THE MARKETING CAREER CLUSTER EXAM IS USED FOR THE FOLLOWING EVENTS:

- APPAREL AND ACCESSORIES MARKETING SERIES AAM
- AUTOMOTIVE SERVICES MARKETING SERIES ASM
- BUSINESS SERVICES MARKETING SERIES BSM
- BUYING AND MERCHANDISING TEAM DECISION MAKING BTDM
- FOOD MARKETING SERIES FMS
- INTEGRATED MARKETING CAMPAIGN–EVENT IMCE
- INTEGRATED MARKETING CAMPAIGN–PRODUCT IMCP
- INTEGRATED MARKETING CAMPAIGN–SERVICE IMCS
- MARKETING COMMUNICATIONS SERIES MCS
- MARKETING MANAGEMENT TEAM DECISION MAKING MTDM
- PROFESSIONAL SELLING PSE
- RETAIL MERCHANDISING SERIES RMS
- SPORTS AND ENTERTAINMENT MARKETING SERIES SEM
- SPORTS AND ENTERTAINMENT MARKETING TEAM DECISION MAKING STDM

These test questions were developed by the MBA Research Center. Items have been randomly selected from the MBA Research Center’s Test-Item Bank and represent a variety of instructional areas. Performance indicators for these test questions are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided.

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1. What effect do some environmental laws have on businesses?
   A. Control exterior landscapes
   B. Require more employees
   C. Increase operating costs
   D. Limit equipment purchases

2. The purpose of customs regulations is to
   A. uphold the longstanding traditions of the country.
   B. ensure that nothing foreign enters the country.
   C. prevent immigration into the country.
   D. control the flow of goods into and out of the country.

3. Walmart, Domino's, and Avis Rent-a-Car are examples of
   A. retailers.
   B. wholesalers.
   C. agents.
   D. industrial distributors.

4. One common barrier to the use of technology in channel management is
   A. the overwhelming number of technology options.
   B. employees' inability to master new technology.
   C. the possibility for increased productivity and efficiency.
   D. companies' refusal to implement new tools.

5. When a channel leader requires another channel member to purchase and use an expensive electronic data interchange system in order to maintain its position in the distribution chain, the channel leader is engaging in the unethical practice of
   A. diplomacy.
   B. control.
   C. deception.
   D. coercion.

6. 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. authority to demand cooperation.
   B. ability to provide training.
   C. capacity to regulate change.
   D. personality to develop friendships.

7. Which of the following is an example of an affinity partnership:
   A. A restaurant gives discounts to those who join its rewards program.
   B. An airline offers frequent flyer miles to travelers.
   C. A credit card company offers cards with sports teams' logos.
   D. A bank pays to have its name on a local concert venue.
8. Communication among coworkers and supervisors should be
   A. an optional formality.
   B. an opportunity for feedback.
   C. saved for individual performance reviews.
   D. contained in one meeting.

9. When should a visual aid be shown during a presentation?
   A. At the end of the presentation to summarize
   B. When the audience gets bored and restless
   C. During the entire presentation to maintain interest
   D. When the speaker shares relevant information

10. Which of the following is an open question:
    A. What is your presentation about?
    B. Is your presentation finished?
    C. Do you need a projector for your presentation?
    D. Are you ready for your presentation?

11. A primary use of flowcharts in business documents or presentations is to
    A. identify trends.
    B. explain relationships.
    C. compare and contrast data.
    D. summarize numerical data.

12. A basic purpose of writing a daily activity report is to provide a(n)
    A. permanent record of simple but important facts.
    B. overview of work completed and planned.
    C. basis for recommendations to employees.
    D. evaluation of the achievement of company goals.

13. What should employees do to maintain a customer-service mindset?
    A. Decide how to spend their break time
    B. Listen to the words of soothing songs
    C. Devote their full attention to customers
    D. Maximize conversations with coworkers

14. Which of the following is an example of ethical behavior in marketing-information management:
    A. Changing survey feedback to reflect a positive research outcome
    B. Distributing the phone numbers of customers without their permission
    C. Implementing procedures to protect the privacy of survey respondents
    D. Using complex processes for customers to opt out of emails
15. By promoting their goods and services and offering a number of purchasing arrangements, businesses help to create __________ utility.
   A. financial  
   B. time  
   C. possession  
   D. place

16. Why are consumer goods often poor quality in a communist command economy?
   A. People in a communist command economy consume everything that they produce.  
   B. People in a communist command economy do not need quality consumer goods.  
   C. The government pays workers based on quantity rather than quality.  
   D. High taxes take resources away from producers.

17. What should economists do to account for the effects of inflation on GDP?
   A. Avoid double counting  
   B. Use only nominal GDP  
   C. Use a price deflator  
   D. Use the balance of trade

18. What situation often exists when the economy is in a downturn, and many people are unemployed and cannot buy more than the basic necessities?
   A. Trade deficit  
   B. Inflation  
   C. Excess demand  
   D. Recession

19. Kelly runs a small home bakery. To help her fulfill more orders, she hired three part-time employees. The additional workers increased her output, so she hired another three workers. To her surprise, Kelly's output actually decreased once she added the last three workers. This example best demonstrates the
   A. harm of taking business risks.  
   B. law of diminishing returns.  
   C. danger of hiring employees.  
   D. need for effective employee training.

20. Which of the following circumstances is most likely to cause interest rates to increase:
   A. Low inflation  
   B. Consistent investment spending  
   C. Economic recession  
   D. Tight money supply

21. Feedback can be extremely valuable because it
   A. reinforces your own opinions.  
   B. shows you what areas to improve.  
   C. gives you a chance to be defensive.  
   D. points out others' strengths.
22. Which of the following indicates a high level of self-esteem:
   A. Believing that you should always put others ahead of yourself
   B. Making a mistake and thinking that you are good at making mistakes
   C. Seeing an advertisement for a job and feeling that you could handle it
   D. Imagining how you would feel if you had already graduated

23. Which of the following remarks represents a negative attitude:
   A. "There's nothing fun about working except getting paid."
   B. "Most of my coworkers aren't personal friends, but they're all right."
   C. "My job's not the best, but it's not the worst either."
   D. "There are some policies that are okay, and some that I don't like."

24. Fulfilling one's obligations through words and actions in a dependable manner is __________ behavior.
   A. routine
   B. responsible
   C. assertive
   D. aggressive

25. When people make you angry or upset, you may be able to maintain your self-control if you
   A. frown to indicate your displeasure.
   B. make an effort to remain calm.
   C. use language to vent your anger.
   D. adopt a defensive attitude.

26. An increase in the amount of income tax people must pay is a change brought about by
   A. government.
   B. technology.
   C. individuals.
   D. society.

27. What type of words should Rebecca use to describe her skills and accomplishments when writing her resume?
   A. Jargon
   B. Passive
   C. Action
   D. Vague

28. What type of negotiating style often involves a "no-compromise" attitude?
   A. Accommodating
   B. Combative
   C. Collaborative
   D. Flexible
29. During the staff meeting, Madeline said, “Although I don’t have all of the information that I would like to have about the new system, I am confident that we will be able to work together and effectively handle any issues that we may encounter along the way.” What characteristic is Madeline demonstrating in this situation?
   A. Self-control
   B. Recognition of others’ achievements
   C. Tolerance for ambiguity
   D. Personal vision

30. Hazel started her own childcare network where she connects families to available babysitters at her school. Hazel could be described as a(n)
   A. wholesaler.
   B. direct salesperson.
   C. entrepreneur.
   D. franchiser.

31. Mike and Sue need a source of credit to finance the purchase of their first home. Which of the following sources of credit would best fit their need:
   A. Sales finance companies
   B. Credit unions
   C. Savings and loan associations
   D. Commercial banks

32. Which of the following is fiat money:
   A. A $20 bill
   B. A check
   C. A credit card
   D. Gold

33. Each pay period, Kendra has her employer automatically deposit her paycheck into her checking account so the funds are available for use when she needs them. In this situation, money is functioning as a(n)
   A. store of value.
   B. medium of exchange.
   C. form of cash.
   D. unit of measure.

34. Lisa charges another sole proprietor to use the extra office in the building she owns. Which of the following is Lisa’s source of income:
   A. Interest
   B. Rent
   C. Dividends
   D. Salary

35. Broadcast advertising is an example of __________ media.
   A. out-of-home
   B. transit
   C. promotional
   D. direct mail
36. Balancing the business's objective to make a profit with the interests of all the business's stakeholders is a primary consideration related to the business's
   A. creative processes.
   B. financial ethics.
   C. forecasting methods.
   D. maintenance activities.

37. Which of the following phrases is most likely to be listed in an official job description:
   A. “Edit company newsletter”
   B. “Have 10-15 years' experience”
   C. “Possess an associate's degree or higher”
   D. “Able to work closely with others”

38. One reason why a business might gather marketing information is to
   A. manipulate data.
   B. remain competitive.
   C. control customers.
   D. eliminate risks.

39. One of the advantages of obtaining and using marketing information is that it helps business managers to
   A. train and direct employees.
   B. prepare documents and reports.
   C. review and understand regulations.
   D. predict and control risks.

40. To handle customer complaints effectively, the first thing that employees should do is
   A. take the customers' problems personally.
   B. state the business's policies to prevent misunderstandings.
   C. give the customers what they want to make them happy.
   D. listen to the customers to understand their concerns.

41. When Rebecca's research for her school project is complete, she’s not quite sure what to do with her data. Her friend Allison suggests coding the data, and she decides to give it a try. Why should Rebecca use coding to organize her research findings?
   A. It is the only method to interpret data in a meaningful way.
   B. It prevents data entry mistakes such as omissions or duplications.
   C. It saves time by eliminating the need to check the data for flaws and errors.
   D. It turns large amounts of data into a form that is more easily understood.

42. One of the goals of qualitative research is to answer questions about
   A. "how many."
   B. "why."
   C. "how to."
   D. "who."
43. Which of the following activities helps managers make smart decisions regarding the problems and opportunities facing their businesses:
   A. Conducting marketing research
   B. Providing customer service
   C. Advertising and sales promotion
   D. Hiring new employees

44. A company wants to collect information from various sources to determine if it should consider expanding to international markets. What research method should the company use if it does not want to spend a lot of time or money to obtain the information?
   A. Experimental
   B. Exploratory
   C. Interview
   D. Causal

45. Which of the following is a type of non-probability sampling design:
   A. Systematic random sampling
   B. Cluster sampling
   C. Stratified random sampling
   D. Judgment sampling

46. What type of data-collection method is being used when a researcher conducts a focus group?
   A. Telemarketing
   B. Statistical
   C. Interview
   D. Probability

47. Which situation is an example of SUGGING?
   A. A salesperson offers a customer the opportunity to try an expensive product free of charge.
   B. A business promotes a product by sending samples to its customers without authorization.
   C. A marketer tells a customer that they are conducting research, and then begins a sales pitch.
   D. A telemarketer asks a customer if they know anyone who would want to buy a certain product.

48. One reason that a business might conduct primary research rather than use secondary marketing information is because the
   A. secondary information may be outdated.
   B. primary information is always error-free.
   C. primary information is less expensive to obtain.
   D. secondary information is usually irrelevant.

49. Which of the following marketing functions focuses on informing all current and potential customers about the business's products:
   A. Marketing-information management
   B. Promotion
   C. Product/Service Management
   D. Pricing
50. The owner of a business is meeting with the company's managers and supervisors to set objectives for the next year. This group is developing the company's
   A. market share.
   B. business goals.
   C. channels of distribution.
   D. promotional mix.

51. Marketers divide their markets by grouping customers according to their
   A. similarities.
   B. differences.
   C. hobbies.
   D. occupations.

52. An international soft-drink company that wants to add bottled spring water to its product mix has determined there are four major brands that currently hold the majority of the market share for that product. The strengths and weaknesses of each potential competitor have been examined. This is an example of a(n)
   A. purpose and mission.
   B. action plan.
   C. marketing strategy.
   D. situation analysis.

53. Which of the following is an example of how a business uses sales forecasts:
   A. To plan purchases
   B. To organize inventory
   C. To manage staff
   D. To control trends

54. Which of the following forms of communication is the most efficient way to bring four coworkers who are located in different cities together to simultaneously discuss a common business issue:
   A. Video conferencing
   B. Voice memo
   C. Switchboard
   D. Teleprompter

55. The migration of people from one location to another that affects the types of products that businesses sell is an example of a
   A. geography issue.
   B. population trend.
   C. transportation route.
   D. social lifestyle.

56. When developing websites, businesses often use
   A. instant messaging.
   B. data tracking.
   C. design software.
   D. intranet retrieval.
57. Which of the following is an ethical dilemma related to an employee providing information in the workplace:
   A. Steven advises a customer that Simpson Electronics does not provide personal information to other companies without the customer's consent.
   B. Melinda and two of her coworkers talk about their plans to work overtime next weekend.
   C. Bob's new employer asks him to share confidential information about product-development processes that his previous employer uses.
   D. A customer asks Kate to email a comprehensive price list to their business.

58. Analyzing data with Simpson's Paradox in mind can help account for
   A. unconsidered variables or dimensions.
   B. inconsistencies in data generation.
   C. human error.
   D. incorrect assumptions.

59. Which of the following is a workplace hazard:
   A. A landscaper develops heat stroke.
   B. An employee falls off a ladder while painting a house.
   C. A restaurant kitchen has a slippery spot where someone spilled oil.
   D. A receptionist is diagnosed with carpal tunnel syndrome.

60. Which of the following is the last step in the industrial purchasing process:
   A. Negotiate discounts.
   B. Select supplier.
   C. Identify needs.
   D. Confirm delivery.

61. What type of production process would be best suited for a company that makes wool coats and socks that are not in constant demand?
   A. Intermittent
   B. Continuous
   C. Routing
   D. Unit

62. XYZ Sports has sales teams that specialize in different products within the same sport. These teams decide what items to carry in stock, how to display items related to a particular sport, and actively solicit input from customers to improve the goods and services. XYZ Sports has many of the elements of a __________ culture.
   A. executive
   B. hidden
   C. quality
   D. resistant

63. Which of the following is a way that businesses often are able to save additional money:
   A. By paying bills on time
   B. By increasing wages and benefits
   C. By renovating facilities
   D. By conducting research
64. Which of the following situations is an example of employees coordinating their work efforts:
   A. Gavin orders inventory based on the forecast that Madelyn has prepared for him.
   B. Ed reviews his monthly financial report to verify his calculations.
   C. Bob unpacks a shipment and places the items on shelves in the warehouse.
   D. Sarah calls a vendor to verify the delivery date of an order, while Shelley sells products.

65. Self-understanding helps you raise your level of self-esteem because it
   A. identifies social activities you enjoy.
   B. helps you develop personal interests.
   C. compares your skills with others' skills.
   D. gives you a true picture of yourself.

66. What trait is the most important for marketers who work in marketing operations?
   A. Communication skills
   B. Analytical skills
   C. Creativity
   D. Tech skills

67. What is one of the benefits of sending a job interview follow-up letter?
   A. Allows the applicant to include a resume
   B. Lets the applicant submit test scores
   C. Reminds the interviewer of the applicant
   D. Provides the interviewer with references

68. Which of the following guidelines for writing cover letters is true:
   A. Customize your cover letter to the position you are applying for.
   B. Include personal information like your marital status in your cover letter.
   C. Do not include your job qualifications and experience in your cover letter.
   D. In your cover letter, repeat the exact information from your resume.

69. Why is accepting responsibility for your own actions important to effective human relations skills?
   A. People will not take advantage of you.
   B. People will be able to depend on you.
   C. It helps you be enthusiastic.
   D. It helps you be objective.

70. What are a business's organizational goals based on?
   A. The employees' input
   B. The customers' opinions
   C. The industry's needs
   D. The business's purpose
71. Businesses might consider increasing their prices during times when
   A. customers have less disposable income.
   B. goods and services are plentiful.
   C. many people are unemployed.
   D. economic conditions are good.

72. In which kind of market does more competition exist than in any other kind of market:
   A. Oligopoly
   B. Monopolistic competition
   C. Pure competition
   D. Monopoly

73. Competing businesses that agree to coordinate the discounts and credit terms that they offer their customers are
   A. target pricing.
   B. unit pricing.
   C. price fixing.
   D. price planning.

74. One of the main differences between goods and services is that services are
   A. tangible.
   B. physical.
   C. produced.
   D. performed.

75. Which of the following is a way a business can classify a product line:
   A. Width
   B. Customer group
   C. Depth
   D. Trading up

76. A common method of determining a product's safety is
   A. developing warranties.
   B. testing the product.
   C. evaluating the product's appeal.
   D. complying with local regulations.

77. A trade association agrees to a set of standards and grades that will apply to products developed by its members. How will consumers of the products benefit from these standards?
   A. Guarantee of the same price
   B. Ease of comparison shopping
   C. Assurance of buyers' satisfaction
   D. Guarantee of product availability
78. Which of the following is a purpose of warranties and guarantees:
   A. To avoid a customer-oriented focus for the business
   B. To protect the producer and the seller
   C. To decrease consumer confidence about purchases
   D. To decrease feedback from customers

79. The Kelp Company always uses a stuffed teddy bear on labels of their products and in their television commercials. Which of the following is the Kelp Company using:
   A. Brand name
   B. Trademark
   C. Trade character
   D. Trade name

80. During which stage of the product life cycle is the product failure rate the highest?
   A. Introduction
   B. Growth
   C. Decline
   D. Maturity

81. Strident Technologies recently released a new model of its popular desktop computer that functions using a brand new software system. Customers interested in purchasing the new computer will have to buy the new software, too. This is an example of
   A. destructive advertising.
   B. poor marketing.
   C. product exposure.
   D. planned obsolescence.

82. Which of the following is an appropriate reason to reposition a product:
   A. Marketers are getting bored with the current position.
   B. The competitive environment has changed.
   C. The company is going out of business.
   D. The Christmas season is around the corner.

83. Identifying new product opportunities usually requires a person to be
   A. indifferent.
   B. aware.
   C. decisive.
   D. emotional.

84. Which of the following is an example of a touchpoint:
   A. A reply to a customer question on social media
   B. A company-wide email from the CEO
   C. An in-house health insurance brochure
   D. A staff meeting to discuss brand values
85. Pat's Pizza Place has introduced a new, low-fat pizza crust. In its advertising, it describes how tasty and healthy the low-fat crust is. Pat's Pizza Place is using which of the following promotional communication characteristics:
   A. Factual
   B. Persuasive
   C. Relevance
   D. Repetitious

86. An ad featuring a business's support of the Red Cross is an example of __________ advertising.
   A. free
   B. costly
   C. promotional
   D. institutional

87. Which of the following is true about the promotional mix:
   A. The promotional mix should always stay the same over time.
   B. All businesses can benefit from the same promotional mix.
   C. The promotional mix plays a key role in obtaining customers.
   D. Advertising is the best promotional mix element.

88. Patrick wants to keep a certain amount of his money in a safe place where he can earn interest on his savings, and also be able to withdraw his funds without experiencing sizable financial penalties. In what type of financial institution should Patrick consider placing his money?
   A. The stock market
   B. A holding company
   C. A retirement fund
   D. A retail bank

89. Ad copy that says a car is "the only sports coupe named to Car and Driver's ten-best list three years in a row" is
   A. showing uses.
   B. making a claim.
   C. using a testimonial.
   D. giving features.

90. Jenny Bee, who owns a small clothing company, is sending out an email to all of her former customers to offer them a discount on her newest T-shirt designs. What form of marketing is Jenny Bee using?
   A. Word-of-mouth marketing
   B. Cause marketing
   C. Indirect marketing
   D. Direct marketing

91. When a business uses a generalized portrayal of someone in its advertising, it's likely reinforcing
   A. sugging.
   B. socialization.
   C. equity labels.
   D. a stereotype.
92. Which of the following is an advantage of using the internet as a promotional tool for your business:
   A. It reaches fewer people than traditional promotion.
   B. Tracking results is difficult and slow.
   C. It is more cost effective than traditional advertising.
   D. It can make it easier for hackers to find information.

93. What is the government likely to do if it determines that a company has engaged in deceptive advertising?
   A. Rewrite the existing advertising copy
   B. Require the company to place corrective advertising
   C. Imprison the company’s chief executive officer
   D. Increase the company's sales-tax rate

94. Where might a salesperson most likely obtain firsthand product information?
   A. At the library
   B. From competitors
   C. At the factory
   D. From customers

95. Joaquin, a car salesman, is sure to send out a personalized thank-you note every time he makes a sale. Which key to customer service is he demonstrating?
   A. Having a good attitude
   B. Keeping in touch
   C. Being prompt
   D. Soliciting feedback

96. What type of computer software do businesses often use to analyze numerical sales information?
   A. Word processing
   B. Presentation
   C. Spreadsheet
   D. Graphic and design

97. Your company delivers ice cream to its customers. Other businesses in the area do not offer this service. This is an example of a
   A. product's use.
   B. unique feature.
   C. product's durability.
   D. business's style.

98. A sales presentation should be based on
   A. clearly written users' manuals.
   B. the ability to locate new clients.
   C. the fact that the client needs the product.
   D. appropriate use of follow-up techniques.
99. A business may offer financial discounts for things such as early payment or buying in bulk. These discount policies are categorized as __________ policies.
   A. service
   B. terms-of-sale
   C. selling-activity
   D. installation

100. Which of the following represents the major functions of management:
   A. Planning, organizing, staffing, directing, controlling
   B. Budgeting, scheduling, developing procedures, delegating
   C. Evaluating, motivating, training
   D. Researching, collecting information, reporting
Marketing Cluster Exam

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
FMS – Food Marketing Series Event
IMCE – Integrated Marketing Campaign–Event
IMCP – Integrated Marketing Campaign–Product
IMCS – Integrated Marketing Campaign–Service
MCS – Marketing Communications Series Event
MTDM – Marketing Management Team Decision Making Event
PSE – Professional Selling Event
RMS – Retail Merchandising Series Event
SEM – Sports and Entertainment Marketing Series Event
STDM – Sports and Entertainment Marketing Team Decision Making Event

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1. C

Increase operating costs. Environmental laws are intended to conserve and protect the natural environment. Many of these laws have an impact on the way businesses operate by requiring them to decrease pollution or control waste. As a result, businesses often need to spend money to comply with the rules and regulations, which leads to an increase in operating costs. For example, a business might need to purchase pollution-control devices. Environmental laws do not require businesses to hire more employees or develop exterior landscapes. The laws do not limit equipment purchases. In fact, businesses may need to buy more equipment to comply with the laws.

SOURCE: BL:073 Discuss the nature of environmental law

2. D

Control the flow of goods into and out of the country. Customs regulations are in place to protect a country's economy, environment, citizens, and jobs by controlling the flow of goods into and out of the country. Customs regulations are not intended to prevent anything foreign from entering the country, or to prevent immigration. Customs regulations are not related to the traditions of a country.

SOURCE: BL:126 Describe the nature of customs regulations

3. A

Retailers. Retailers are businesses that buy consumer goods or services and sell them to the ultimate consumer. Walmart, Domino's, and Avis Rent-a-Car all sell directly to consumers. Wholesalers are businesses that buy goods from producers or agents and sell to retailers. Agents assist in the sale and/or promotion of goods and services but do not take title to them. Industrial distributors are intermediaries that buy industrial goods and services and sell them to industrial users.

SOURCE: CM:003 Explain the nature of channels of distribution
SOURCE: LAP-CM-003—Channel It (Channels of Distribution)

4. A

The overwhelming number of technology options. Using technology is a great way to improve overall channel management success. However, the sheer number of options for channel management technologies can be overwhelming for many companies. This is a common barrier to implementing channel management technology. Companies generally don't refuse to implement new tools because most companies understand the value of new technology. The possibility for increased productivity and efficiency is a benefit of using channel management technology, not a barrier to it. Employees are generally able and willing to learn to master new technologies.

SOURCE: CM:004 Describe the use of technology in the channel management function
5. D
Coercion. Coercion is an attempt to gain compliance through threats or by bullying. When a channel leader places unreasonable pressure on a channel member to do something that is not in the best interest of the channel member, it is using coercion. For example, a channel leader that yields a lot of power in the distribution chain may set unrealistic sales goals for a dealer, or it may pressure a supplier to lower its prices to a point that it hurts the supplier's profits. Coercion tends to create channel conflict, leads to unfair and unsatisfactory business relationships, and often disrupts the distribution process. Control is a management function that monitors the work effort. Deception is misleading behavior. Diplomacy is tact.

SOURCE: CM:006 Describe ethical considerations in channel management

6. A
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 Explain the nature of channel-member relationships

7. C
A credit card company offers cards with sports teams’ logos. Affinity marketing is a strategy in which an organization solicits responses from a group that shares a common interest or activity. If a credit card has a sports team’s logo on it, fans of that team might be more likely to choose that particular company. An airline that offers frequent flyer miles is not an affinity partnership because there is no relationship between the airline and another organization; rather, this is an example of frequency marketing. A restaurant giving discounts to members of its rewards program is also an example of a frequency marketing strategy. Finally, a bank that pays to have its name on a local concert venue is engaged in a sponsorship, rather than an affinity partnership.

SOURCE: CM:021 Explain the nature of affinity partner relationships

8. B
An opportunity for feedback. Staff communication should not be a one way street. Maintaining open lines of communication in a business setting is important, and employees need to feel comfortable giving feedback to their coworkers and supervisors. Staff communication is not an optional formality; it’s a crucial part of running a successful business. It should be continual, not saved for individual performance reviews or contained in one meeting.

SOURCE: CO:014 Explain the nature of staff communication
9. D
When the speaker shares relevant information. Speakers should show visual aids to enhance their message when those charts, graphics, videos, etc., correspond with the specific information that they are presenting. It's not likely that an image will be relevant or appropriate for the entire presentation, and overuse may cause it to lose its impact. A visual aid might help engage a bored audience but would add little value if it isn't related to the material being shared. While visual aids may assist a speaker in summarizing their presentation, visual aids can also be helpful during the introduction or body of a presentation.

SOURCE: CO:025 Make oral presentations

10. A
What is your presentation about? Open-ended questions are those that require more than just a yes or no answer. If someone asked you what your presentation was about, it would require you to say more than just yes or no. But if someone asked you if you were ready for your presentation, if your presentation was finished, or if you needed a projector for your presentation, you would be able to answer with a simple yes or no. These questions are considered closed-response questions.

SOURCE: CO:058 Ask relevant questions

11. B
Explain relationships. Graphic aids help clarify, reinforce, and summarize information. Flowcharts help explain relationships. For example, an organizational chart illustrates a business's chain of command. Flowcharts may also show the ways in which sequential processes work, such as project management. Line graphs are often used to illustrate timelines and to identify trends. Bar charts are effective graphic aids to compare and contrast data. Tables are often used to summarize complex numerical data.

SOURCE: CO:087 Select and use appropriate graphic aids

12. B
Overview of work completed and planned. Daily activity reports are a type of simple written reports that outline the work completed, problems and concerns, and work to be done. They usually are fairly short. They may, in some cases, provide a basis for recommendations or a permanent record, but that is not their basic purpose. Quarterly management reports indicate a company's progress toward meeting its goals and objectives and evaluate problems hindering achievement of those goals.

SOURCE: CO:094 Prepare simple written reports

13. C
Devote their full attention to customers. Maintaining a customer-service mindset requires employees to set their minds on customers. They should not become distracted by other things around them, such as songs, conversations with coworkers, or what they will be doing after work or during breaks. Distractions turn their focus away from customers and prevent them from providing quality service.

SOURCE: CR:004 Demonstrate a customer service mindset
SOURCE: LAP-CR-004—Set Your Mind to It (Customer-Service Mindset)
14. C
Implementing procedures to protect the privacy of survey respondents is an ethical action. Taking steps to protect the privacy of survey respondents is an ethical action. Manipulating feedback, distributing personal information without permission, and using complex email opt-out processes are unethical behaviors.

SOURCE: IM:025 Explain the role of ethics in marketing-information management


15. C
Possession. Possession utility is created when ownership of a product is transferred from the seller to the user. Possession utility can be created through promotions which increase consumer demand for goods. Businesses also help create possession utility by offering a number of purchasing arrangements that make it easy for customers to buy. Financial is not a type of utility. Time utility is having the products available at the time they are desired. Creating place utility means having the products, both goods and services, available at the place where they are needed by the consumer.

SOURCE: EC:004 Determine economic utilities created by business activities

SOURCE: LAP-EC-013—Use It (Economic Utility)

16. C
The government pays workers based on quantity rather than quality. In a communist command economy, most resources are allocated toward industrial goods rather than consumer goods. The few consumer goods that are available are often poor quality because the government pays workers based on the quantity, not the quality, of what they produce. People in communist command economies need consumer goods as much as those in other economic systems do. High taxes do not necessarily have a direct effect on production of consumer goods. Finally, people in a communist command economy do not consume everything that they produce; this is instead a characteristic of a traditional economy.

SOURCE: EC:007 Explain the types of economic systems


17. C
Use a price deflator. Inflation can distort GDP by making it higher, not because production has increased, but because prices are higher. A price deflator is an economic metric that converts prices to a base dollar value and allows GDP to be accurately compared over time. Double counting occurs when production is counted more than once. It is not related to inflation. The balance of trade is the difference between imports and exports. It does not relate to the effects of inflation on GDP. Nominal GDP is GDP that has not been adjusted to account for the effects of inflation. GDP that has been adjusted to account for inflation is called real GDP.

SOURCE: EC:017 Explain the concept of Gross Domestic Product (GDP)

SOURCE: LAP-EC-917—Measure Up? (Gross Domestic Product)

18. D
Recession. A recession is a six-month’s contraction in the gross domestic product (GDP). A recession usually results in rising unemployment and people having less money to spend on consumer goods. Excess demand exists when consumers want more goods than are available to buy. Inflation is a rise in prices that may occur when demand exceeds supply. A trade deficit results from more imports than exports.

SOURCE: EC:018 Determine the impact of business cycles on business activities

SOURCE: LAP-EC-918—Boom or Bust (Impact of Business Cycles)
19. B

Law of diminishing returns. The law of diminishing returns is an economic concept that states that if one input increases while others are constant, at some point the increases in output will decline. In this example, Kelly added six new employees to her business without changing anything else. Kelly's business reached the point at which output could no longer increase unless the inputs also increased. This example demonstrates the law of diminishing returns, not the need for effective employee training, the harm of taking business risks, or the danger of hiring employees.

SOURCE: EC:023 Explain the impact of the law of diminishing returns
SOURCE: LAP-EC-023—Know Your Limits (Law of Diminishing Returns)

20. D

Tight money supply. Many factors affect interest rates, including business cycles, consumer spending, inflation, and the money supply. If the money supply is low or tight, there is less money available to lend. This causes interest rates to increase. The government might implement policies to tighten the money supply when the rate of inflation rapidly increases. When investment spending increases, the money supply is usually loose, so interest rates are lower—it is cheaper for businesses and individuals to borrow money. During a recession, businesses are not expanding, unemployment increases, and consumer spending decreases. Because a recession negatively affects the economy, the government may implement policies that lower interest rates to stimulate commercial growth and consumer spending.

SOURCE: EC:084 Explain the economic impact of interest-rate fluctuations

21. B

Shows you what areas to improve. Feedback can be very valuable because it shows you how you are doing. If you know what you are doing wrong, you can change that behavior in the future. Feedback does not necessarily reinforce your own opinions, as others may have a different view of you than you have of yourself. Feedback should address your strengths and weaknesses, not those of others. You should not allow negative feedback to make you defensive. People who are defensive are easily angered or upset by criticism or suggestions perceived as criticism, and this prevents them from benefiting from feedback.

SOURCE: EI:003 Explain the use of feedback for personal growth
SOURCE: LAP-EI-903—Grin and Bear It (Using Feedback for Personal Growth)

22. C

Seeing an advertisement for a job and feeling that you could handle it. Self-esteem is how you feel about yourself at any given time. Your level of self-esteem can fluctuate from high to low. Feeling that you could do a job you have read about would indicate your level of self-esteem is high. Imagining how you would feel if you had already graduated is an example of visualization that can be used to support self-esteem. Always putting others ahead of yourself and thinking you are good at making mistakes indicates a low level of self-esteem.

SOURCE: EI:016 Explain the concept of self-esteem

23. A

"There's nothing fun about working except getting paid." A negative attitude is an outlook that focuses on the bad side of things. The other alternatives represent indifferent attitudes. They convey an outlook or feeling of disinterest and unconcern that is neither positive nor negative.

SOURCE: EI:019 Exhibit a positive attitude
SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)
24. B
Responsible. People are able to trust and rely on individuals who display responsible behavior. Assertive behavior is characterized by respect for one's personal rights as well as for the rights of others. Aggressive behavior respects personal rights at the expense of the rights of others. Routine behavior or activities are those that are done on a daily basis.

SOURCE: EI:021 Demonstrate responsible behavior
SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)

25. B
Make an effort to remain calm. In some cases, acting calm will actually help you be calmer. Using language to vent your anger indicates you have lost your self-control. Frowning and being defensive are negative responses that will not help you maintain your self-control.

SOURCE: EI:025 Demonstrate self-control
SOURCE: LAP-EI-014—Control Yourself! (Demonstrating Self-Control)

26. A
Government. New or revised laws, regulations, policies, public services, leadership, etc., are all types of change brought about by government. They are often the result of economic changes. Changes brought about by individuals are changes concerning their bodies, lifestyles, minds, etc. Changes in society are brought about by shifts in people's values, tastes, habits, etc. Changes brought about by technology are developments, breakthroughs, and discoveries in the fields of science, engineering, etc.

SOURCE: EI:026 Adjust to change

27. C
Action. Using action words in a resume subtly indicates that the job applicant is assertive, on the move, and actively working to accomplish goals. Action words help the reader visualize the applicant performing a task or activity. Phrases such as, "managed a long-term marketing project," or "coordinated a local charity event," indicate that the applicant takes action to accomplish a task or goal. Passive or vague words are not likely to impress or entice the reader to read further. Jargon refers to a specialized language known only to a certain group of people. Jargon should be used sparingly and only if it is necessary to describe something that is related to the job.

SOURCE: PD:031 Prepare a résumé

28. B
Combative. Those who use the combative style of negotiating are ready to fight for what they want at any cost. It often involves a "no-compromise" attitude. This style is useful in short-term situations, particularly if you won't see the other person again. However, it usually does not build long-term relationships. The collaborative style involves people working together to create an outcome that benefits both parties. A flexible negotiating style means a willingness to change and adapt while negotiating—these are not traits indicative of a "no-compromise" attitude. The accommodating style often involves people agreeing to something they don't really want.

SOURCE: EI:062 Demonstrate negotiation skills
SOURCE: LAP-EI-062—Make It a Win-Win (Negotiation in Business)
29. C

Tolerance for ambiguity. Tolerance for ambiguity is the willingness to take action despite having incomplete information or lacking clear direction. In the situation provided, Madeline indicates that she doesn't have complete information but is confident that her staff will be able to handle unexpected problems after the system has been implemented. Madeline has a high level of tolerance for ambiguity because she is taking action without knowing what circumstances she may encounter along the way. Personal vision is the future you wish to create. Self-control is the ability to restrain your feelings, words, and actions. Madeline may have self-control and vision; however, there is not enough information provided to indicate that she is using self-control to manage difficult emotions or that she is implementing the new system to achieve her vision. Madeline indicates she has confidence in her staff's abilities to handle future issues rather than recognizing their past achievements.

SOURCE: EI:092 Develop tolerance for ambiguity
SOURCE: LAP-EI-092—Embrace the Unknown (Developing a Tolerance for Ambiguity)

30. C

Entrepreneur. An entrepreneur is anyone who creates, launches, organizes, and manages a new business and takes on the risk of that business. Hazel is an entrepreneur because she created and launched a new childcare business where she is accountable for risk. A franchiser is the owner of a business who gives the rights to operate a branch of that business to someone else in exchange for a fee and profits. A wholesaler is a merchant who sells to other businesses for resale or business use. A direct salesperson is someone who sells a product directly to customers.

SOURCE: EN:039 Describe the nature of entrepreneurship

31. C

Savings and loan associations. The majority of real-estate loans are handled by savings and loan associations. Commercial banks offer full-service banking, checking and savings accounts, secured and unsecured loans, installment credit, and bank credit cards. Credit unions provide credit and savings services to members, usually within a business or labor union. Sales finance companies purchase borrowers' contracts from sellers and receive the borrowers' payments.

SOURCE: FI:002 Explain the purposes and importance of credit
SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

32. A

A $20 bill. Fiat money is money that has no intrinsic value. Instead, its value comes from government backing. Paper currency such as a $20 bill is an example of fiat money. A check is not fiat money because its value is not backed by the government. Gold has intrinsic value and is a commodity rather than fiat money. A credit card's value is also not backed by the government.

SOURCE: FI:059 Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.)
33. A

Store of value. Money functions as a store of value when it is saved rather than spent. The money can be held over time, and it retains value for future purchasing power. Money serves as a unit of measure when it is used to express the value or worth of something. Money serves as a medium of exchange when it is used to obtain goods and services. Cash is a form of money—currency and coins. Because Kendra's paycheck was automatically deposited in her bank account, currency and coins have not been touched.

SOURCE: FI:060 Describe functions of money (medium of exchange, unit of measure, store of value)

34. B

Rent. Income is the money resource owners receive for supplying goods and services. As a resource owner, Lisa is supplying office space and receiving rent payments from the sole proprietor, so she is receiving income. A salary is a form of income that is money payment for labor. A dividend is the sum of money paid to an investor or stockholder as earnings on an investment. Interest is the money payment for the use of borrowed money.

SOURCE: FI:061 Describe sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.)

35. C

Promotional. Promotional media are channels of communication used by businesses to deliver advertising messages to target groups of consumers. Broadcast media include radio and television, which use radio waves to reach consumers. Direct mail is a form of promotional media that comes to the consumers' homes in the form of letters, catalogs, postcards, and folders. Transit media is a form of out-of-home media found in various forms and locations of mass transportation. Out-of-home media is a form of promotional media to which we are exposed outside our homes, such as outdoor and transit media.

SOURCE: PR:007 Explain types of advertising media
SOURCE: LAP-PR-007—Ad-quipping Your Business (Types of Advertising Media)

36. B

Financial ethics. An important aspect of financial ethics is making sure the business makes a profit and serves the best interests of its stakeholders (e.g., employees, customers, investors). This would include honest communication, transparent financial reporting, and fair pricing practices. Creative processes, maintenance activities, and forecasting methods are important business considerations; however, these activities are not directly related to the business’s profitability and the stakeholders' best interests.

SOURCE: FI:355 Discuss the role of ethics in finance

37. A

"Edit company newsletter." Editing the company newsletter is a task that would be listed in an official job description. A job description is an explanation of the specific responsibilities associated with a certain job. A job specification, on the other hand, is an explanation of the skills, knowledge, and characteristics required for a job. Having 10-15 years of experience, being able to work closely with others, and possessing an associate's degree or higher are all examples of what might be listed in a job specification.

SOURCE: HR:410 Discuss the nature of human resources management
SOURCE: LAP-HR-410—People Pusher (Nature of Human Resources Management)
38. B

Remain competitive. Competition among businesses continues to increase. As a result, these businesses must have up-to-date marketing information to be competitive. They need to know how well the competition is doing, what competitors’ prices are, how effective their promotional methods are, and what changes the competition is planning to make. Gathering marketing information helps reduce risk but cannot eliminate it. A business would not gather marketing information to control customers or manipulate data.

SOURCE: IM:001 Explain the nature and scope of the marketing-information management function
SOURCE: LAP-IM-001—Get the Facts Straight (Marketing-Information Management)

39. D

Predict and control risks. Marketing information is all of the marketing-related data available from inside and outside the business. It includes information about past situations and what is happening now. By obtaining and using marketing information, business managers can predict the risks that might occur in the future and take steps to control those risks. For example, if current marketing information indicates that one product is losing popularity, a business can modify the product or repackage it to be more appealing. As a result, the business might avoid losing customers, which is a future risk. Managers often use marketing information to prepare documents and reports, but that is not an advantage of obtaining and using the information. Business managers do not obtain and use marketing information to train and direct employees, or to review and understand regulations.

SOURCE: IM:012 Describe the need for marketing data

40. D

Listen to the customers to understand their concerns. The first thing an employee should do is to listen to the customer to try to determine the reason for the complaint. If employees fully understand their customers’ complaints, they will be better able to solve the problem. Employees should express empathy, but they should not take customers’ complaints as personal attacks against them. It is not always possible to give customers whatever they want to make them happy. In some situations, the business and the customer may need to compromise. Stating the business’s policies before listening to the customers’ complaints may frustrate the customers and make them angry.

SOURCE: CR:010 Handle customer/client complaints
SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)

41. D

It turns large amounts of data into a form that is more easily understood. To make sense of large amounts of data, the data must be analyzed. Coding can be an extremely useful tool for data analysis by grouping and assigning value to various responses from the survey. While coding is one way to interpret data in a meaningful way, it is not the only way. Coding does not prevent data entry mistakes. In many cases, it is still humans who assign the coding system and manually enter codes into a computer—there is always the possibility of human error. Data should always be checked for flaws at multiple points during the analysis. Coding should not be used as a replacement for error checking.

SOURCE: IM:062 Explain techniques for processing marketing data
42. B
"Why." Qualitative research is based on obtaining information about opinions and experiences. One of its goals is to answer questions about "why," such as why do people buy the products they buy. As a result, qualitative research often involves more detailed interviewing of fewer numbers of people to obtain specific information that will answer the questions of "why." Quantitative research answers questions about "how many." Qualitative research does not answer questions about "who" or "how to."

SOURCE: IM:281 Describe options businesses use to obtain marketing research data (i.e., primary and secondary research)
SOURCE: LAP-IM-281—What's the Source? (Obtaining Marketing-Research Data)

43. A
Conducting marketing research. Conducting marketing research helps managers make smart decisions and plan appropriate strategies regarding the problems and opportunities facing their businesses. Advertising and sales promotion, hiring new employees, and providing customer service are all important business activities, but they do not provide the information that managers need for decision-making.

SOURCE: IM:282 Discuss the nature of marketing research problems/issues
SOURCE: LAP-IM-282—What's the Problem? (Marketing Research Problems)

44. B
Exploratory. Exploratory research involves collecting information to help the business define its issue, situation, or concern, and decide how to proceed with its research. Causal or conclusive research focuses on cause and effect and tests "what if" theories. Interviews are conversations in which a researcher surveys an individual to obtain research data. An experiment is a research method that tests "cause and effect" by test marketing new products or comparing test groups with control groups.

SOURCE: IM:284 Describe methods used to design marketing research studies (i.e., descriptive, exploratory, and causal)

45. D
Judgment sampling. Judgment sampling, also known as expert sampling, requires researchers to handpick respondents based on their knowledge or expertise. This is a type of non-probability sampling because it is not random. Cluster sampling, stratified random sampling, and systematic random sampling are all types of probability sampling.

SOURCE: IM:285 Discuss the nature of sampling plans (i.e., who, how many, how chosen)
SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)

46. C
Interview. The interview is a common method of collecting data from individuals. There are many types of interview procedures, and one is the focus group, which is a group formed for the purpose of discussing a specific topic. In a focus group, a moderator asks questions and guides the group discussion to obtain information about a specific topic, such as a product. Telemarketing involves contacting people by telephone. Probability is a type of sampling method of research. Statistics are often information presented in numerical form.

SOURCE: IM:289 Describe data-collection methods (e.g., observations, mail, diaries, telephone, Internet, discussion groups, interviews, scanners, tracking tools)
47. C

A marketer tells a customer that they are conducting research, and then begins a sales pitch. SUGGING is an acronym for "selling under the guise of research." SUGGING is an unethical practice in which a marketer pretends to conduct research but, in fact, is really attempting to sell a good or service to a consumer. SUGGING is deceptive and rarely facilitates a long-term selling relationship. It also harms the integrity of the general marketing-research field because potential respondents who have been subjected to SUGGING are less likely to trust researchers and are likely to question their true motives. A telemarketer who asks a person if they know anyone who might buy a certain product is trying to obtain a referral. Sending samples to consumers is a promotional technique. A salesperson providing a customer the opportunity to try a product for a certain period of time is implementing a strategy to make a sale.

SOURCE: IM:419 Describe the regulation of marketing-information management

48. A

Secondary information may be outdated. Secondary information is information collected by others for purposes other than the project at hand. Though the secondary information may have been relevant at one time, it may be too old to reflect any changes that have occurred since it was collected. Therefore, the business might conduct its own research to obtain current results. Primary information is not always error-free and can be expensive to obtain.

SOURCE: IM:428 Assess appropriateness of marketing research for the problem/issue (e.g., research methods, sources of information, timeliness of information, etc.)

49. B

Promotion. The promotion function focuses on informing customers about new products, improved products, new uses for existing products, and special values on products. Businesses use a variety of communication channels to inform customers about products including advertising and sales promotion. The marketing-information management function focuses on gathering, accessing, synthesizing, evaluating, and disseminating information to aid business decision-making. The product/service management function focuses on obtaining, developing, maintaining, and improving a product mix in response to market opportunities. The pricing function focuses on determining and adjusting prices to maximize return and meet the customers' perceptions of value.

SOURCE: MK:002 Describe marketing functions and related activities
SOURCE: LAP-MK-001—Work the Big Seven (Marketing Functions)

50. B

Business goals. The goals or objectives of a business are the things the business wants to attain. A particular share of the industry market might be a business's goal. The promotional mix is the combination of marketing communication channels that a business uses to send its messages to consumers. Channels of distribution are the paths, or routes, that goods or services take from the producer to the ultimate consumer or industrial user.

SOURCE: MP:001 Explain the concept of marketing strategies
SOURCE: LAP-MP-001—Pick the Mix (Nature of Marketing Strategies)

51. A

Similarities. Marketers divide their markets by grouping customers according to their similarities—not their differences. Customers may be similar in their occupations or hobbies.

SOURCE: MP:003 Explain the concept of market and market identification
SOURCE: LAP-MP-003—Have We Met? (Market Identification)
52. D

Situation analysis. Information regarding competitors, their products, and their strengths and weaknesses is collected as part of an external environment analysis. This type of analysis is one aspect of the overall situation analysis. Gathering such information is not an example of marketing strategy, action plans, or purpose and mission.

SOURCE: MP:008 Explain the role of situation analysis in the marketing planning process

53. A

To plan purchases. Many businesses consider the sales forecast as the cornerstone of their planning. One way that businesses use the sales forecast is to plan purchases. The projected sales figures tell the business what amount of raw materials and equipment will be needed to produce the products it expects to sell. These figures help businesses decide whether to increase or decrease the amount of their purchases. Businesses do not use sales forecasts to organize inventory, manage staff, or control trends.

SOURCE: MP:013 Explain the nature of sales forecasts

54. A

Video conferencing. Video conferencing is a communication method that allows several individuals to simultaneously hold a discussion via a video conferencing platform. Although each person is in a different location, each person can speak, see, and hear all of the conference participants. Switchboards and teleprompters are not business tools that allow several people to communicate simultaneously. Video memors record audio data in a digital format.

SOURCE: NF:011 Demonstrate collaborative/groupware applications

55. B

Population trend. Migration is a population trend that indicates the movement of people throughout the country as well as into and out of the country. Migration trends are important to businesses because businesses need to know where their customers are located. For example, many people are leaving colder climates and migrating to what is considered the Sunbelt. This movement affects businesses because the types of products they sell and the way they sell them will change. Also, the increased migration of ethnic groups into the country creates a need for new goods and services that meet the needs of a multicultural population. The migration of people from one location to another is not a geography issue, a transportation route, or a social lifestyle.

SOURCE: NF:013 Describe current business trends
56. C
Design software. Developing websites has become easier with advances in technology. Today, web design software is available, so even small businesses can create and post web pages to promote themselves and connect to customers. Businesses do not use instant messaging, data tracking, or intranet retrieval to develop websites.
SOURCE: NF:042 Create and post basic web page

57. C
Bob's new employer asks him to share confidential information about product-development processes that his previous employer uses. In many situations, employers require employees to sign a nondisclosure agreement, which is a promise to maintain the confidentiality of the business's trade secrets. Bob's new employer is asking him to break the promise that he made to his previous employer and share the information, which presents an ethical dilemma for Bob. Mailing a price list to a customer, discussing work plans with coworkers, and providing a customer with accurate information about a company's privacy policy are ethical actions that do not pose a dilemma.
SOURCE: NF:111 Explain the role of ethics in information management

58. A
Unconsidered variables or dimensions. Simpson's Paradox occurs when a trend that appears in different groups of data disappears when the groups are combined. It helps reveal instances where data can be misinterpreted or variables can be overlooked because data have not been examined from multiple perspectives. Simpson's Paradox does not necessarily account for human error, inconsistencies in data generation, or incorrect assumptions about data.
SOURCE: NF:139 Explain the principles of data analysis

59. C
A restaurant kitchen has a slippery spot where someone spilled oil. A workplace hazard is defined as anything that can harm an employee, whether mentally or physically. A slippery spot on a kitchen floor is a hazard because an employee could easily fall and injure themselves. A hazard is what can cause an injury, not the injury itself. For this reason, carpal tunnel syndrome and heat stroke are not hazards. In these cases, repetitive motions and heat would be the hazards. A hazard is also not the event that causes the injury. Falling off a ladder is not a hazard, but the height which caused the fall is a hazard.
SOURCE: OP:004 Describe health and safety regulations in business

60. D
Confirm delivery. The final step in the industrial purchasing process is expediting, or following up, to confirm delivery. Once the purchase order has been accepted, the purchaser usually contacts the vendor as the agreed-upon delivery date approaches in order to make sure the shipment will arrive on schedule. Selecting suppliers, negotiating discounts, and identifying needs are earlier steps in the industrial purchasing process.
SOURCE: OP:015 Explain the nature and scope of purchasing
SOURCE: LAP-OP-015—Buy Right (Purchasing)
61. A
Intermittent. Intermittent production occurs when production periodically stops and restarts. It is generally used for products that are not in constant demand all of the time. Wool coats and socks are an example because they are generally only used during the colder winter months in many regions. Continuous production involves turning out products without stopping. It is used when products are in steady demand all of the time. Unit production would be used for wool coats and socks. Routing is a production activity that determines the sequence for the steps in the production process.
SOURCE: OP:017 Explain the concept of production
SOURCE: LAP-OP-017—Can You Make it? (Nature of Production)

62. C
Quality. There are several characteristics shared by organizations with quality cultures. These characteristics include working in teams, involving employees and allowing them to make decisions, and actively seeking customer input to use to improve quality. A resistant culture is one in which employees are resistant to change and new ideas. A hidden culture is not readily seen until one has worked in a place for a long time. Executive is not a type of culture.
SOURCE: OP:019 Describe crucial elements of a quality culture

63. A
By paying bills on time. Controlling expenses not only helps the business to have the necessary funds to pay its bills but to pay them on time and control its expenses even further. Businesses that pay within a certain amount of time often receive a discount and save additional money. Conducting research, increasing wages and benefits, and renovating facilities are ways of using the money that was saved by controlling expenses.
SOURCE: OP:025 Explain employee's role in expense control
SOURCE: LAP-OP-025—Buck Busters (Employee Role in Expense Control)

64. A
Gavin orders inventory based on the forecast that Madelyn has prepared for him. Gavin does not know the type and amount of inventory to order until Madelyn provides him with the forecast that she has prepared. Therefore, Gavin and Madelyn's work activities are interdependent—they must work together and coordinate their work efforts to achieve the business's goals. Unpacking a shipment, placing the items on shelves, and reviewing a monthly financial report are not situations that indicate employees are coordinating their work efforts. Sarah and Shelley are working independently rather than coordinating their efforts.
SOURCE: OP:230 Coordinate work with that of team members

65. D
Gives you a true picture of yourself. Self-understanding involves identifying both your strengths and your weaknesses. When you recognize your strengths, it is easier to accept your weaknesses. This helps you like and accept yourself, which are essential to raising your level of self-esteem. You may develop personal interests or identify enjoyable social activities through self-understanding, but they may not affect your level of self-esteem. Comparing your skills with the skills of others does not necessarily raise your self-esteem.
SOURCE: PD:013 Assess personal interests and skills needed for success in business
66. B
Analytical skills. Marketing operations is based less on creativity and more on analysis, data, and research. Because of this, analytical skills are extremely important for market researchers. Creativity, communication skills, and tech skills are certainly helpful in most marketing careers, but they aren’t the most important trait for marketing-operations professionals.
SOURCE: PD:024 Explain employment opportunities in marketing
SOURCE: LAP-PD-024—Career Opportunities in Marketing

67. C
Reminds the interviewer of the applicant. Applicants should send follow-up letters immediately after the job interview to thank the interviewers for their time. Follow-up letters also remind the interviewer of the specific applicant and help create a favorable impression. If there are several applicants with comparable qualifications, an interviewer might select the one who remembered to send a follow-up letter. An applicant's resume, references, and test scores usually are submitted with the employment application or during the employment interview.
SOURCE: PD:029 Write a follow-up letter after job interviews

68. A
Customize your cover letter to the position you are applying for. Cover letters are intended to give employers a better sense of your unique skills and experiences and should be customized to each specific job. They should not repeat the exact same information from your resume; rather, they should elaborate on the information from your resume. It would be inappropriate to include personal information like your marital status in a cover letter. You should include your job qualifications and experience in a cover letter.
SOURCE: PD:030 Write a letter of application

69. B
People will be able to depend on you. Taking full responsibility for your own actions and never blaming others for your mistakes means you are reliable. People will know they can depend on you to do what you say you will do. This does not help you be objective or enthusiastic, and it will not keep people from trying to take advantage of you.
SOURCE: EI:037 Foster positive working relationships
SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)

70. D
The business's purpose. Organizational goals are the overall objectives that a business wants to achieve. Effective organizational goals should align with and reflect the business's purpose—why the business exists in the first place. A business considers many factors related to its customers, its employees, and its industry's standards (rather than needs) when defining its mission or purpose.
SOURCE: PD:254 Determine the nature of organizational goals
71. D
Economic conditions are good. Businesses need to be willing to adjust their prices. These adjustments can be increases or decreases, depending on the circumstances faced by the business. When economic conditions are good, the business might increase its prices because customers are less cautious with their spending. Businesses often decrease their prices when goods and services are plentiful, when customers have less money to spend, and when many people are unemployed.

SOURCE: PI:001 Explain the nature and scope of the pricing function
SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

72. C
Pure competition. In a pure competitive market, there are a great many buyers and sellers of nearly identical products, and marketers have very little control over pricing. More competition exists in this kind of market than in any other. Most products are sold at market price—the actual price that prevails in a market at any particular moment. The market price is controlled by supply and demand. In an oligopoly, competition is more likely to be based on style or brand than on price. In a monopoly, there is virtually no competition because there is only one seller or provider of a good or service. In a monopolistic competitive market, there is competition because there are many buyers and sellers offering different types of products at different prices. There is less competition in this kind of market than in a pure competitive market.

SOURCE: PI:002 Explain factors affecting pricing decisions
SOURCE: LAP-PI-902—Make Cents (Factors Affecting Selling Price)

73. C
Price fixing. Price fixing is an illegal business arrangement in which businesses agree on prices of their goods or services, resulting in little choice for the consumer. Businesses that agree to coordinate the discounts and credit terms that they offer their customers are guilty of fixing the price of those services. If all the competing businesses in one area agree to offer the same discounts and credit terms, the customers have no choice in selecting a business that offers a different price. In target pricing, prices are set to provide a certain rate of return on an investment. The decisions a business makes concerning which prices to charge is price planning. Unit pricing is a pricing technique that gives the consumers the price per unit for products.

SOURCE: PI:015 Describe the role of business ethics in pricing

74. D
Performed. Goods and services are both products. However, services are intangible products, which means that they cannot be tasted, felt, seen, heard, or smelled. Services are performed rather than produced. A good is a tangible, or physical, item that is produced.

SOURCE: PM:001 Explain the nature and scope of the product/service management function
SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

75. B
Customer group. Product lines that are classified by customer group contain products that appeal to a certain market, such as the consumer market or the commercial market. Trading up is a product-mix strategy in which a business adds a higher priced product or product line to its product mix. Depth is a product-mix dimension referring to the assortments of sizes, colors, flavors, and models offered in a product line. Width is a product-mix dimension referring to the number of product lines a company carries.

SOURCE: PM:003 Explain the concept of product mix
SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)
76. B
Testing the product. Testing the product involves using the product in a variety of situations or ways in order to evaluate its performance. If a product fails or poses a danger to users, the product is not safe, and the manufacturer should take steps to make sure it works properly. Product testing is an appropriate way to determine safety levels for products, such as equipment, appliances, computers, and vehicles. Developing a warranty, evaluating the product's appeal, and complying with local regulations are not actions that determine a product's safety.

SOURCE: PM:017 Identify consumer protection provisions of appropriate agencies
SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

77. B
Ease of comparison shopping. Consumers could easily compare similar products developed by the various members of the trade association because all of the products would meet the same standards. Even though the products meet the same standards, there is no guarantee that the pricing would be the same. These standards may or may not affect customer satisfaction levels. Standards do not guarantee that the product will be available.

SOURCE: PM:019 Describe the uses of grades and standards in marketing
SOURCE: LAP-PM-008—Raise the Bar (Grades and Standards)

78. B
To protect the producer and the seller. A purpose of warranties and guarantees is to protect the producer and the seller. Producers and sellers are protected by well-written warranties and guarantees because their responsibilities to the customer are clearly defined. Informing customers about how problems will be handled helps prevent purchasers from making unreasonable claims against producers or sellers. Decreasing consumer confidence is not a purpose of warranties and guarantees, but increasing it is. Decreasing feedback from customers and avoiding a customer-oriented focus are not purposes of warranties and guarantees; in fact, increasing them is a benefit a company receives from offering warranties and guarantees with its products.

SOURCE: PM:020 Explain warranties and guarantees
SOURCE: LAP-PM-920—Promises, Promises (Warranties and Guarantees)

79. C
Trade character. A trade character is a brand mark that has been personified (e.g., the Pillsbury doughboy and Toucan Sam). A trade name is used to identify a company or an organization. A trademark is a brand that is owned by a business, designated by a designated symbol. A brand name is the part of a brand that can be spoken, such as a word, phrase, letter, number, or any combination of these.

SOURCE: PM:021 Explain the nature of product/service branding
SOURCE: LAP-PM-021—It's a Brand, Brand, Brand World! (Nature of Product Branding)

80. A
Introduction. The product failure rate is highest during the introduction stage of the product life cycle. It might be because the company neglected to complete its research, because the product is not quite ready, because the company does not have an effective launch plan, or because the company simply does not have the resources necessary to market the product successfully. The product failure rate is not as high in the growth, maturity, and decline stages.

SOURCE: PM:024 Identify the impact of product life cycles on marketing decisions
SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)
81. D
Planned obsolescence. Planned obsolescence is the practice of designing a product to become obsolete, or outdated or useless, before it should reasonably need replacement. Designing a new computer that only runs on a new software is an example of planned obsolescence, not poor marketing, product exposure, or destructive advertising.

SOURCE: PM:040 Explain business ethics in product/service management
SOURCE: LAP-PM-040—Safe and Sound (Ethics in Product/Service Management)

82. B
The competitive environment has changed. Repositioning a product can be difficult, but it’s not impossible. When the competitive environment changes, it’s sometimes necessary to reposition a product. If a company is going out of business, there is no need for repositioning. Marketers should choose one position for a product or brand and stick with it. Repositioning for a holiday season or because marketers are bored is not appropriate or effective.

SOURCE: PM:042 Describe factors used by marketers to position products/services
SOURCE: LAP-PM-042—Getting Piece of Mind (Factors Used To Position Products/Services)

83. B
Aware. A product opportunity is a favorable circumstance that presents itself to provide a good or service that consumers are willing to buy. People identify product opportunities by being attentive to their surroundings, by being aware. Many product opportunities are realized by observing people in various situations. While people are often emotional, decisive, or indifferent, these qualities do not always help them identify new product opportunities.

SOURCE: PM:134 Identify product opportunities

84. A
A reply to a customer question on social media. Touchpoints are all the opportunities that businesses have to connect with customers and reinforce their brand. This includes interactions with customers on social media. Staff meetings, in-house brochures, and company emails are not touchpoints, because they are all intended for employees, not customers.

SOURCE: PM:206 Explain the nature of corporate branding
SOURCE: LAP-PM-206—Corporate Identity (Nature of Corporate Branding)

85. B
Persuasive. To be a success, promotional messages should be persuasive and convince buyers that the product that is being sold can meet their needs. Relevance is when the promotional message is relevant to the audience that it is intended to target—the people that are the most likely to buy the product. Repetitious refers to the message being repeated, not heard just one time. Factual refers to the fact that the promotional message should be based on facts, not statements that will mislead the person receiving the message.

SOURCE: PR:001 Explain the role of promotion as a marketing function
SOURCE: LAP-PR-901—Razzle Dazzle (Nature of Promotion)
86. D
Institutional. Institutional advertising creates a certain image in the eyes of consumers. In this case, promoting the business’s support of a nonprofit humanitarian organization is intended to develop goodwill. Promotional ads focus on selling goods and services. Advertising is not free and not necessarily costly if it is effective.
SOURCE: PR:002 Explain the types of promotion (i.e., institutional, product)
SOURCE: LAP-PR-902—Know Your Options (Product and Institutional Promotion)

87. C
The promotional mix plays a key role in obtaining customers. An appropriate blend of the promotional elements enables businesses to communicate effectively with customers. It increases brand recognition, raises product awareness, and communicates product benefits. By delivering promotional messages in multiple ways, a business is more likely to reach its target market than it would be using one form of promotion alone. No one promotional mix element is the best. Many factors affect the selection of a promotional mix. Marketers know that a promotional mix that is appropriate for one business may be totally inappropriate for another. Likewise, a promotional mix that was successful for a company at one time may need to be changed to a new combination of elements; it should not always stay the same.
SOURCE: PR:003 Identify the elements of the promotional mix
SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

88. D
A retail bank. Retail banks provide a variety of financial services, including savings and checking accounts for individuals. Opening a savings account with a properly insured bank will provide Patrick with a safe place to keep his money, and he will earn interest on the money that he places in his savings account. Patrick will also be able to remove money to pay bills without incurring the financial penalties he might experience if he borrowed money from his retirement fund. Investing in the stock market involves risk; however, Patrick may earn dividends on stocks that perform well. A holding company (parent company) is a business that owns the majority of another company’s shares of stock.
SOURCE: FI:075 Describe types of financial-services providers

89. B
Making a claim. This kind of copy makes a general or specific claim for the product. When features are discussed in an ad’s copy, factual information about the product is given, such as the type of engine in an automobile. When product use is featured in ad copy, the ad tells readers how they can use the product. A testimonial is someone’s personal statement about the benefits of the product.
SOURCE: PR:014 Explain the components of advertisements

90. D
Direct marketing. Direct marketing, which uses direct mail, telemarketing, emails, etc. that are sent directly to a consumer’s home or business, seeks a specific measurable action from a targeted group of consumers. Indirect marketing uses a third party to attempt to generate buzz about a product or service. Word-of-mouth marketing is promotion and publicity for a business provided by customers. Cause marketing is a form of marketing that is intended to positively support causes that benefit the world.
SOURCE: PR:089 Explain the nature of direct marketing channels
91. D

A stereotype. A stereotype is a set image or an assumption about a person or thing. An advertisement that portrays someone in a generalized or oversimplified way is likely reinforcing a stereotype. Socialization refers to the way in which a community organizes itself. Suggining means “selling under the guise of research.” Equity label is a fictitious term.

SOURCE: PR:099 Describe the use of business ethics in promotion


92. C

It is more cost effective than traditional advertising. Using the internet to promote your business is often less expensive than buying traditional advertisements in newspapers, magazines, or on television or radio. It also makes tracking your results quick; it’s easier to see how customers are responding to an online ad or a social media profile than it is to track how they’re responding to a television commercial. Internet promotions can reach a different group of customers, but it does not necessarily reach fewer people (and if it did, that would not be an advantage). Hackers finding business information is not an advantage.

SOURCE: PR:100 Describe the use of technology in the promotion function


93. B

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

SOURCE: PR:101 Describe the regulation of promotion


94. D

From customers. Satisfied customers are usually quite willing to share their product information and experiences. Manufacturers, sales training courses, sales manuals, bulletins, sales meetings, promotional materials, the product itself, company contacts, and publications are also sources of product information. Firsthand product information is not likely to be found at the library or the factory. Competitors do not usually share information with one another.

SOURCE: SE:062 Acquire product information for use in selling

95. B
Keeping in touch. Good salespeople recognize that keeping in touch with customers is one of the best ways to maintain their partnerships. Sometimes this involves sending out a thank-you note, as in Joaquin's case. Sometimes this can be as simple as a follow-up phone call, or for major clients, it may even involve a personal visit. Soliciting feedback, being prompt, and having a good attitude are all important keys to customer service, but Joaquin is not demonstrating them in this example.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships
SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

96. C
Spreadsheet. Spreadsheet computer programs (e.g., Excel, Quattro Pro) are used to organize and calculate numerical information. Spreadsheets can be used in sales to track and evaluate sales volume and sales dollars. Word-processing software is primarily used to create text documents, such as contracts, memos, and letters. Presentation software is generally used by salespeople when making a sales or product presentation to customers. Graphic and design software is often used to create catalogs, brochures, and other professional illustrations.

SOURCE: SE:107 Describe the use of technology in the selling function

97. B
Unique feature. This is an example of a unique or novel feature. The company offers a service not available from the competition. A product's use focuses on what the product can do and how it can be used, while a product's durability involves how long the product will last. Style considerations focus on appearance.

SOURCE: SE:109 Analyze product information to identify product features and benefits
SOURCE: LAP-SE-109—Find Features, Boost Benefits (Feature-Benefit Selling)

98. C
The fact that the client needs the product. After locating potential clients, salespeople must learn about prospects' business needs and problems to determine how their products can meet those needs or solve those problems. Follow-up techniques are used after sales presentations. Clearly written users' manuals should identify business policies and services. A sales presentation does not depend on the location of new clients, but rather on satisfaction of customer needs.

SOURCE: SE:828 Explain key factors in building a clientele
SOURCE: LAP-SE-828—Keep Them Loyal (Key Factors in Building Clientele)

99. B
Terms-of-sale. Terms-of-sale policies focus on the aspects of a sale with which customers are most concerned, such as discount, pricing, and credit policies. Selling-activity policies focus on providing salespeople with guidelines for interacting with customers or potential customers. They are basic directions that explain how salespeople should approach and deal with customers and how to best use their time. An installation policy would be considered a type of service policy. Service policies are designed to govern the support a company provides to customers after the sale.

SOURCE: SE:932 Explain company selling policies
SOURCE: LAP-SE-932—Sell Right (Selling Policies)
100. A

Planning, organizing, staffing, directing, controlling. The five main management functions involve planning, organizing, staffing, directing, and controlling. Budgeting, scheduling, developing procedures, and delegation are management tools. Evaluating, motivating, training, researching, collecting information, and reporting are some of the activities involved in performing the major functions of management.

SOURCE: SM:001 Explain the concept of management
SOURCE: LAP-SM-001—Manage This! (Concept of Management)