. Determining what will put it in reach of its goals
18. Laws that prohibit the sale of unsafe products are examples of factors that
- A. limit economic freedom.
  - B. promote competition.
  - C. increase production.
  - D. reduce inflation.
19. Purchasing insurance to cover business risks is an example of business risks' being handled through
- A. retention.
  - B. avoidance.
  - C. transfer.
  - D. prevention.
20. Increased consumer spending indicates that the economy is stable and growing because increased spending leads to an increase in
- A. unemployment levels.
  - B. interest rates.
  - C. demand for products.
  - D. scarcity of resources.
21. A worker who completes a transaction in which money changes hands but no receipts are kept and the income is not reported to the government is participating in
- A. double counting.
  - B. the underground economy.
  - C. accuracy in counting.
  - D. an uncounted production.
22. Which of the following best describes the way that a person stands or sits:
- A. Posture
  - B. Expressionism
  - C. Body movement
  - D. Nonverbal gesture
23. By showing more initiative, you will probably raise the level of your own
- A. self-confidence.
  - B. anxiety.
  - C. procrastination.
  - D. self-centeredness.

24. A business's sales have been declining, and a new employee suggested a means of increasing sales. The manager belittled the employee's suggestion. This is an example of
- A. destructive criticism.
  - B. internal feedback.
  - C. positive feedback.
  - D. constructive criticism.
25. Which of the following might be considered a violation of employees' privacy in the workplace:
- A. Use of computer passwords
  - B. Use of time clocks
  - C. Use of security guards
  - D. Use of video cameras
26. Which of the following would help Erica to effectively communicate her self-confidence during a job interview:
- A. Speaking in a very low tone of voice
  - B. Wearing casual clothes to the interview
  - C. Listening to the interviewer without interrupting
  - D. Making appropriate eye contact with the interviewer
27. When a group reaches consensus, it means that all of the members agree but they usually
- A. do not have equal power.
  - B. follow the leader.
  - C. do not vote.
  - D. accept majority rule.
28. Which of the following is the best way to approach a coworker who has a vision impairment:
- A. Touch the person to make him/her aware of your presence
  - B. Tap the person with a paper or other object
  - C. Make a small amount of noise as you come near
  - D. Say something in a loud voice when you reach the person
29. Juan Rodriguez signed a promissory note for a loan. In this credit arrangement, Juan is the
- A. lender.
  - B. creditor.
  - C. borrower.
  - D. depositor.
30. When an item is purchased, money is exchanged for the right to
- A. file a claim.
  - B. use credit.
  - C. own the item.
  - D. pay for the item.
31. When preparing a personal income tax form, parents report some of their childcare expenses to receive
- A. capital gains.
  - B. tax deductions.
  - C. dividends.
  - D. tax rebates.
32. Which of the following is a way that businesses can use financial information:
- A. To create an economic system
  - B. To select selling strategies
  - C. To conduct focus groups
  - D. To identify trends
33. Jamie is an accountant at a furniture store. As soon as customers pay cash for their purchases, he records the sales in the accounting books but not if they charge their purchases. What type of accounting method is Jamie using?
- A. Systematic
  - B. Cash
  - C. Accrual
  - D. Automatic
34. What is a business's gross profit if its profit-and-loss (income) statement lists \$875,250 in revenue, \$341,500 in cost of goods sold, \$263,000 in operating expenses, and \$46,500 in advertising?
- A. \$612,250
  - B. \$487,250
  - C. \$270,750
  - D. \$533,750
35. Businesses use budgets to estimate how they will
- A. file their taxes.
  - B. spend their money.
  - C. calculate their assets.
  - D. depreciate their assets.

36. A commission or bonus is an example of a form of  
A. benefit. C. compensation.  
B. assistance program. D. employee contract.
37. Marketers use data to determine pricing strategies such as  
A. what products to offer. C. how much of the product to create.  
B. how much to spend on advertising. D. when to offer a discount on the product.
38. Which of the following would be the marketing information most likely to be gathered and analyzed by a marketing-information management system:  
A. Historical data C. Consumer trends  
B. Unchanging events D. Employee absences
39. One way that technology has enhanced a business's ability to administer telephone surveys in a time-efficient manner is by making it possible to use  
A. digital presentation software. C. mechanical database networks.  
B. interpersonal fax interviews. D. automated computer systems.
40. Holding a focus group is one way for a business to collect \_\_\_\_\_ marketing-research data.  
A. primary C. complementary  
B. secondary D. statistical
41. Which of the following questions would be answered through a situation analysis:  
A. Why is our business's market share dropping?  
B. How can we reach our target market more effectively?  
C. Which new product has more potential?  
D. What do we already know about this problem or opportunity?
42. What do businesses create to help answer the research problem?  
A. Objectives C. Procedures  
B. Strategies D. Activities
43. What type of rating scale involves asking respondents to select one of a limited number of options listed on a questionnaire?  
A. Paired comparison C. Percentage  
B. Constant-sum D. Itemized
44. Which of the following is demographic information that businesses might monitor when making marketing decisions:  
A. Traits C. Income  
B. Opinions D. Values
45. Orson, a researcher, is asking a customer a series of questions during a scheduled meeting. Orson is using the \_\_\_\_\_ method to collect marketing data.  
A. contact C. observation  
B. relational D. interview
46. When processing survey results, a marketing researcher may decide to discard the questionnaires that contain errors if the number of  
A. unsatisfactory responses is more than 25 percent.  
B. satisfactory responses is low.  
C. satisfactory responses is more than 40 percent.  
D. unsatisfactory responses is low.



47. What is the mean in the following statistical table:

Numeric Value of Response	Number of Responses
6	6
5	10
4	15
3	12
2	7
1	4

- A. 3.3  
B. 3.7  
C. 3.5  
D. 3.1

48. Which of following situations is an example of a response error:

- A. Angela developed a written survey containing open-ended questions.  
B. Jenny coded a survey respondent's answer with the number two instead of the number three.  
C. Ben found that the sample group was not representative of the target market.  
D. Tim did not answer the last two questions on a written survey.

49. Which of the following research methods is an appropriate way to gather marketing information when quick responsiveness and low costs are important issues:

- A. Test marketing  
B. Internet survey  
C. Face-to-face interviews  
D. Field experiment

50. In an overall sense, where does marketing occur?

- A. Wherever advertisements are  
B. Wherever customers are  
C. Wherever trucks are  
D. Wherever stores are

51. Rick is a salesperson for a company whose product is used to make other goods. What type of market should he target?

- A. Economic  
B. Consumer  
C. Industrial  
D. Production

52. Which element of the marketing plan reveals the possible problems a product might encounter in the marketplace:

- A. Budget allocation  
B. Objectives and issues summary  
C. Threats and opportunities analysis  
D. Action program

53. What might a business decide to do if the information in its sales forecast predicts a drop in demand for the business's product?

- A. Recruit 50 new employees  
B. Decrease advertising budget  
C. Increase production  
D. Reduce prices by 4%

54. A risk involved with information management is leaving customers unprotected from

- A. identity theft.  
B. bad customer service.  
C. high prices.  
D. faulty products.

55. The scope of the Internet can be described as

- A. regional.  
B. secure.  
C. worldwide.  
D. proprietary.

56. If Joe wants to respond to an e-mail message that he received from Natalie, he should first click on the \_\_\_\_\_ key.

- A. send  
B. forward  
C. reply  
D. import

57. One way that businesses use the "sort" capability of database software programs is to identify targeted customers and print

- A. budget reports.  
B. mailing labels.  
C. sales catalogs.  
D. internal memos.

58. Some business records need to be maintained in secure locations because they contain \_\_\_\_\_ information.
- A. confidential
  - B. historical
  - C. published
  - D. regulatory
59. Which of the following is an example of how a business or industry has a unique relationship with its environment:
- A. New technology causes new laws to be enacted.
  - B. An economy in prosperity will eventually experience recession.
  - C. Social and cultural attitudes change over time.
  - D. Demand for skilled nursing care rises as the population ages.
60. What should an employee do when s/he accidentally spills coffee in the tile hallway?
- A. Wipe it up immediately
  - B. Wait for the floor to dry
  - C. Tell others about the spill
  - D. Leave it for the cleaning crew
61. When managing a project, the first activity is for the project leader to
- A. develop a schedule.
  - B. set goals.
  - C. negotiate terms.
  - D. monitor progress.
62. Which of the following is an important purchasing activity in a business:
- A. Selecting vendors
  - B. Setting prices
  - C. Developing financial statements
  - D. Managing employee benefits
63. It is important for a business to evaluate the financial condition of a potential vendor during the vendor-selection process to assess the
- A. risk levels of doing business with the vendor.
  - B. reliability of the products that the vendor carries.
  - C. vendor's levels of customer service.
  - D. vendor's required lead times.
64. Which of the following actions by employees might result in additional expense for a business:
- A. Taking the initiative to find work
  - B. Making personal use of company property
  - C. Reporting incidents of shoplifting
  - D. Giving appropriate discounts to customers
65. Businesses that properly maintain their facilities are taking steps to reduce the possibility of
- A. subsidies.
  - B. accidents.
  - C. robberies.
  - D. takeovers.
66. Julianne is going to a chamber-of-commerce luncheon where she will meet several important business leaders in her community. What is the most appropriate clothing for Julianne to wear?
- A. Black, sequin dress; short jacket; and high-heel shoes
  - B. Colorful blouse, short skirt, and sandals
  - C. Casual pants, long-sleeve t-shirt, and athletic shoes
  - D. Dark pantsuit, blouse, and low-heel shoes
67. Setting a time limit for achieving a goal is a technique that
- A. helps to achieve the goal.
  - B. reminds you of your goal.
  - C. is not usually recommended.
  - D. hinders progress toward the goal.
68. Business employees dealing with conflict demonstrate effective problem-solving skills by remaining
- A. judgmental.
  - B. objective.
  - C. emotional.
  - D. aggressive.
69. The best business career prospects are available to candidates who have
- A. earned a high school diploma.
  - B. a background in accounting.
  - C. a stock broker's license.
  - D. earned a bachelor's degree.

70. Which of the following is the correct procedure to follow in listing references on a job résumé:
- A. Use initials rather than first names.
  - B. Put personal friends at the top of the list.
  - C. List your references with your work experience.
  - D. Obtain the permission of the people whose names you use.
71. A product has sold well in test markets, and the developer now plans a national promotional campaign with television spots and full-page advertisements in magazines. The price of the product will probably
- A. constantly change.
  - B. decrease.
  - C. remain the same.
  - D. increase.
72. Offering low-priced items that are unavailable to attract customers to a business that then tries to sell them high-priced items is an example of
- A. bait-and-switch advertising.
  - B. high-pressure selling.
  - C. price-ticket switching.
  - D. loss-leader promotion.
73. Which of the following is a profit-oriented pricing objective:
- A. Increasing market share
  - B. Earning return on investment
  - C. Becoming more competitive
  - D. Creating an image for the business
74. Are all products test marketed?
- A. No; it is usually an unnecessary step in new-product development
  - B. Yes; it guarantees product success
  - C. No; it can delay entry into the full market
  - D. Yes; it gives an accurate picture of a product's performance
75. Which of the following is a type of software program that businesses often use to plan, modify, or customize products:
- A. Photo management
  - B. Computer-aided design
  - C. Freeform application
  - D. Remote access
76. One ethical issue that a business must address when it decides to discontinue a product is if the business should
- A. advise the public to purchase a similar product offered by a competitor.
  - B. develop an improved version of the product.
  - C. reduce the product's price before it is taken off the market.
  - D. provide replacement parts for the product.
77. One benefit of using group creative-thinking techniques is that
- A. each member possesses a unique perspective.
  - B. each member usually contributes the same number of ideas.
  - C. businesses usually develop new product ideas much faster.
  - D. group brainstorming situations tend to be more productive.
78. Consumers can compare the quality level of similar products if the products' producers use which of the following processes:
- A. Grading
  - B. Concept testing
  - C. Labeling
  - D. Combination branding
79. Which of the following is a reason for a business to offer a deep product mix:
- A. To ensure similar methods of distribution
  - B. To specialize in a product line
  - C. To compete effectively
  - D. To control costs
80. Encouraging customers to buy products that they might not otherwise want to buy is one reason why some businesses \_\_\_\_\_ products.
- A. display
  - B. promote
  - C. market
  - D. bundle

81. Co-branding works best when two brands are
- A. in the same industry segment.
  - B. complementary and more or less equal in stature.
  - C. owned by the same parent company.
  - D. fierce competitors.
82. Effective corporate branding involves creating
- A. new products on an ongoing basis.
  - B. emotional connections with customers.
  - C. many different advertising messages.
  - D. direct channels of distribution.
83. The basic objective of product promotion is to
- A. demonstrate the firm's social responsibility.
  - B. inform the public about the company's future.
  - C. enhance company morale and recruit employees.
  - D. persuade consumers to buy a good or service.
84. Which of the following kinds of paid promotion is most likely to be used to promote the entire company:
- A. Publicity
  - B. Sales promotion
  - C. Advertising
  - D. Personal selling
85. Which technological advancement has enhanced the efficiency and quality of photographs, copy, and illustrations in printed promotional pieces?
- A. Spreadsheet computer software
  - B. Interactive viewing capabilities
  - C. Graphic design software
  - D. Database tracking capabilities
86. Advertisements may be deemed unfair if they cause substantial injury to consumers. Regulators have determined that substantial injury ordinarily involves \_\_\_\_\_ harm.
- A. cognitive
  - B. monetary
  - C. emotional
  - D. behavioral
87. Which of the following promotional methods is used by many apparel retailers because it shows consumers the latest fashions at minimum expense to the business:
- A. Radio commercial
  - B. Magazine advertising
  - C. Fashion show
  - D. Newspaper advertising
88. Which of the following is an example of direct advertising:
- A. A retailer conducts a telephone survey to determine its customers' satisfaction with its services.
  - B. A hotel chain develops an advertising campaign that includes television spots and billboards.
  - C. A soft-drink company places an advertisement on television during a major sporting event.
  - D. An apparel company mails its latest catalog to customers who have ordered items within a year.
89. Samples, premiums, and advertising specialties are examples of \_\_\_\_\_ used in sales promotion.
- A. publicity strategies
  - B. communications channels
  - C. marketing activities
  - D. selling techniques
90. Making sure that the headline, illustrations, and copy promote the same theme is an example of coordinating
- A. elements in advertisements.
  - B. principles of design.
  - C. channels of communication.
  - D. arrangements in print.
91. What do many businesses often use to promote products and increase awareness?
- A. Public-relations activities
  - B. Creative thinking
  - C. Marketing research
  - D. Cause-related advertising

92. One reason why it is effective for businesses to use trade shows as a way of communicating with their target audiences is because the consumers who attend the shows are the
- A. potential employees.
  - B. major competitors.
  - C. important local residents.
  - D. most likely prospects.
93. Determine which question is **not** important to a retail buyer under the following circumstances:
- It is Thursday afternoon, and the items to be featured in an advertisement in Sunday's paper still have not arrived.
- A. Will the competition be selling similar items?
  - B. Should the ad be postponed until the merchandise is in the store?
  - C. Should the ad be canceled to avoid customer dissatisfaction?
  - D. Do I believe the supplier's guarantee that the goods will arrive on time?
94. When salespeople demonstrate the features and benefits of goods or services, they often are able to
- A. provide jobs for more employees.
  - B. add usefulness to products.
  - C. develop new and improved products.
  - D. create desire for products.
95. Which of the following is one way that good customer service has a positive effect on sales relationships:
- A. Promotes repeat business
  - B. Offers financial assistance
  - C. Encourages follow-up
  - D. Suggests new information
96. Businesses hope that individuals who are favorably impressed with the business will tell others about it so that the business will receive \_\_\_\_\_ publicity.
- A. specialty
  - B. sponsored
  - C. word-of-mouth
  - D. point-of-purchase
97. Marcus, a salesperson, uses a computer software program to store important information about his customers—their names, addresses, and phone numbers. The purpose of this technology is to
- A. manage contacts.
  - B. evaluate territories.
  - C. develop reports.
  - D. plan presentations.
98. Before developing a product feature-benefit chart, a salesperson must first
- A. explain the product's apparent benefits.
  - B. evaluate the competition's reactions.
  - C. obtain the necessary facts.
  - D. list the product's most important features.
99. Ron is a clerk in a bakery and his brother is a car dealer. As salespeople, the brothers will
- A. spend a lot of time prospecting.
  - B. use the selling process differently.
  - C. need to qualify potential leads.
  - D. sell to the same type of customer.
100. Which of the following do many businesses believe to be their most important resource:
- A. Sales revenue
  - B. Office supplies
  - C. Equipment
  - D. Employees



# Marketing

## 2012 CLUSTER EXAM ANSWER KEY

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1. D  
Regulated by various laws. There are several laws that regulate the use of credit. These laws are intended to guarantee that credit is managed fairly. The laws tend to improve the debtor-creditor relationship because there are rules in place that apply to both parties. Debtor-creditor relationships are not controlled by industry standards, intended to increase competition, or designed to monitor accounts.  
SOURCE: BL:071  
SOURCE: Longenecker, J.G., Moore, C.W., & Petty, J.W. (2003). *Small business management: An entrepreneurial emphasis* (12th ed.) [pp. 417-418]. Cincinnati: Thomson/South-Western.
2. B  
Reduced risk of failure. The business-format franchise arrangement requires a close and continuous working relationship between the franchisor and the franchisee. Franchisors often provide training, financial guidance, and supply chains. Franchisees benefit from the franchisor's national advertising programs since they operate under the trade name. This type of assistance reduces the franchisee's risk of business failure. Disadvantages of the business-format franchise include strict operating hours, limited number of vendors, and uniform store appearance.  
SOURCE: BL:003  
SOURCE: BL LAP 1—Own It Your Way (Forms of Business Ownership)
3. A  
Channel length. The total number of members in a channel is called channel length. Channel length may be long or short depending on what makes the most economic sense. Distribution intensity and patterns have to do with intensive, selective, or exclusive distribution. Channel width refers to the number of middlemen available at the same level of a channel.  
SOURCE: CM:001  
SOURCE: CM LAP 2—Chart Your Channels (Channel Management)
4. C  
Local consumers. A short channel can be used when the potential customers are few and/or located close together. The baby boomer, senior citizen, and Generation X markets have many potential customers who are widely dispersed.  
SOURCE: CM:003  
SOURCE: CM LAP 1—Channel It (Channels of Distribution)
5. C  
Distribution. Distribution uses technology for storage, product handling, inventory control, and order processing. The use of new technology makes it easier for channel members to share information and track the distribution of goods. Technology in planning is often used to collect and analyze research information. Technology in pricing is often used to verify credit or debit a sale. Technology in promotion is often used to create advertising and unique displays.  
SOURCE: CM:004  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 510). New York: Glencoe/McGraw-Hill.
6. D  
Products are available to meet the demand. Channel members are the businesses or individuals who assist in moving goods and services from the producer to the consumer. When one channel member is planning a sales promotion, it should advise the other channel members so they can make sure products are available when and where they are needed to meet increased demand. If the channel member does not tell the producer about the sales promotion, it may not produce enough products to send to the channel member to sell to the end users. Transporters (e.g., trucking companies) do not usually need to hire order takers for another channel member's sales promotion. Although advising the producer about a sales promotion may reduce inventory stock-outs, the risk cannot be eliminated. Inventory shrinkage is the loss of inventory due to shoplifting, employee theft, breakage, misplaced goods, or poor recordkeeping.  
SOURCE: CM:007  
SOURCE: Lamb, C.W., Jr., Hair, J.F., Jr., & McDaniel, C. (2003). *Essentials of marketing* (3rd ed.) [pp. 43-46, 48-51]. Mason, OH: South-Western.

7. C

Authority to demand cooperation. Strong leaders have the authority and power to influence others and direct the actions of others. A channel of distribution that has strong leadership is often able to avoid conflict within the channel because the leader has the authority to set goals for the entire channel and demand cooperation, which reduces the possibility of conflict. The leader's authority makes it possible for the leader to assign specific responsibilities to each channel member and persuade members to accomplish their individual tasks. When each member is cooperating and working for the good of the channel, there is less chance of conflict. It is not necessary for the leader to develop friendships. Channel leaders usually do not provide training. It is not possible to regulate change, although an effective leader will help channel members adjust to change.

SOURCE: CM:008

SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 444-445]. Mason, OH: Thomson/South-Western.

8. B

Present supporting research for her suggestions in an unbiased way. By providing supporting facts, Morgan can actually show the staff how and why her ideas can improve the department's productivity. If Morgan presents research that indicates that other companies' productivity levels have improved by using approaches similar to the one that she is suggesting, then she is defending her ideas effectively. Telling Jacob in front of the group that his ideas are weak is likely to create unnecessary conflict. Restating suggestions, coming up with new ideas, and asking other group members for input are not ways to defend an existing suggestion for improvement.

SOURCE: CO:061

SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [p. 132]. Mason, OH: Thomson South-Western.

9. D

Project the image of the business. The way in which employees handle telephone calls projects the image of the business and its level of service. Handling calls in a businesslike manner can increase business. Using professional telephone techniques includes making the caller feel important, and not trying to be important. Being businesslike may enable employees to handle a great many calls or to qualify for promotion, but these are not primary objectives.

SOURCE: CO:114

SOURCE: Bailey, L.J. (2007). *Working* (4<sup>th</sup> ed) [pp. 209-210]. Mason, OH: South-Western Cengage Learning.

10. C

Determine the purpose or nature of the message. Oral presentations are given to provide entertainment, relay information, or persuade the audience into a change of attitude or behavior. The speaker needs to know the purpose of the presentation before s/he can gather information or research for the message or prepare visual aids. Although the size of the audience can be a factor in organizing the presentation, it is not the first element of the presentation that the speaker considers.

SOURCE: CO:025

SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [p. 188]. Mason, OH: Thomson South-Western.

11. A

Something is being sent with the letter. The word "Enclosure" at the bottom of the page indicates that other material accompanies the letter. This lets the recipient know s/he should look for additional material and lets the sender know if the material was not enclosed. Reference initials indicate who prepared a letter. The copy notation (cc) preceding a name (or names) signifies that copies of the letter were sent to persons other than the addressee. A request for a reply is usually included within the body of the letter.

SOURCE: CO:133

SOURCE: Purdue Online Writing Lab. (1995-2011). *Writing the basic business letter*. Retrieved October 19, 2011, from <http://owl.english.purdue.edu/owl/resource/653/01/>

12. D  
Collection letter. A collection letter is a type of persuasive message that many businesses write to customers who are delinquent in making payments on their accounts. The purpose of the collection letter is to persuade customers to send payment or to contact the business to make some type of arrangement. Collection letters should not offend customers but should convince them to respond immediately. Many businesses write electronic mail, handwritten notes, and interoffice memos, but these types of messages are not necessarily persuasive.  
SOURCE: CO:031  
SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3<sup>rd</sup> ed.) [pp. 306-307]. Mason, OH: Thomson South-Western.
13. D  
To help employees do a good job. One of the most important reasons for businesses to have effective staff communication is to help employees do a good job. Employees need to receive accurate directions and instructions on what is expected of them in order to do their jobs correctly. Supervisors need to be able to communicate this information to employees and be able to answer any questions. Without adequate communication, employees will not understand their role in the business and will not be able to do a good job. The purpose of staff communication is not intended to encourage personal relationships, develop business contacts, or promote social interaction.  
SOURCE: CO:014  
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 6-8]. Upper Saddle River, NJ: Pearson Prentice Hall.
14. B  
Empathetic. An important part of building positive customer/client relations involves the way the business's employees treat the customers. When employees are consistently courteous, knowledgeable, and helpful, customers are likely to return to the business. To help customers, employees should try to be empathetic. Empathy is the ability to relate to another person's thoughts, feelings, and experiences. Employees who can "step into their customers' shoes" are able to see things from their customers' viewpoints. Being empathic can help calm angry customers, resolve problems quickly, and identify goods and services that will satisfy the customers' needs. A resourceful person has the ability to get the necessary things to perform a task or complete a project. A knowledgeable person has accurate or necessary information. An accommodating person gives others what they want. The ability to see things from a customer's viewpoint is not an example of being a resourceful, knowledgeable, or accommodating person.  
SOURCE: CR:003  
SOURCE: Odgers, P. (2004). *The world of customer service* (p. 52). Mason, OH: South-Western.
15. D  
Store policy. When a business has policies for its employees to follow in handling complaints, the customers are more likely to receive the same treatment. Procedures are the step-by-step processes that personnel follow in performing specific tasks. Customer service plan and customer complaint plan are not terms that businesses commonly use.  
SOURCE: CR:010  
SOURCE: Levy, M., & Weitz, B.A. (2007). *Retailing management* (6<sup>th</sup> ed.) [pp. 250-251]. Boston: McGraw-Hill/Irwin.
16. C  
Automobile. In order for something to be called an economic good, it must be a physical object, capable of satisfying human wants and needs, and have monetary value. Of the items listed, the automobile is the only economic good. The other alternatives are economic services.  
SOURCE: EC:002  
SOURCE: EC LAP 10—Get the Goods on Goods and Services (Goods and Services)

17. D  
Determining what will put it in reach of its goals. Since Stacey's Steamers is acting with its long-term success in mind, deciding to add a self-serve laundromat should put the business in reach of its goals. This decision is part of strategic management. Establishing a system for retrieving information is part of information management. Promoting a new service to potential customers is part of marketing. While organizing the business to meet business objectives is part of strategic management, it is not what Stacey's Steamers demonstrated in this example. Organizing would involve setting up the business to be successful in providing the new laundromat service.  
SOURCE: EC:071  
SOURCE: EC LAP 19—Strictly Business (Business Activities)
18. A  
Limit economic freedom. The private enterprise system provides a great many economic freedoms, but it does have certain limits. Laws that have been created to protect everyone, such as prohibiting the sale of unsafe products, are limits to economic freedom. Therefore, businesses do not have the freedom to sell dangerous products to consumers. Laws that prohibit the sale of unsafe products are not examples of factors that promote competition, reduce inflation, or increase production.  
SOURCE: EC:009  
SOURCE: EC LAP 15—People Power (The Private Enterprise System)
19. C  
Transfer. Purchasing insurance to cover a risk transfers the risk to the insurer. The risk is not retained, avoided, or prevented.  
SOURCE: EC:011  
SOURCE: EC LAP 3—Lose, Win, or Draw (Business Risk)
20. C  
Demand for products. When the economy is stable and growing, people have confidence in the future of the economy and increase spending. An increase in spending leads to an increase in demand for products, which also leads to an increase in production. When production increases, more people have jobs and money to spend, which also increases demand for products. This situation stimulates a continued growth in the economy. An increase in interest rates and unemployment levels often leads to a decrease in consumer spending. Increased spending does not lead to an increase in the scarcity of resources.  
SOURCE: EC:081  
SOURCE: Arnold, R.A. (2004). *Economics* (6th ed.) [p. 185]. Cincinnati: Thomson/South-Western.
21. B  
The underground economy. An underground economy is one in which money transactions take place (such as tips received in a restaurant), but since no record is made of the transaction and the income is not reported to the government, the GDP does not reflect the exchange. The underground economy actually reduces the GDP. An uncounted production involves goods and services that are not sold in the marketplace so their value can only be estimated. Double counting involves counting a product or service more than once. Accuracy in counting refers to the vast amount of information that must be collected to calculate GDP which can easily lead to error in the final figure.  
SOURCE: EC:017  
SOURCE: Sexton, R.L. (2003). *Essentials of economics* (pp. 288-289). Mason, OH: South-Western.
22. A  
Posture. There are many verbal and nonverbal methods to express your feelings and thoughts. Your posture, or the way that you carry yourself, is one way that you communicate your feelings and feelings. A person who stands tall communicates a feeling of self-confidence. On the other hand, a person who slouches often communicates a feeling of insecurity. Gestures involve movement—a nod, a wink, a wave.  
SOURCE: EI:020  
SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [p. 352]. Mason, OH: South-Western Cengage Learning.

23. A  
Self-confidence. Taking initiative usually means accomplishing more. This increases confidence in one's abilities. People with initiative are less likely than others to be self-centered since they are alert to the world around them rather than being focused on themselves. Initiative does not increase anxiety or procrastination—the tendency to put things off.  
SOURCE: EI:024  
SOURCE: EI LAP 2—Hustle! (Taking Initiative at Work)
24. A  
Destructive criticism. The manager's action was an example of destructive criticism which demeans a person without just cause. Constructive criticism is evaluative information to help someone improve. Positive feedback involves praising the employee, and internal feedback is self-evaluation.  
SOURCE: EI:003  
SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)
25. D  
Use of video cameras. Some businesses, such as retail establishments, use video cameras to monitor customers and prevent shoplifting. If these cameras are focused on employees, it might be considered a violation of the employees' privacy. Businesses that use video cameras should inform employees so they are aware that their actions are being recorded and monitored. Also, the business has an obligation not to use cameras in areas that are designed specifically for employees, such as break rooms. The use of time clocks is a method of recording time on the job rather than a violation of privacy. The use of security guards is a safety factor that benefits employees and customers. The use of computer passwords provides employees with a certain amount of privacy by allowing them to protect their computer systems from unauthorized access.  
SOURCE: EI:029  
SOURCE: Miller, R.L., & Jentz, G.A. (2006). *Business law today: Standard edition* (7th ed.) [pp. 936-938]. Mason, OH: Thomson Learning.
26. D  
Making appropriate eye contact with the interviewer. Appropriate eye contact means looking people in the eye without staring fixedly at them. People who are self-confident are not afraid to look others in the eye. They also speak in a moderate tone of voice that can easily be heard without being loud. Speaking in a very low tone is more likely to indicate timidity than self-confidence. Listening without interrupting demonstrates courtesy and good manners. Wearing casual clothes to a job interview indicates poor judgment rather than self-confidence.  
SOURCE: EI:007  
SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 67-68]. Mason, OH: South-Western.
27. C  
Do not vote. Consensus building is the group's process of coming to an agreement. However, the members do not vote because voting involves being for or against a decision. The side with the greater number of votes wins. In consensus building, no one wins because all of the members come to an agreement. Each group member's opinion is of value and each member contributes to reaching an agreement. Therefore, each member has equal power. Consensus building does not involve following the leader or accepting majority rule.  
SOURCE: EI:011  
SOURCE: QS LAP 17—All Aboard!
28. C  
Make a small amount of noise as you come near. Always let persons with vision impairment know that you are approaching so that you don't startle them. Coughing, clearing your throat, or making noise with your feet are all acceptable ways to announce your presence. Speaking loudly or touching people to get their attention could startle them if they aren't aware anyone is in the vicinity.  
SOURCE: EI:036  
SOURCE: EI LAP 20—Fair and Square (Treating Others Fairly at Work)

29. C  
Borrower. A promissory note is a legal form signed by a borrower promising to repay a loan. The person who signs a promissory note is called a borrower. A lender is the individual or financial institution granting the loan. A creditor is a person who extends credit or to whom money is owed. A depositor is a person who places money in the bank for safekeeping.  
SOURCE: FI:002  
SOURCE: FI LAP 2—Give Credit Where Credit Is Due (Credit and Its Importance)
30. C  
Own the item. When an item is purchased, money is exchanged for the right to own the item. Using credit may be part of the purchase process. Filing a claim may occur later if the buyer's (or seller's) rights were not upheld. Paying for the item is the process of exchanging money during a purchase.  
SOURCE: FI:063  
SOURCE: Guerrieri, D.J., Haber, F.B., Hoyt, W.B., & Turner, R.E. (2004). *Accounting: Real-world applications & connections* (pp. 46-47). New York: Glencoe/McGraw-Hill.
31. B  
Tax deductions. Tax deductions are expenses that can be subtracted from gross income. For example, working parents can deduct or subtract a certain amount of their incomes for the childcare expenses they incur while at work. Other examples of tax deductible expenses include college tuition, home mortgage interest, and charitable donations. Capital gains are taxes on earnings from the appreciation of an investment. Dividends are a portion of a company's profits that are paid to shareholders. A rebate is a part of the price that a customer pays for a good or service, which is usually offered by the product's manufacturer.  
SOURCE: FI:074  
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 394). New York: Glencoe/McGraw-Hill.
32. D  
To identify trends. Through financial-information analysis, businesses can recognize what products are selling well and in what colors, styles, models, and sizes. Over time, this helps businesses spot trends in customer buying habits so that the businesses provide more of the products customers are buying and less of those that are not selling well. Selling strategies are largely determined by the nature of the product being sold rather than by financial information. Focus groups are used to collect customer reactions to and opinions about product features or company image. Businesses function in economic systems rather than creating them.  
SOURCE: FI:579  
SOURCE: ZeroMillion.com. (2002-2011). *Financial ration analysis*. Retrieved October 19, 2011, from <http://www.zeromillion.com/business/financial/financial-ratio.html>
33. B  
Cash. With the cash accounting method, income and expenditures are recorded at the time the money changes hands. Because Jamie is recording the sale of purchases as the customers pay cash for them, he is using the cash accounting method. The accrual method of accounting records transactions at the time they occur even if no money changes hands at that time. Systematic and automatic methods are not types of accounting methods.  
SOURCE: FI:085  
SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)
34. D  
\$533,750. A profit-and-loss (income) statement is a business's financial picture for a certain period of time. It includes revenue, cost of goods sold, gross profit, operating expenses, and net income/profit. The formula for calculating gross profit is revenue minus cost of goods sold ( $\$875,250 - \$341,500 = \$533,750$ ). Then, the business subtracts operating expenses from gross profit to determine net profit. Advertising costs are included in operating expenses.  
SOURCE: FI:094  
SOURCE: FI LAP 4—Watch Your Bottom Line (Income Statements)



35. B  
Spend their money. A budget estimates how a business will earn and spend its money. Businesses use budgets to estimate how they will spend the money they earn as income. Businesses have expenses, and budgets help businesses plan how to allocate income in order to pay those expenses. Businesses do not use budgets to calculate their assets, file their taxes, or depreciate their assets.  
SOURCE: FI:106  
SOURCE: FI LAP 3—Money Tracks (Nature of Budgets)
36. C  
Compensation. A commission or bonus is an example of a form of compensation. Compensation is pay for work completed. It comes in different forms for different employees. Some make an hourly wage; others, a yearly salary. Compensation may also include certain financial incentives, such as commissions or bonuses. HR management oversees compensation and benefits for all employees. Benefits are advantages employees receive in addition to their monetary compensation, such as health insurance, retirement accounts, paid vacation and sick time, etc. Employee contracts may include terms involving commission or bonuses, but these forms of compensation are not types of contracts. Employee-assistance programs do not involve compensation.  
SOURCE: HR:410  
SOURCE: HR LAP 35—People Pusher (Nature of Human Resources Management)
37. D  
When to offer a discount on the product. Pricing strategies include determining what to charge for a product and also determining when to adjust the product's price by either raising it or offering a discount. Determining how much to spend on advertising is a promotional decision. Determining how much of the product to create is a distribution or "place" decision. Determining what products to offer is a product decision.  
SOURCE: IM:012  
SOURCE: IM LAP 12—Data Do It (Need for Marketing Data)
38. C  
Consumer trends. A marketing-information management system can help businesses to discover new or expanded markets and to use them. The system can gather and analyze information about consumer trends, target markets, changes in the environment, changing events, and the effects of these factors on consumers. A characteristic of useful marketing data is that they should be up-to-date. Historical data, therefore, would not usually be gathered. Employee absences are a management, rather than a marketing, consideration.  
SOURCE: IM:001  
SOURCE: IM LAP 2—Get the Facts Straight (Nature of Marketing-Information Management)
39. D  
Automated computer systems. Technological advancements, such as computerized telephone number selection systems, have made it possible for businesses to solicit survey responses quicker than by using manual methods. In addition, digital or electronic voice devices often expedite the survey process in a more time-efficient manner than staff interviewers. Interpersonal fax interviews and mechanical database networks are not terms that are commonly used to describe marketing-information research technological resources. Presentation software refers to computer applications that generate multimedia or slide shows.  
SOURCE: IM:183  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 615). Woodland Hills, CA: Glencoe/McGraw-Hill.
40. A  
Primary. Primary data are facts that a business collects for a specific purpose or project. A focus group is a group that forms to discuss a specific topic. A business might form a focus group of customers to gather first-hand information (opinions) about its goods and services. The data are used to help the business resolve a problem or make decisions about product development, customer service, etc. Secondary data are facts that are collected for purposes other than the issue or project at hand. Statistical data are numerical facts. Oftentimes, businesses will assign numerical values to qualitative information to obtain statistics. Complementary is not a type of marketing-research data.  
SOURCE: IM:281  
SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14<sup>th</sup> ed.) [pp. 184-186]. Boston: McGraw-Hill/Irwin.

41. D  
What do we already know about this problem or opportunity? This is a question that would be answered through a situation analysis, exploratory research into the problem at hand as well as the total business environment. The other questions are specific decision problems that a situation analysis would be conducted to address more thoroughly.  
SOURCE: IM:282  
SOURCE: IM LAP 13—What's the Problem? (Marketing-Research Problems)
42. A  
Objectives. There is a strong relationship between the research purpose and the research objectives which are the goals of the research. Businesses create research objectives to help answer the research problem. For example, if the problem is service, one objective might be to determine customer satisfaction with delivery. Strategies are plans of action, or activities, for achieving goals and objectives. A procedure is the step-by-step process personnel follow in performing a specific task.  
SOURCE: IM:284  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 612). New York: Glencoe/McGraw-Hill.
43. D  
Itemized. Businesses often develop questionnaires to distribute to consumers in order to obtain relevant marketing information. The questions are often designed to require respondents to select one of a few options. The Likert scale is an example of an itemized rating scale because it rates response according to a numerical value. For example one option, strongly agree, is valued at 5 and strongly disagree is valued at 1, with other options valued in between at 2, 3, and 4. A constant-sum rating scale requires the respondent to assign a value (e.g., percentage) to the options provided on the questionnaire. A paired comparison scale asks respondents to make comparisons on the basis of specific circumstances or criterion.  
SOURCE: IM:286  
SOURCE: Aaker, D.A., Kumar, V., & Day, G.S. (2007). *Marketing research* (9th ed.) [pp. 291-292]. Hoboken, NJ: John Wiley & Sons, Inc.
44. C  
Income. Demographics refer to the physical and social characteristics of the population. Factors such as age, gender, education, occupation, and income are often considered when conducting marketing research. Opinions, traits, and values are considered psychological factors.  
SOURCE: IM:184  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [p. 307]. Mason, OH: South-Western Cengage Learning.
45. D  
Interview. Researchers often collect marketing data by conducting interviews with customers. The interviews can take place over the telephone, through the computer, or by holding face-to-face discussions (group or individual). An interview is a good method to use when the business wants in-depth information from the respondents. The disadvantage to holding interviews is the expense. Observation is a research method that involves watching customers. Relational and contact interviews are fictitious terms.  
SOURCE: IM:289  
SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [pp. 156-158]. Mason, OH: South-Western Cengage Learning.
46. D  
Unsatisfactory responses is low. Before a marketing researcher can analyze survey results, the raw data must be converted into a usable format, which often involves assigning numerical values to the responses. The researcher must review the raw data for errors, which occur when respondents do not answer all of the questions. If the number of error-filled questionnaires is low, the marketing researcher may decide to discard all questionnaires with errors. The number of or percentage of questionnaires that a researcher discards due to errors depends on many factors; however, a generally accepted figure is below 10 percent of all questionnaires that respondents fill out.  
SOURCE: IM:062  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 496-497]. Mason, OH: South-Western Cengage Learning.



47. B  
3.7. The mean is the arithmetic average of a statistical sample. To calculate the mean, first multiply the value of each response by the number of responses ( $6 \times 6 = 36$ ;  $5 \times 10 = 50$ ;  $4 \times 15 = 60$ ;  $3 \times 12 = 36$ ;  $2 \times 7 = 14$ ;  $1 \times 4 = 4$ ). Then, add the totals ( $36 + 50 + 60 + 36 + 14 + 4 = 200$ ). Next, tabulate the total number of responses ( $6 + 10 + 15 + 12 + 7 + 4 = 54$ ). Divide the total by the number of responses to determine the mean ( $200 \div 54 = 3.703$  or 3.7).  
SOURCE: IM:191  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 171). Woodland Hills, CA: Glencoe/McGraw-Hill.
48. D  
Tim did not answer the last two questions on a written survey. Response errors occur when respondents do not correctly answer or complete a survey. These errors may affect the quality of the overall data and the analysis process. Because Tim didn't answer two questions on a survey, a response error occurred. Errors may be intentional or unintentional. For example, a respondent might refuse to answer a question because s/he believes it is too personal, while another respondent might not answer a question because s/he did not see it. Incorrect coding is an editing error. When a sample group is not representative of the target market, a procedural error occurs. Developing open-ended survey questions does not indicate a response error.  
SOURCE: IM:292  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [p. 496]. Mason, OH: South-Western Cengage Learning.
49. B  
Internet survey. A survey is a marketing-research method that involves asking customers questions to learn their opinions and the reasons behind those opinions. For example, a business might obtain marketing information from its customers because it wants to determine their levels of satisfaction during their last encounters with the business. The business might e-mail a short, easy survey to its customers within 24 hours of their last business encounter. Because the survey is short and the encounter is fresh in the customer's mind, the customer is more likely to respond to the survey. The Internet is a quick, easy, cost-effective method for collecting this type of information. Face-to-face interviews and test marketing, which are types of field experiments, are often expensive, time-consuming methods for collecting marketing information.  
SOURCE: IM:428  
SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 184-187]. Boston: McGraw-Hill/Irwin.
50. B  
Wherever customers are. In an *overall* sense, marketing occurs wherever customers are. Advertisements, stores, and trucks are part of marketing and can be present when marketing occurs. But marketing occurs where customers live, work, study, recreate, etc.  
SOURCE: MK:001  
SOURCE: MK LAP 4—Have It Your Way! (Nature of Marketing)
51. C  
Industrial. An industrial market is a customer or potential customer who purchases items for use in the operation of a business, for resale, or for making other goods. The consumer market is a customer or potential customer who purchases goods or services to satisfy personal desires. Economic and production are not types of markets.  
SOURCE: MP:003  
SOURCE: MP LAP 3—Have We Met? (Market Identification)
52. C  
Threats and opportunities analysis. A threats and opportunities analysis is the element of the marketing plan that provides information regarding the positive (e.g., potential markets) and negative (e.g., competition) factors that can affect the business's marketing strategies. Objectives and issues are generally addressed after the threats and opportunities are presented. The action program provides details about the specific activities that are needed to meet the stated objectives. The budget allocation provides details regarding the financial requirements that are needed to carry out the action program.  
SOURCE: MP:007  
SOURCE: MP LAP 1—A Winning Plan (Nature of Marketing Plans)

53. D  
Reduce prices by 4%. Businesses use the information in sales forecasts to make decisions that will contribute to their success. One of these decisions involves price. If a sales forecast predicts a drop in demand for the business's product, the business may decide to reduce prices in order to generate more sales. If a sales forecast predicts a drop in demand, a business would not increase production or recruit new employees. Many businesses increase advertising when demand begins to drop in order to attract new customers.  
SOURCE: MP:013  
SOURCE: Fastlinksolutions. (n.d.). *Sales forecasting: Factors that influence sales*. Retrieved October 19, 2011, from <http://www.fastlinksolutions.co.uk/calculat.htm#factors>
54. A  
Identity theft. A risk involved with information management is leaving customers unprotected from identity theft. An information management program that does not use technology properly may put customers' personal information at risk. Appropriate information management will not necessarily protect customers from bad service, high prices, or faulty products.  
SOURCE: NF:110  
SOURCE: NF LAP 3—In the Know (Nature of Information Management)
55. C  
Worldwide. The Internet is a worldwide network of computers that enables users to access information and communicate with others. Its scope is worldwide rather than regional because it is available to anyone who has access to a computer that has connectivity. Certain elements of the Internet are secure; however, that does not affect the scope. The Internet is not proprietary.  
SOURCE: NF:086  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 208). New York: Glencoe/McGraw-Hill.
56. C  
Reply. The reply key allows the e-mail recipient to write a response to the sender's message. The forward key allows the e-mail user to send or forward a message that s/he received to another user. The e-mail user clicks on the send key when s/he wants to transmit the message to the message receiver. The import key allows a user to bring documents, graphics, or programs into a computer program from another computer program.  
SOURCE: NF:004  
SOURCE: Denton, C. (2009, June). *E-mail basics*. Retrieved October 19, 2011, from <http://www.smartcomputing.com/editorial/article.asp?guid=&bJumpTo=true&lsfrm=IN&article=articles/webonly/techsupport/55w10/55w10.asp&ArticleID=31112>
57. B  
Mailing labels. Database software programs have the ability to sort customer lists based on a variety of criteria such as zip code, name, type of business, etc. Once a list of customers has been identified based on specific criteria, the database software can generate mailing labels for the targeted customers. This enables a business to send information to select customers rather than to the entire customer list. Database software programs are not used to print sales catalogs, budget reports, or internal memos.  
SOURCE: NF:009  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 199). New York: Glencoe/McGraw-Hill.
58. A  
Confidential. Some business records need to be maintained in a secure location because they contain confidential information. Some of these records contain confidential information about employees, such as pay rates and personal references. Other records that contain confidential information about promotional strategies and new product development might harm the business if they fell into the wrong hands. Historical information explains how the business started and is often published and made available to the public. Regulatory information is usually provided by the government.  
SOURCE: NF:001  
SOURCE: NF LAP 1—Record It (Business Records)

59. D  
Demand for skilled nursing care rises as the population ages. The impact of demographics (the age of the population) on a specific industry (health care) shows that businesses have unique relationships with their environments. The aging of the population affects other industries, but perhaps not as directly as it does health care. An economy phasing through the business cycle and a shift in social/cultural attitudes are examples of how environmental factors are dynamic. New technology causing new laws to be enacted is an example of how environmental factors are interrelated.  
SOURCE: NF:015  
SOURCE: NF LAP 2—Get the 411 (Environmental Scanning)
60. A  
Wipe it up immediately. Spills may make the floor slippery and create a safety hazard. Others may not notice the spill, fall on the wet surface, and suffer injuries. All employees are responsible for helping to maintain a safe environment. They should not wait for the floor to dry, tell others about the spill, or leave it for the cleaning crew.  
SOURCE: OP:007  
SOURCE: Educational Institute of the American Hotel & Lodging Association (2006). *Lodging management program: Year 2* (2nd ed.) [pp. 454, 456]. Lansing, MI: Educational Institute of the American Hotel & Lodging.
61. B  
Set goals. It is important to develop a clear understanding of the project's objectives or goals. Without a clear understanding of the desired outcome, a project manager cannot effectively develop a schedule, negotiate terms, or monitor project progress.  
SOURCE: OP:002  
SOURCE: QS LAP 18—Make It Happen
62. A  
Selecting vendors. Purchasing is the planning and procedures necessary to obtain goods and services for use in the business or for resale. An important purchasing activity is selecting vendors (suppliers) that have the products the business needs to use in its day-to-day operations, to make items to sell to customers, or to resell to customers. Pricing is a marketing function. Developing financial statements is an accounting activity. Managing employee benefits is a human resources management activity.  
SOURCE: OP:015  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 492, 494). New York: Glencoe/McGraw-Hill.
63. A  
Risk levels of doing business with the vendor. If a vendor is not financially stable, there is a risk that the vendor may not have the resources to meet the business's needs. And, if the vendor's financial condition is extremely poor, the vendor may go out of business. A lack of financial resources may affect the vendor's products, its level of customer services, and its lead times.  
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. 252-253]. South-Western Cengage Learning.
64. B  
Making personal use of company property. Employees can help reduce expenses by respecting company property. One way that employees can do this is by not taking anything belonging to the business for their personal use. This can range from not making personal use of company vehicles to not taking home pens and pencils. Businesses must replace the company property that employees take for their own use, which results in additional expense for the business. Taking the initiative to find work, reporting incidents of shoplifting, and giving appropriate discounts to customers are ways that employees can help control expenses.  
SOURCE: OP:025  
SOURCE: OP LAP 5—Buck Busters (Employee Role in Expense Control)

65. B  
Accidents. An accident is an unexpected happening that may result in injury, loss, or damage. Businesses reduce the possibility of accidents occurring by properly maintaining their facilities. Proper maintenance helps to eliminate hazards such as torn carpeting, damaged floors, broken stairs, and protruding counters. Accidents may occur at any time, but businesses can reduce the risk by properly maintaining their physical facilities. A robbery is a theft that involves the use of force, violence, or fear. A subsidy is government financial help given to a business. A takeover is an attempt by one business to buy out, or take over, another business.  
SOURCE: OP:032  
SOURCE: Berman, B., & Evans, J.R. (2004). *Retail management: A strategic approach* (9th ed.) [pp. 318-320]. Upper Saddle River, NJ: Prentice Hall.
66. D  
Dark pantsuit, blouse, and low-heel shoes. Because a chamber-of-commerce luncheon is a business function, Julianne should wear conservative business apparel. A dark pantsuit, blouse, and low-heel shoes (e.g., pumps) are appropriate clothing choices for business functions. Short skirts, bold or colorful blouses, sandals, casual pants, t-shirts, and athletic shoes are too casual for the event. A black, sequin dress; short jacket; and high-heel shoes are appropriate clothing options for formal evening events.  
SOURCE: PD:002  
SOURCE: PD LAP 5—Brand ME! (Maintain Personal Appearance)
67. A  
Helps to achieve the goal. Setting a time limit seems to keep most people working toward a goal. It is, therefore, a recommended technique. The length of time assigned to meeting the goal would depend upon the effort required. Putting your goal in writing is a technique for reminding you of the goal.  
SOURCE: PD:018  
SOURCE: PD LAP 16—Go For the Goal (Goal Setting)
68. B  
Objective. An employee who is objective tries to view conflict in an unbiased manner and is not influenced by the opinions of others. Employees who remain objective and do not take sides in a conflict often are able to help solve the problem. By remaining objective, they are able to see both sides of the conflict and identify possible solutions that will satisfy all concerned. Employees who are judgmental form opinions before knowing all the facts. Employees who are emotional often make decisions based on their feelings rather than on the facts. Employees who are aggressive often ignore the rights of others and exploit them in order to achieve personal goals. Being judgmental, emotional, or aggressive often makes it more difficult to solve problems.  
SOURCE: PD:077  
SOURCE: PD LAP 17—No Problem (Demonstrating Problem Solving Skills)
69. D  
Earned a bachelor's degree. The best business career prospects are available to candidates who have earned a bachelor's degree. Some jobs require only a high school diploma, but these are only entry-level jobs. A background in accounting or a stock broker's license may be helpful for certain careers or jobs, but neither of these is as useful without the foundation of a bachelor's degree.  
SOURCE: PD:025  
SOURCE: PD LAP 15—Go For It! (Careers in Business)
70. D  
Obtain the permission of the people whose names you use. Never give someone's name as a reference on a résumé unless you have asked the person if s/he is willing to be listed. This is not only courteous, but it gives the person time to think about what s/he should say about you if asked. References should be previous employers, instructors, or others who can verify your job skills, not personal friends who may not be able to answer questions about your skills. Initials may be used if the first name is unknown, but it is better to use the first name for the most accurate identification of the person.  
SOURCE: PD:031  
SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [p. 45]. Mason, OH: South-Western Cengage Learning.

71. D  
Increase. The price is likely to increase in order to cover the additional costs of an expensive promotional effort to introduce the product to a national market. The price is not likely to decrease, remain the same, or constantly change.  
SOURCE: PI:001  
SOURCE: PI LAP 2—The Price is Right (Nature of Pricing)
72. A  
Bait-and-switch advertising. This is an illegal tactic that involves promoting a low-priced item to attract customers to whom the business then tries to sell a higher priced item. In many cases, the low-priced item is in limited supply or completely unavailable when customers try to buy it. The business then shows customers a more expensive item and encourages them to buy. A loss leader is a product that is sold below cost. High-pressure selling involves putting pressure on customers to buy. Price-ticket switching is a type of fraud by which a higher priced ticket is removed from merchandise and replaced by a lower priced ticket.  
SOURCE: PI:017  
SOURCE: Anderson, A. (n.d.). *Examples of bait & switch*. Retrieved October 19, 2011, from <http://smallbusiness.chron.com/examples-bait-switch-advertising-10575.html>
73. B  
Earning return on investment. Profit-oriented pricing objectives focus on creating profits for the business. The other category of pricing objectives is sales-oriented pricing, which focuses on increasing the total amount of income from sales. Becoming more competitive, creating an image for the business, and increasing market share are sales-oriented objectives.  
SOURCE: PI:002  
SOURCE: PI LAP 3—Make Cents (Factors Affecting Selling Price)
74. C  
No; it can delay entry into the full market. Test marketing involves introducing a product to a limited market to see what its acceptance will be. Test marketing serves to guide the planning of actual marketing strategies. The product may be tried out in specific locations to get customers' and retailers' reactions before starting a wider distribution. However, not all new products need test marketing. Test marketing may not be used for some products/services because it is costly, delays entry into the full market, provides no guarantee of actual success, may not give an accurate picture of performance, and gives competitors an opportunity to steal the idea while it is being tested.  
SOURCE: PM:001  
SOURCE: PM LAP 17—Rapping Up Products (Nature of Product/Service Management)
75. B  
Computer-aided design. Computer-aided design (CAD) is a type of software program that allows users to draw two- or three-dimensional illustrations on a computer. Many types of businesses use CAD software to design their products and use them as a blueprint for constructing the products. The program offers businesses the flexibility to customize products. Photo management, freeform application, and remote access are not types of software programs that businesses use to plan, build, modify, or customize products.  
SOURCE: PM:039  
SOURCE: Hunt, J. (2005, December 22). *Definition of computer aided design (CAD) software*. Retrieved October 19, 2011, from [http://ezinearticles.com/?Definition-of-Computer-Aided-Design-\(CAD\)-Software&id=117506](http://ezinearticles.com/?Definition-of-Computer-Aided-Design-(CAD)-Software&id=117506)

76. D

Provide replacement parts for the product. Businesses discontinue products for many reasons, such as decreasing sales and profits. In other situations, the reason is because the business has developed an altered version of the product or a new model. After deciding to discontinue the product, the business must decide whether to provide replacement parts. In some situations, many of the discontinued products remain in use in the marketplace. If replacement parts are available for purchase to fix the damaged product, then an owner can still use the product. However, if parts are not available and the product becomes unusable, then the owner may need to purchase another product, either the business's newer model of the product or a similar product that one of the business's competitors offers. This often creates an ethical dilemma because a very expensive, complex product, such as a piece of machinery, can be very costly to owners to replace. Reducing the prices of discontinued products is a common practice and is ethical if the business advises the buyer that the products are being discontinued. If there are a lot of similar products readily available, then advising the public about other similar products on the market is not necessary.

SOURCE: PM:040

SOURCE: Perreault, W.D., Cannon, J.P., & McCarthy, E.J. (2008). *Basic marketing: A marketing strategy planning approach* (16<sup>th</sup> ed.) [p. 276]. Boston: McGraw-Hill/Irwin.

77. A

Each member possesses a unique perspective. When more than one person is involved in the creative-thinking process, different types of ideas are often generated because each member has a unique point of view. The success of the group creative-thinking process depends on many factors including group size, the quality and quantity of each member's contribution, and the situation requiring idea generation. Therefore, it cannot be assumed that each group member contributes in the same manner, that ideas are generated quicker, or that one technique (e.g., brainstorming) is more effective than other techniques.

SOURCE: PM:127

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

78. A

Grading. Producers who grade products and indicate their grade with a letter or word on the product label enable customers to compare product quality without inspecting each product. Concept testing is exploring the concept, or idea, for a product in order to obtain feedback. The labeling process identifies products and provides customers with product information. Combination branding is the use of both the company name and the individual brand name on the product (e.g., Kellogg's Sugar Frosted Flakes).

SOURCE: PM:019

SOURCE: PM LAP 8—Raising the Bar (Grades and Standards)

79. C

To compete effectively. The business with a deep product mix offers a great many items in the product line. This allows the business to meet the needs of a variety of consumers, use a range of prices, and compete effectively. A shallow product mix helps a business to control its costs. The use of a narrow product mix enables a business to specialize in a product line. The use of similar methods of distribution relates to the consistency of a company's product lines.

SOURCE: PM:003

SOURCE: PM LAP 3—Mix & Match (Nature of the Product Mix)

80. D

Bundle. Product bundling involves combining several products and selling them for one all-inclusive price. Businesses often bundle products to encourage customers to buy products that they might not otherwise want to buy. The price of the bundled products is usually lower than the combined price of the products sold separately. The lower price is an incentive to buy. As a result, customers buy the total package, which may include products that they ordinarily would not purchase. Businesses routinely promote, market, and display products. However, these activities usually are not very effective in encouraging customers to buy products that they do not want.

SOURCE: PM:041

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 553). Woodland Hills, CA: Glencoe/McGraw-Hill.



81. B  
Complementary and more or less equal in stature. Two brands join forces as “co-brands” for the purpose of increasing sales and market share for both. Each benefits from the other’s brand equity. Co-branding works best when the two brands “go together,” or are complementary, serve similar markets, and are essentially equal. The co-branding arrangement of Starbucks and Barnes & Noble exemplifies co-branding principles and has been extremely successful. Successful co-branding does not require that the brands be in the same industry segment. The two brands should actually not be competitors, nor must they be owned by the same parent company.  
SOURCE: PM:021  
SOURCE: PM LAP 6—It’s a Brand, Brand, Brand World! (The Nature of Branding)
82. B  
Emotional connections with customers. A corporate brand is all of the combined impressions and experiences with a particular company. An effective corporate brand creates specific images in the minds of consumers by using a variety of touch points to deliver consistent messages that reinforce the brand’s values. For example, if the brand’s values embrace quality and status, then the business will use strategies to communicate these associations to consumers. The operations function of business addresses the company’s distribution needs and efforts.  
SOURCE: PM:206  
SOURCE: Solomon, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5<sup>th</sup> ed.) [pp. 287-288]. Upper Saddle River, NJ: Pearson Prentice Hall.
83. D  
Persuade consumers to buy a good or service. Product promotion is used to stimulate consumer purchases of goods or services. Informing the public of the company’s future and demonstrating the firm’s social responsibility are examples of institutional promotion. Institutional promotions might also be used to enhance morale and recruit employees.  
SOURCE: PR:002  
SOURCE: PR LAP 4—Know Your Options (Types of Promotion)
84. C  
Advertising. Advertising is any paid form of nonpersonal presentation of ideas, images, goods, or services. It can be used to promote products or any kind of business. Publicity is a nonpersonal form of promotion that is not paid for by the company or individual that receives it. Sales promotion is promotional activities other than advertising, personal selling, and publicity that communicate information about goods, services, images, and/or ideas to achieve a desired outcome. Personal selling is the form of promotion that uses planned, personalized communication in order to influence purchase decisions and enhance future business opportunities. Both sales promotion and personal selling would be more likely to be used in promoting products.  
SOURCE: PR:003  
SOURCE: PR LAP 1—Spread the Word (Nature of Promotional Mix)
85. C  
Graphic design software. Graphic design software consists of programs that instruct computers on how to create text, graphics, layouts, backgrounds, and other design components. As the technology evolves, the quality of printed products (e.g., brochures) continues to improve. An example of interactive viewing technology is videoconferencing capabilities. Participants in interactive communication control the content and pace of the message content. Printed promotional pieces are not considered interactive forms of communication. Spreadsheet software is used to calculate and analyze numerical data. Database tracking technologies are usually used in market-research efforts.  
SOURCE: PR:100  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 200-201). Woodland Hills, CA: Glencoe/McGraw-Hill.

86. B  
Monetary. Regulators may deem an advertisement unfair if it causes monetary harm to consumers. That is, it coerces consumers to purchase products that they do not want. Even if an advertisement causes cognitive harm (reinforcing stereotypes), emotional harm (invoking fear), or behavioral harm (causing aggressive behavior), regulators usually don't consider it to be unfair unless it causes consumers to spend money on items that they don't want.  
SOURCE: PR:101  
SOURCE: Fawcner, E. (2005-2006). *Not just 6 lines, 65 characters*. Retrieved October 20, 2011, from <http://www.ahbbo.com/adsftc.html>
87. D  
Newspaper advertising. Apparel and accessories are regularly advertised in newspapers for many reasons. The ads can be illustrated, they have a short lead time, they cost less than some other forms of promotion, and they are seen by great numbers of consumers. Magazine advertising and fashion shows are more expensive than newspaper advertising. Radio commercials cannot show consumers what fashions look like.  
SOURCE: PR:007  
SOURCE: PR LAP 3—Ad-quipping Your Business (Types of Advertising Media)
88. D  
An apparel company mails its latest catalog to customers who have ordered items within a year. Direct advertising refers to promotional messages that are sent directly to the target market through a medium in which market response can be measured. Catalogs that are mailed directly to established customers represent an example of direct advertising. Unless interactive capabilities are available, television is usually considered a mass medium that has substantial reach but cannot always be measured effectively. Therefore, the options referring to soft drinks and hotel chains are not examples of direct advertising. Telephone surveys are considered a function related to market research rather than promotion.  
SOURCE: PR:089  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 403-405). Woodland Hills, CA: Glencoe/McGraw-Hill.
89. B  
Communications channels. A communications channel is a path or means used to provide information to others. In sales promotion, businesses use several means to provide information to customers or potential customers. These include giving away samples so customers can have firsthand experience with the product; giving away premiums which are free gifts that remind customers of the business; and giving away advertising specialties, such as key chains that include the name and phone number of the business. The reason for using these communications channels is to encourage customers to buy. Samples, premium, and advertising specialties are not examples of publicity strategies, marketing activities, or selling techniques used in sales promotion.  
SOURCE: PR:249  
SOURCE: Fennell, Z. (n.d.). *Importance of communication channels in business*. Retrieved October 20, 2011, from [http://www.ehow.com/about\\_6511827\\_importance-communication-channels-business.html](http://www.ehow.com/about_6511827_importance-communication-channels-business.html)
90. A  
Elements in advertisements. The headline, illustrations, copy, and signature are the main elements in advertisements. It is important that all of the elements be coordinated to create an effective ad that will attract readers. One way to coordinate the elements is to make sure that they promote the same theme. The intent is for each element to reinforce the others and strengthen the message of the ad. Making sure that the headline, illustrations, and copy promote the same theme is not an example of coordinating principles of design, channels of communication, or arrangements in print.  
SOURCE: PR:251  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 423-428). New York: Glencoe/McGraw-Hill.



91. A  
Public-relations activities. Public relations is a function of business designed to establish good relations between the business and the public. One of the uses of public relations is to promote products and increase awareness of the products and of the business. To do this, businesses use a variety of public-relations activities to communicate with the public and provide positive information. Creative thinking is thinking in a creative way, using the creative-thinking process. Marketing research is the systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services. The purpose of cause-related advertising is to create awareness about social causes (e.g., poverty) rather than to promote products.  
SOURCE: PR:252  
SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 655]. Mason, OH: South-Western Cengage Learning.
92. D  
Most likely prospects. The target audience is a group of consumers who are the most likely prospects for a good, service, image, or idea. As a rule, only those consumers who are interested in the products being displayed will attend a particular trade show which is an event where businesses display and/or demonstrate their products to build sales leads and interest. Therefore, participating in trade shows is an effective way for businesses to communicate with the consumers who are the most likely prospects to buy from the business. A business's major competitors usually participate in the same trade shows, but the competitors are not the target audience. Trade shows often attract consumers from throughout the country rather than only important local residents who may not be part of the target audience. Consumers attending trade shows usually are not potential employees.  
SOURCE: PR:254  
SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [pp. 200-202]. Mason, OH: South-Western Cengage Learning.
93. A  
Will the competition be selling similar items? The buyer and store manager would not be overly concerned with the competition's product line at this moment. The attention would focus on confidence that the items would arrive on time in order to decide if the advertisement should be delayed or canceled altogether. Buyers always have to stay apprised of the arrival of merchandise to ensure that promotional and merchandising activities are coordinated.  
SOURCE: PR:076  
SOURCE: Tradingpost.com.au. (n.d.). *Removing ads*. Retrieved October 20, 2011, from <http://www.tradingpost.com.au/Help/Selling/Managing-your-ads/Cancelling-ads>
94. D  
Create desire for products. Through the selling process, salespeople are often able to create desire for products by demonstrating the features and benefits of goods or services. By presenting the features and benefits, salespeople can explain to customers how the particular products will satisfy their wants and needs. As a result of creating desire, salespeople are often able to sell the product. Demonstrating the features and benefits of goods or services does not add usefulness to products, develop new and improved products, or provide jobs for more employees.  
SOURCE: SE:017  
SOURCE: SE LAP 117—Sell Away (The Nature and Scope of Selling)
95. A  
Promotes repeat business. Most companies realize that repeat business is important in order to be successful. One way to promote repeat business is to provide customers with good service that builds lifetime sales relationships. Customers who are satisfied with the service they receive usually continue to do business with the company. Good service helps to create loyal customers who are less likely to be influenced by competitors. Following up with customers, offering financial assistance, and suggesting new information are methods of providing customer service.  
SOURCE: SE:076  
SOURCE: Odgers, P. (2004). *The world of customer service* (p. 22). Mason, OH: South-Western.

96. C

Word-of-mouth. Word-of-mouth is a form of publicity since the business that benefits from it does not pay anyone for the endorsement or to sponsor it. People like to know about new businesses, so a good impression made on one person may be passed on to many others. Point-of-purchase displays are forms of promotion that are usually near the cash register and are used to generate impulse sales. Specialty advertising includes items such as pens, matchbooks, calendars, or key rings embossed with a company's name, logo, or promotional message.

SOURCE: SE:828

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

97. A

Manage contacts. Technology helps salespeople perform their jobs more efficiently. Computer software programs that store information, such as names, addresses, and phone numbers, help salespeople manage their customer contacts. The purpose of this type of software is not to help salespeople evaluate sales territories, develop reports, or plan presentations.

SOURCE: SE:107

SOURCE: Futrell, C.M. (2006). *Fundamentals of selling: Customers for life through service* (9th ed.) [pp. 193-194]. New York: McGraw-Hill/Irwin.

98. C

Obtain the necessary facts. A salesperson can get information about product features from many sources. These sources include manufacturers, coworkers, promotional materials, repeat customers, and the product itself. Once the salesperson obtains the necessary product information, s/he can develop a feature-benefit chart. A salesperson doesn't evaluate the competition's reactions or explain the product's apparent benefits before developing a feature-benefit chart for a product. A salesperson lists the product's features while s/he is developing the chart rather than before developing it.

SOURCE: SE:109

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

99. B

Use the selling process differently. There is a difference in the use of the selling process, depending on the nature of the product and the type of customer. Salespeople who sell inexpensive, frequently purchased items, such as bakery goods, do not need to prospect or qualify potential leads. Salespeople who sell large, expensive items, such as cars, usually need to do a lot of prospecting and spend time determining exactly what their customers want. Bakery customers usually know what they want, whereas customers buying cars may need a lot of assistance.

SOURCE: SE:048

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 261, 270). Woodland Hills, CA: Glencoe/McGraw-Hill.

100. D

Employees. Human resources are all of a business's employees who work to produce goods and services. Many businesses believe that employees are their most important resource, because without workers, the business could not function. Office supplies and equipment are examples of material resources. Sales revenue is a financial resource.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (Nature of Management)

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# Marketing

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