

Chapter 6: Assessment Answer Keys

**Please note that assessment questions are randomized in our FoundationsDigital platform for each student. Therefore, the order these questions will appear for each student will vary.*

Chapter 6 Pre/Post-test

1. Refers to the financial opportunity that is given up because you choose to do something else with your money.
 - Opportunity purchase
 - Opportunity cost
2. Which of the following is not a form of product positioning?
 - Shelf positioning
 - Packaging and color
 - Financing
 - Brand recognition
3. The purpose of advertising is to:
 - Tease the consumer
 - Inform the consumer
 - Persuade the consumer
 - All of the above
4. The process of communicating the value of a product or service to customers.
 - Product positioning
 - Marketing
5. Which of the following is not a need?
 - Housing
 - Eating out
 - Utilities
 - Food

6. The promotion of a product or service by identifying it with distinct characteristics; usually associated with public perception, quality or effectiveness.
 - Product positioning
 - Branding
7. When a company places an ad and offers no interest on your purchase for three years:
 - They are not interested in making a profit
 - They are showing their appreciation to you by giving you free money
 - The cost of the financing is built into the price of the item
 - All of the above
8. Zero percent financing is nothing more than a really good marketing tool.
 - True
 - False
9. Repetition has proven to be an ineffective marketing technique.
 - True
 - False
10. Feeling regret or concern after making a large purchase.
 - Buyer's remorse
 - Consumerism
11. What is a safe assumption to make regarding companies and their marketing practices?
 - Companies know that competition is fierce for consumer dollars.
 - Companies spend millions of dollars and do extensive research on advertising.
 - Companies use all angles to aggressively compete for your money.
 - All of the above

12. What concept is best explained by the statement, "Money spent here cannot be spent there"?
- Law of diminishing return
 - Opportunity cost
 - Significant purchases
 - Delayed gratification
13. Identify which method companies are using to compete for your money: TV commercials
- Personal selling
 - Financing
 - Media
 - Product positioning
14. Identify which method companies are using to compete for your money: Reputation for holding its value
- Personal selling
 - Financing
 - Media
 - Product positioning
15. Dave tells the story of a man who bought his dream car, drove it home, but then returned it the next day after some money calculations. This story is an example of:
- Brand recognition
 - "Be backs" in the car business
 - Buyer's remorse
 - Opportunity cost

16. Identify which method companies are using to compete for your money: "90-days-same-as-cash"
- Personal selling
 - **Financing**
 - Media
 - Product positioning
17. The amount of stuff a person has is directly related to contentment and happiness.
- True
 - **False**
18. Which is not a "power over purchase" tactic?
- **Compare your purchase with a friend's**
 - Consider the opportunity cost
 - Wait overnight
 - Seek counsel
19. Which of the following is not a common marketing strategy?
- Providing financing options
 - Repetition
 - **Making the customer do product research**
 - Personal selling
20. A budget has little effect on a person's financial success unless he or she also develops power over purchase.
- **True**
 - False
21. A spur-of-the-moment, unplanned decision to buy a product or service.
- **Impulse buy**
 - Buyer's remorse

22. Which of the following should you consider when making a significant purchase?
- Your buying motives
 - If you can't pay with cash, don't buy it
 - The opportunity cost
 - All of the above
23. Young single adults should find an accountability partner with whom to discuss big purchases.
- True
 - False
24. An economic system based on a free market, profit motive, open competition and private ownership of the means of production.
- Communism
 - Capitalism
25. To buy an item with credit; paying over time.
- Financing
 - Marketing plan
26. A good salesperson will answer a question with a question.
- True
 - False
27. Inflation has no effect on your buying power.
- True
 - False
28. The persistent increase in the cost of goods and services or the persistent decline in the buying power of money.
- Deflation
 - Inflation

29. Never buy something you do not fully understand.
- True
 - False
30. Refers to the public's ability to recall and recognize a brand by its logo, jingles, packaging, etc.
- Brand recognition
 - Market exposure
31. An amount of money you spend, usually \$300, that causes some pain to part with:
- Significant purchase
 - Opportunity cost
32. Four common marketing tactics are:
- Repetition, buyer's remorse, product positioning, significant purchase
 - Competition, financing, opportunity cost, personal selling
 - Branding, personal selling, opportunity cost, financing
 - Personal selling, financing, repetition, product positioning
33. Teens have cited "friends" as the strongest influence over their purchase decisions.
- True
 - False
34. Identify which method companies are using to compete for your money: Car salesman
- Personal selling
 - Financing
 - Media
 - Product positioning

35. You should never wait overnight before making a big purchase if there is only one item left.

- True
- False

Chapter 6, Section 1 (Video 1:1a) Quiz “Competing for the Consumer Dollar”

1. We live in the most marketed to culture in the history of the world.

- True
- False

2. You should never buy a product from a good salesman

- True
- False

3. "Caveat emptor" means:

- Buy what you want, pay for it later
- Buyer beware
- Buy here, pay here
- Buyer, have fun

Chapter 6, Section 1 (Video 1:2a) Quiz “Four Common Marketing Tactics, Part 1”

1. Sales 101 teaches you to:

- Always just answer the question the customer has
- Never try to get more information about what the customer needs
- Always answer a question with another question
- Never look the customer in the eye

2. _____ of the time, a "be back" won't return.

- 88%
- 10%
- 38%
- 98%

3. People who know how to sell spend thousands of hours and dollars to learn how to talk to you and convince you to buy their stuff.

- True
- False

4. A child born today will see more than _____ advertisements in their life.

- 50,000
- 3 billion
- 1 million
- 200,000

Chapter 6, Section 1 (Video 1:3a) Quiz “Four Common Marketing Tactics, Part 2”

1. If you want to win with money and build wealth, you have to live on less than you make.

- True
- False

2. Americans spend a lot of money primarily because

- They're trying to live a lifestyle they can't really afford
- They know they'll have the money eventually
- They're rich, they know what they're doing
- They know those things are really important things

3. It's ok to buy something on a 90-days-same-as-cash deal as long as you know you can pay it off in two months or less.

- True
- False

4. Repetition is a _____ that works on _____.

- Marketing ploy; the weak
- Powerful thing; everyone
- Way to get your attention; children
- Scam; the poor

Chapter 6, Section 1 (Video 1:3b) Quiz “Four Common Marketing Tactics, Part 3”

1. Apple has associated their entire brand with

- Outdated
- **Coolness**
- Geekiness
- Tiredness

2. When testing the water myth, the results of the taste test were:

- The top brand water always came in first, NYC tap water was always last, generic water was in the middle.
- The NYC water was always first, generic water was always last and the brand water was 3rd or 4th.
- **The top branded water was always last, the NYC tap water was consistently 3rd and the generic one was always first.**
- The generic water came in first, the branded one was in the middle and the NYC tap water was always last.

3. The average household has more televisions than people.

- **True**
- False

Chapter 6, Section 1 (Video 1:4a) Quiz “Types of Product Positioning”

1. When you're doing product positioning, _____ matters.
 - Color
 - Smell
 - Touch
 - Size
2. If you're setting out an ice box with drinks in it, the best location is where the customer literally runs into it.
 - True
 - False
3. When you're using shelf positioning, the best locations for an adult are:
 - The bottom two shelves
 - The top shelf
 - Right in the middle at eye level
 - Right below eye level

Chapter 6, Section 2 (Video 2:1a) Quiz “Making a Significant Purchase, Part 1”

1. It's called buyer's remorse when you wake up the next morning and regret a purchase you made.
 - True
 - False

2. When Dave worked in real estate, he found that when they explained buyer's remorse to home buyers upfront it cut contract losses _____.
 - By a third
 - By a quarter
 - to almost to nothing
 - By 10%

3. If you make a purchase over _____, your body goes through physiological changes.
 - \$1500
 - \$300
 - \$500
 - \$50

Chapter 6, Section 2 (Video 2:1b) Quiz “Making a Significant Purchase, Part 2”

1. The kid who lives inside all of us that throws a temper tantrum when he sees something he wants is called:

- Greed
- Selfishness
- Childishness
- Immaturity

2. _____ do what feels good, _____ devise a plan and follow it.

- Children; adults
- Teenagers; adults
- Adults; children
- Children; teenagers

3. The ancient word that is seldom used is:

- Yes
- Why
- No
- How

Chapter 6, Section 3 (Video 3:1a) Quiz “Develop Power Over Purchase, Part 1”

1. We get emotions confused. You can buy _____ but you can't buy _____.
 - Happiness; fun
 - Joy; peace
 - Fun; happiness
 - Wealth; joy
2. When you develop a power over purchase, it doesn't matter how much you make, you can win with money.
 - True
 - False
3. When you're developing the skill of power over purchasing, the first step is to do a pro/con list.
 - True
 - False
4. Carefully considering your buying options is the second step when you're developing the skill of power over purchasing.
 - True
 - False

Chapter 6, Section 3 (Video 3:1b) Quiz “Develop Power Over Purchase, Part 2”

1. Don't buy things you don't

- Have
- Want
- Understand
- Define

2. An example of a need is:

- A newer cell phone
- Brand-name jeans
- A pair of Nikes
- Food

3. Opportunity cost is the understanding that when you put money in one place, you can't use it somewhere else.

- True
- False

Chapter 6, Section 3 (Video 3:1c) Quiz “Develop Power Over Purchase, Part 3”

1. A prime example of opportunity cost is Dave's friend who invested \$40,000 in a mutual fund.
 - True
 - False
2. It's wrong to buy a new Mercedes (or any kind of want) at any time.
 - True
 - False
3. When seeking developing power over purchase, the last step is to:
 - Seek the counsel of your spouse (or accountability partner)
 - Ask your baby sister what she thinks
 - Base your decision on what the salesperson is telling you
 - Listen to your gut