

1. Why do businesses with excessive debts often file Chapter 7 bankruptcy?
 - A. To consolidate
 - B. To liquidate
 - C. To refinance
 - D. To reorganize

2. A jurisdiction's judicial system strives to treat all parties fairly by
 - A. following legal procedure.
 - B. implementing flexible laws.
 - C. interrogating witnesses.
 - D. developing contracts.

3. What can a business do to determine if there are problems with its customer-service levels in relation to its product-distribution strategies?
 - A. Analyze the product's quality standards
 - B. Conduct a break-even analysis
 - C. Evaluate its channel members' performance
 - D. Examine the organizational chart

4. What factor determines the choice of distribution channels for goods such as high-fashion items or fruits and vegetables?
 - A. The product
 - B. The producer
 - C. The market
 - D. The intermediary

5. Which of the following may be illegal in some countries if they restrict competition:
 - A. Exclusive dealing agreements
 - B. Trademark infringement laws
 - C. Product usage policies
 - D. Inventory restocking fees

6. How can a product's unique aspects be used to determine in what channels it will be sold?
 - A. Customers associate a product's unique aspects with distribution to a few or to many locations.
 - B. A product's unique aspects specify in what channels the product must be sold.
 - C. Customers refuse to buy a product if its unique aspects are sold through unexpected channels.
 - D. Specific distribution channels can only be used for specific unique aspects of a product.

7. When channel member A has important information about products that channel members C, D, and E don't have, channel member A controls the supply chain on the basis of its
 - A. proximity.
 - B. expertise.
 - C. size.
 - D. status.

8. When your parents tell you to vacuum the living room, you are receiving
 - A. nonverbal directions.
 - B. social directions.
 - C. oral directions.
 - D. written directions.

9. In a weekly staff meeting, Morgan presents a set of new procedures that she believes will improve the department's productivity levels. Jacob disagrees with Morgan's approach and provides an alternative for improvement. Although Morgan agrees with a couple of Jacob's points, she still thinks her plan will be better for the company in the long run. How can Morgan effectively defend her idea for improvement?
- Tell Jacob that most of his ideas are weak and restate her suggestions
 - Present supporting research for her suggestions in an unbiased way
 - Request that the group meet again, so she has time to come up with new ideas
 - Ask the other members of the group for their input and ideas
10. When you ask questions in an open-minded way, you avoid
- attacking someone else's idea.
 - stating your own opinion.
 - suggesting a better way to do something.
 - mentioning the truth.
11. When preparing for a speech, it's most important to
- plan your appearance.
 - design visual aids.
 - practice.
 - write note cards.
12. After Lana finishes writing the promotional copy for a direct-mail letter, she plans to proofread and edit her work on her computer. What technique should Lana use to determine if the text is clear and logical?
- Reading the text backwards
 - Reading the text aloud
 - Correcting grammatical mistakes
 - Correcting punctuation errors
13. When participating in staff meetings with employees, the primary role of the department manager is to
- expand the agenda.
 - follow formal protocol.
 - set time limits.
 - guide the discussion.
14. In addition to smiling, employees can engage in appropriate nonverbal communication with customers by
- using customers' names.
 - making eye contact.
 - shrugging their shoulders.
 - using clear, concise language.
15. The first step in handling customer complaints is to
- determine if the solution is agreeable to the customer.
 - make certain that what you promised is done.
 - analyze what can be done to remedy the situation.
 - listen to what the customer has to say.
16. What do you need to know in order to differentiate between consumer and industrial goods or services?
- Who bought the product?
 - Who produced the product?
 - Who sold the product and at what price?
 - Who bought the product and for what purpose?
17. Environmental degradation occurs because of
- decreased competition.
 - offshoring.
 - nationalism.
 - increased production.

18. How have industry structure changes affected the current business environment?
- A. Communication is slightly slower than it used to be.
 - B. Organizations are less willing to change than in the past.
 - C. The manufacturing industry has disappeared.
 - D. Business now moves faster than ever.
19. In what kind of economy does the government decide what will be produced, how products will be produced, and how the products will be allocated?
- A. Traditional
 - B. Market
 - C. Communist command
 - D. Socialist command
20. A popular product is said to be
- A. out of style.
 - B. late.
 - C. in demand.
 - D. available.
21. Businesses are responsible for providing employees with a quality of work life that encourages
- A. retirement.
 - B. recreation.
 - C. productivity.
 - D. friendship.
22. Which stage of production involves diminishing returns?
- A. Third
 - B. Fourth
 - C. First
 - D. Second
23. Which of the following demonstrates responsible behavior on the part of employees:
- A. Being cooperative with coworkers
 - B. Performing pleasant tasks first
 - C. Scheduling long meetings
 - D. Letting others take the blame for their mistakes
24. Associations with colors are cultural issues that are *most* important for
- A. businesses.
 - B. families.
 - C. travelers.
 - D. individuals.
25. Persuasiveness is an especially important characteristic of
- A. aggressive people.
 - B. bullies.
 - C. followers.
 - D. leaders.
26. When Tara finishes negotiating a big deal with a client, she takes some time to reflect on the situation. She thinks about what she did and didn't do well. What is Tara doing, and why is it important?
- A. Establishing terms; it helps her make adjustments for the next negotiation session.
 - B. Assessing the negotiation; it helps her understand the other person's expectations and responsibilities.
 - C. Establishing terms; it helps her understand the other person's expectations and responsibilities.
 - D. Assessing the negotiation; it helps her make adjustments for the next negotiation session.

27. When Susan attends a national workshop, she likes to start a conversation with the person sitting next to her. Susan is exhibiting
A. verbal assertiveness.
B. body language.
C. nosiness.
D. empathy.
28. Vicki's coworkers aren't cooperative, and they spend most of their time at work gossiping and fighting. Vicki is stressed because she's dealing with a(n)
A. lack of direction.
B. heavy/unrealistic workload.
C. unpleasant work environment.
D. low salary.
29. A good way to motivate team members is to
A. expect your team members to motivate you first.
B. make your work environment as formal as possible.
C. show appreciation for team members' work.
D. publicly complain about team members who make mistakes.
30. Cece knows that she can trust her coach Myron because he stands up for what he believes in. Which of the following traits does Myron's behavior illustrate:
A. Flexibility
B. Approachability
C. Humility
D. Integrity
31. Coins and paper money are types of
A. contracts.
B. currency.
C. bonds.
D. dividends.
32. Which of the following elements are needed to determine the future value of money that is placed in a savings account for one year:
A. Interest rates and annual income
B. Quarterly wages and principal amount
C. Late fees and insurance rates
D. Principal amount and interest rate
33. The single most important aspect of making a financial plan and setting goals is
A. learning to make hard choices.
B. getting started now.
C. making enough money.
D. choosing a career path.
34. When Casey looks at her small business's income statement, she's excited to see that her profit is much more than she expected. However, she soon realizes that she's looking at the total profit before all other expenses have been deducted. Casey is looking at her
A. revenue.
B. net income.
C. gross profit.
D. operating expenses.

35. Which of the following is a characteristic of groupthink that may hinder ethical decision making in relation to financial issues:
- Empathy
 - Objectivity
 - Independence
 - Censorship
36. Which of the following is a purpose of an exit interview:
- To gauge employee attitudes about social issues
 - To gain constructive suggestions for improvement
 - To negotiate compensation and benefits
 - To gain further insight into the competition
37. Which of the following is an example of a trade journal:
- USA Today*
 - Newsweek*
 - People*
 - Autoparts Report*
38. The primary reason that the government regulates the ways in which healthcare organizations handle medical records is to
- protect the patients' privacy rights.
 - prevent personal-injury lawsuits.
 - keep tax information confidential.
 - improve employees' performance.
39. Marketing research can affect the business's marketing mix by providing information about various locations that will influence the business's _____ decision.
- price
 - promotion
 - place
 - product
40. Before beginning a marketing-research study, managers and researchers must agree that
- the benefits outweigh the costs.
 - the study will conclude within two weeks.
 - managers will have the final say over results.
 - the bill will be paid within 30 days.
41. What type of marketing data can a business obtain by reviewing its inventory reports and customers' invoices?
- Product quality
 - Customers' credit limits
 - Customers' product preferences
 - Actual market share
42. Trade-association websites and online libraries are Internet sources from which marketing researchers obtain
- classified information.
 - primary data.
 - internal data.
 - secondary information.

43. An interviewer should carefully monitor his/her tone of voice, facial expressions, and gestures when collecting marketing data from respondents to
- dominate the conversation.
 - limit the length of the interview.
 - discourage inappropriate responses.
 - avoid appearing biased.
44. Which of the following is an example of a business tabulating the results of a marketing survey?
- Comparing the results with results from other types of research
 - Analyzing the information to make it useful to the business
 - Assigning a numeric value to the various responses on the survey
 - Counting the number of respondents who agreed with the questions
45. A sample indicates that the average income in the northwest region is \$31,257. This is an example of _____ statistical information.
- multivariate
 - descriptive
 - unilateral
 - sequential
46. What type of marketing-research error occurs when the researcher interviews unqualified people?
- Respondent-selection
 - Deliberate-falsification
 - Respondent-inability
 - Data-analysis
47. One way for a marketing researcher to determine if online journals and articles are up-to-date is by
- reviewing the site map.
 - accessing the FAQs page.
 - evaluating the trademark.
 - locating the publication date.
48. You've visited a certain frozen yogurt shop before, and you didn't like it. Now, your friends want to go there, and you don't want to join them. Your buying behavior is being influenced by a(n)
- opinion leader.
 - expectation.
 - special occasion.
 - cultural norm.
49. Would a successful business ever change its marketing strategy?
- Yes, a business should have no more than two marketing strategies.
 - Yes, changes in the marketplace require changes in marketing strategy.
 - No, changing marketing strategies is a complicated process.
 - No, once a business has a workable strategy, it should always be used.
50. Scuba diving gear is an example of a product that would be marketed to a(n) _____ market.
- specific
 - general
 - mass
 - unlimited
51. Which of the following is an important part of a business's marketing plan:
- Human resources
 - Promotional activities
 - Operating systems
 - Purchasing policies

52. Which of the following is an internal factor that may affect a business's sales forecast?
- A. Competition
 - B. Economic conditions
 - C. Length of time to complete sales
 - D. Season/Weather
53. Determining if data are accurate and current is an example of a business evaluating the
- A. research procedure.
 - B. quality of information.
 - C. type of statistics.
 - D. hardware application.
54. Managing information regarding copyrights and trademarks helps a company to preserve its
- A. identity.
 - B. inventory.
 - C. correspondence.
 - D. customers.
55. Joseph received an email message from his supervisor and wants to send it to his coworker, Jackie. What email function key would Joseph use to send the message to Jackie?
- A. Forward
 - B. Reply
 - C. Edit
 - D. New
56. Which of the following is a way that businesses often use database software programs:
- A. To prepare promotional material
 - B. To calculate weekly payroll
 - C. To diagram work schedules
 - D. To organize vendor information
57. What is an economic factor that businesses might identify as a result of conducting an environmental scan?
- A. Lifestyle adjustment
 - B. Increased regulation
 - C. Population shift
 - D. Unemployment rate
58. What do businesses often analyze when making decisions about how to improve the company?
- A. Training methods
 - B. Statistical findings
 - C. Information skills
 - D. Privacy factors
59. What might businesses lose if their employees are injured on the job and are unable to work?
- A. Goods
 - B. Benefits
 - C. Assets
 - D. Sales
60. When unforeseen events change the project entirely, it is helpful to have
- A. volunteers.
 - B. self-control.
 - C. a back-up plan.
 - D. patience.

61. Why is it important for management to evaluate project results?
- A. To plan goals and objectives
 - B. To organize materials and supplies
 - C. To identify and solve problems
 - D. To schedule time and employees
62. Some businesses use an automatic reorder system to maintain an adequate
- A. inventory of supplies.
 - B. work environment.
 - C. budget for expenses.
 - D. maintenance system.
63. Which production activity issues work orders telling employees what their job assignments are?
- A. Scheduling
 - B. Routing
 - C. Dispatching
 - D. Following up
64. The Six Sigma model involves continuously implementing activities that
- A. influence regulation and decrease outputs.
 - B. promote consistency and eliminate resources.
 - C. stimulate revenue and lessen decision making.
 - D. improve quality and reduce inefficiencies.
65. Chad is buying a new car. Although the first car is a great deal and a more practical choice, he just loves the look of the second car. As a result, he decides to purchase the second car. His decision is based on which of the following internal factors:
- A. Emotion
 - B. Experience
 - C. Framing
 - D. Insight or intuition
66. People who understand themselves and their unique skills and abilities usually are able to choose appropriate
- A. friends.
 - B. careers.
 - C. traits.
 - D. talents.
67. Which of the following is a potential job position within banking services:
- A. Real estate developer
 - B. Public relations specialist
 - C. Insurance broker
 - D. Credit analyst
68. What is one of the main reasons for writing a letter of application?
- A. To organize thoughts
 - B. To attract attention
 - C. To give detailed data
 - D. To describe activities
69. Prospective members of professional organizations are frequently asked to provide documentation of such entry requirements as
- A. experience, position, and income.
 - B. position, income, and education.
 - C. education, experience, and position.
 - D. education, income, and race.

70. Booking hotel rooms for vacationers is an example of _____ marketing.
- A. sports
 - B. feature
 - C. benefit
 - D. service
71. Which of the following technological tools is commonly used to calculate simple mathematical computations such as unit selling prices:
- A. Fax machine
 - B. Calculator
 - C. Scanner
 - D. Printer
72. Which of the following is an example of price fixing:
- A. A building-materials company sets a high price for a new product and lowers it over time.
 - B. A grocery store dramatically increases the prices of bottled water during a natural disaster.
 - C. Three computer-chip manufacturers agree to sell their products within a certain price range.
 - D. Two restaurants offer the percentage-off coupons for their large pizzas for a limited time.
73. Which of the following is a true statement:
- A. There are many kinds of selling prices for goods and services.
 - B. Selling prices are easy for businesses to determine.
 - C. Selling prices for products remain the same over time.
 - D. Only certain types of products have selling prices.
74. Businesses hope that innovators will buy new products when they are in the introductory stage because this helps to
- A. create demand for the products.
 - B. persuade competitors to enter the market.
 - C. reduce the costs of product development.
 - D. get the products in the hands of older buyers.
75. Many businesses are using the technology developed by the space program to create
- A. marketing strategies.
 - B. advanced new products.
 - C. updated brand names.
 - D. advertising techniques.
76. Ethical marketers establish procedures to handle consumer complaints, returns, and product recalls.
True or false?
- A. False, establishing procedures is not important unless required by law.
 - B. True, establishing procedures reduces harmful effects to the company and its image.
 - C. False, establishing procedures is a waste of time if products have been tested for safe use.
 - D. True, establishing procedures is a way of explaining problems with products because of improper use by customers.
77. Jessica's hobby is making jewelry. There is potential to sell her bracelets and earrings on eBay. This is an example of identifying a product opportunity by considering
- A. business processes.
 - B. personal experiences.
 - C. consumer attitudes.
 - D. demographic changes.

78. Which of the following guidelines must be followed when using the relay brainstorming creative-thinking method:
- You cannot compete against others.
 - You can only use relay brainstorming alone.
 - You cannot help your teammates.
 - You can respond in any order.
79. Advertising that a product works so well that it never needs to be repaired is an example of using guarantees as a
- promotional tool.
 - way to point out features.
 - competitive tool.
 - way to protect the business.
80. Which of the following government requirements often makes the development of new products a long and expensive process:
- Labeling
 - Licensing
 - Training
 - Testing
81. A business has extended its inexpensive product line to include larger, more expensive models. This is an example of the product-mix strategy known as
- trading up.
 - trading down.
 - alteration.
 - positioning.
82. A business might bundle products together to sell at a lower price for a limited time in order to
- eliminate cash shortages.
 - limit product returns.
 - monitor promotional activities.
 - encourage future sales.
83. Company XYZ sells condensed soups and promotes them by saying, "Great taste, great price." Company XYZ is positioning its product according to what strategy?
- Relationship to other products
 - Features and benefits
 - Unique characteristics
 - Price and quality
84. A company hangs a poster with its brand promise in its customer service department to make sure employees have the brand in mind. This is an example of a
- touch point.
 - distributor brand.
 - logo.
 - brand cue.
85. One of the main goals of promotion in marketing is to
- locate factors of production.
 - develop a message.
 - create desire.
 - monitor feedback.

86. The elements of the promotional mix are being combined when advertising brings a customer into the business, and
- the customer is given a warranty.
 - inventory levels are reduced.
 - personal selling completes the sale.
 - the business reduces its expenses.
87. One advantage of using the Internet for promotional purposes is that
- consumer privacy is secure.
 - information is available on demand.
 - it can reach less affluent markets.
 - businesses don't need to target markets.
88. When a government issues a cease-and-desist order to an advertiser, it is an example of a legal
- appropriation.
 - arbitration.
 - remand.
 - remedy.
89. A disadvantage to a business of using traditional direct-mail advertising is that
- it can be expensive to produce and distribute.
 - a direct-mail package can only be used once.
 - it cannot be used for soliciting repeat customers.
 - the business has little control over who receives the message.
90. Which of the following are communication channels that businesses often use when engaging in the push promotion strategy:
- Mass advertising and coupons
 - Mass advertising and trade shows
 - Trade advertising and pricing
 - Trade advertising and trade shows
91. A print advertisement layout does which of the following:
- Shows the general arrangement and appearance of an advertisement
 - Portrays only the various typefaces and type sizes
 - Displays only the rough draft of the body copy
 - Contains all the elements of a basic ad design except for the illustration
92. One reason why it is important to coordinate the headline and illustrations in an advertisement is to make the reader
- want to read the message.
 - appreciate the style of layout.
 - understand the company name.
 - aware of the cost involved.
93. Which of the following situations is an example of a public relations activity:
- Colleen telephones a prospective customer to try to schedule a product demonstration.
 - Evan coordinates an upcoming sales promotion with the company's purchasing manager.
 - Jana prepares a press release about her firm's new licensing agreement with a large company.
 - Eli reviews a report to determine which clients have overdue payments due on their accounts.
94. The effect that selling should have on customer purchase decisions is to _____ those decisions.
- personalize
 - determine
 - compel
 - influence

95. To be effective in developing relationships with customers, the service that salespeople provide must
- A. save money for customers.
 - B. meet customers' needs.
 - C. be the same for all customers.
 - D. include customers' employees.
96. Who has the primary responsibility for implementing a store's selling policies?
- A. Managers
 - B. Customers
 - C. Suppliers
 - D. Salespeople
97. One way for a salesperson to behave ethically when dealing with customers is to avoid
- A. discussing prices.
 - B. mentioning warranties.
 - C. giving opinions.
 - D. explaining features.
98. When a customer asks what a certain product is, a salesperson answers by pointing out its
- A. durability.
 - B. benefits.
 - C. construction.
 - D. features.
99. Because Carlos considered the vehicle's reliability ratings, gas-mileage savings, and warranty before he decided to purchase his new car, his motives were based on
- A. intuition.
 - B. his loyalty to the brand.
 - C. his desire for status.
 - D. facts.
100. An effective middle manager would do all of the following on a regular basis except
- A. work alongside subordinates.
 - B. make excellent use of his/her time.
 - C. establish immediate and long-range goals.
 - D. use his/her abilities to the best advantage.

1. B

To liquidate. Federal law provides protection for businesses when they are unable to pay their debts by allowing them to file for bankruptcy. Chapter 7 bankruptcy involves liquidating the business and selling the assets in order to pay creditors a portion of what the business owes them. The end result of Chapter 7 bankruptcy is that the business is released from debts, but all the assets have been liquidated and the business no longer exists. Chapter 11 bankruptcy allows a business to reorganize, which may involve obtaining additional financing. Chapter 7 bankruptcy does not allow a business to consolidate.

SOURCE: BL:001

SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3rd ed.) [pp. 598-599]. Mason, OH: Thomson/South-Western.

2. A

Following legal procedure. Legal procedure refers to the methods that are used to protect an individual's or business's legal rights. Each jurisdiction's court system requires that certain procedures be followed to ensure fair treatment to both the plaintiff and the defendant. This involves following legal procedures to file complaints with the court, to serve documents to the opposition, and to exhibit proper behavior with witnesses and jurors during court proceedings. The purpose of legal procedures is to provide consistent and fair treatment to all parties involved in a legal dispute. The judicial system does not develop contracts or implement laws; it rules on contract validity by interpreting laws.

SOURCE: BL:070

SOURCE: Yeazell, S. (2015). Procedural law. In *Encyclopedia Britannica online*. Retrieved November 17, 2015, from <http://www.britannica.com/topic/procedural-law>

3. C

Evaluate its channel members' performance. An important aspect of channel management is evaluating the performance of channel members. If channel members are not performing efficiently, then customers are not obtaining products when and where they need them, which affects customer-service levels and ultimately customer-satisfaction levels. Therefore, a business must continuously monitor and evaluate its channel members' performance to ensure that customers' needs are met. If the business determines that there are problems with certain channel members, it can take steps to help the channel members improve their performance, end the relationship with the channel members, or change its distribution strategies. Conducting a break-even analysis, analyzing product quality standards, and examining the business's organizational chart will not help the business determine if there are problems with its customer-service levels in relation to its product-distribution strategies.

SOURCE: CM:002

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 708-711]. Mason, OH: South-Western Cengage Learning.

4. A

The product. The product is a direct consideration when items are perishable or fashionable. Such items require a direct channel because they will not be salable unless they are delivered within a certain amount of time. Market considerations involve the intended users of the good or service. Producer considerations include the size of the sales force and the amount of money available for distribution costs. Intermediary considerations include deciding whether the services provided will be worth their cost.

SOURCE: CM:003

SOURCE: CM LAP 3—Channel It (Channels of Distribution)

5. A
Exclusive dealing agreements. An exclusive dealing agreement is an agreement in which a business forbids its customers from buying goods and services from competitors. In some countries (e.g., U.S.), this type of agreement is illegal if the business's market share is significant. When the business has a significant market share, it is difficult for the business's competitors to enter and compete in the market place. Trademark infringement laws, product usage policies, and inventory restocking fees are not activities that restrict competition.
SOURCE: CM:005
SOURCE: Federal Trade Commission. (n.d.). *Exclusive dealing or requirements contracts*. Retrieved November 17, 2015, from <https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/dealings-supply-chain/exclusive-dealing-or>
6. A
Customers associate a product's unique aspects with distribution to a few or to many locations. When products have expensive or unique components, customers expect the products to be sold in a few locations due to their expense to develop. Customers would be surprised to see costly products being mass distributed to many businesses. Although a product's unique aspects might suggest certain distribution channels, businesses are free to determine where their products will be offered. It's unlikely that customers would refuse to buy a product if its unique aspects were promoted and sold in unexpected channels.
SOURCE: CM:007
SOURCE: Riley, J. (2015, April 8). *Distribution (place) - Introduction*. Retrieved November 17, 2015, from http://tutor2u.net/business/marketing/distribution_introduction.asp
7. B
Expertise. Distribution channel members are the businesses or individuals who assist in moving goods and services from the producer to the consumer. Often, there are many members involved in moving the products, and one channel member may have more control over the distribution process than other members. For example, the wholesaler might have information about the retailers that the manufacturer does not have. Therefore, the wholesaler has power because of its knowledge or expertise. The question does not provide enough information to determine the channel members' proximity, size, and status.
SOURCE: CM:008
SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [p. 400]. Boston: McGraw-Hill/Irwin.
8. C
Oral directions. When your parents tell you to vacuum the living room, you are receiving oral directions. When a person speaks, s/he is not giving nonverbal directions or written directions. Directions for vacuuming the living room are not social directions.
SOURCE: CO:119
SOURCE: QS LAP 24—Simon Says...(Following Directions)
9. B
Present supporting research for her suggestions in an unbiased way. By providing supporting facts, Morgan can actually show the staff how and why her ideas can improve the department's productivity. If Morgan presents research that indicates that other companies' productivity levels have improved by using approaches similar to the one that she is suggesting, then she is defending her ideas effectively. Telling Jacob in front of the group that his ideas are weak is likely to create unnecessary conflict. Restating suggestions, coming up with new ideas, and asking other group members for input are not ways to defend an existing suggestion for improvement.
SOURCE: CO:061
SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [p. 132]. Mason, OH: Thomson South-Western.

10. A

Attacking someone else's idea. When you ask questions in an open-minded way, you avoid attacking someone else's idea. You evaluate what you have to say before you say it and avoid all sarcasm. Your goal is to phrase your question in a way that seeks helpful information. You do not avoid suggesting a better way to do something, stating your own opinion, or mentioning the truth.

SOURCE: CO:053

SOURCE: QS LAP 29—Put In Your Two Cents (Participating in Group Discussions)

11. C

Practice. Although it can be tempting to skip this step, practicing your presentation is the most important part of preparation! You should rehearse your presentation from start to finish several times over a few days. This will help you become comfortable with the material and sound more natural. While it's still important to design visual aids, plan your appearance, and write note cards, none of those things will matter much if you aren't prepared for the speech itself.

SOURCE: CO:025

SOURCE: QS LAP 9—Well Said! (Oral Presentations)

12. B

Reading the text aloud. By reading the text aloud, Lana will not only see the text, she will hear it. By hearing the words, Lana can detect missing words and assess the clarity and sequence of the information. Reading text backwards helps detect misspelled words, punctuation errors, and some grammatical errors, but this activity does not help the editor clarify that content is logical and meaningful.

SOURCE: CO:089

SOURCE: Pantejo, C. (2007, October 4). *Four simple steps to effective editing and proofreading*.

Retrieved November 17, 2015, from <http://www.articlesbase.com/writing-articles/four-simple-steps-to-effective-editing-and-proofreading-226584.html>

13. D

Guide the discussion. If a business is large, each department often has regular staff meetings so the manager can communicate important information to employees and keep them informed about current issues. When participating in these staff meetings, the department manager is the leader. The leader is the person who runs the meeting, guides the discussion, and keeps the employees focused on the agenda. As the leader, it may be necessary for the manager to encourage employees to participate or prevent arguments. While guiding the meeting, the manager may set time limits or follow a formal protocol; however these are secondary considerations or activities rather than the primary role. Managers should follow the agenda they set for the staff meetings rather than expand it during the meeting.

SOURCE: CO:063

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 570-571]. Tinley Park, IL: The Goodheart-Willcox Co.

14. B

Making eye contact. In addition to smiling, employees can engage in appropriate nonverbal communication with customers by making eye contact. Shrugging shoulders is also nonverbal communication, but it may send the message that the employee isn't interested in helping the customer. Using clear, concise language and using customers' names are great ways to demonstrate a customer-service mindset; however, they are not forms of nonverbal communication.

SOURCE: CR:004

SOURCE: CR LAP 4—Set Your Mind to It (Customer-Service Mindset)

15. D

Listen to what the customer has to say. You must first know what the complaint is before you can handle it. Only by listening to the customer can you assess the situation in order to follow through with further action. Then you can develop a remedy that is agreeable to the customer. You should always follow through with your promises.

SOURCE: CR:010

SOURCE: Swyers, M. (2012, November 7). *5 steps to handling a customer complaint*. Retrieved November 17, 2015, from <http://www.inc.com/matthew-swyers/5-steps-to-handling-a-customer-complaint.html>

16. D
Who bought the product and for what purpose? An industrial good is one purchased by a business for commercial use. A consumer good is one purchased by an individual for personal use. Price and source do not affect this distinction.
SOURCE: EC:002
SOURCE: EC LAP 10—Get the Goods on Goods and Services (Economic Goods and Services)
17. D
Increased production. Environmental degradation occurs because of increased production. The more goods that are being produced, the greater the chances are for pollution and loss of natural resources. Offshoring is the practice of moving domestic jobs overseas. Nationalism is a sense of pride in one's own country. Globalization causes increased competition, which leads to greater production and more environmental degradation.
SOURCE: EC:104
SOURCE: EC LAP 22—Stretch Your Boundaries (Global Environment's Impact on Business)
18. D
Business now moves faster than ever. Because of new technologies and other improvements, business now moves at a faster pace than ever before. The manufacturing industry has become more streamlined due to new technologies, and communication has become almost instantaneous. Organizations are becoming more adaptable to stay competitive.
SOURCE: EC:107
SOURCE: EC LAP 25—Keep the Change (Adapting to Markets)
19. C
Communist command. In a communist command economic system, the government makes all decisions, and there is no private ownership of the means of production and distribution. In a socialist command system, the government plans what will be produced, but supply and demand are taken into consideration. Government makes production decisions about certain products. Consumers' incomes determine what they will buy. In a traditional economy, there is little or no government involvement in production or allocation of goods. In a market economy, consumers decide what will be produced, producers compete for customers, and product allocation is dependent upon consumers' incomes.
SOURCE: EC:007
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.). [p. 117]. Tinley Park, IL: The Goodheart-Willcox Co.
20. C
In demand. A popular product is said to be in demand. It is usually in style, not out of style. Both popular and unpopular products may be available. Late is not a word typically used to describe a popular product.
SOURCE: EC:010
SOURCE: EC LAP 2—Risk Rewarded (Factors Affecting Profit)
21. C
Productivity. Employees' productivity is increased when they have a positive feeling about the quality of their work life. Each employee decides how productive to be, but it is the responsibility of the business to provide a quality of work life that fosters maximum productivity. Businesses usually do not involve themselves in employees' friendships, recreational activities, or retirements.
SOURCE: EC:013
SOURCE: EC LAP 18—Make the Most of It (Productivity)
22. D
Second. During the first stage of production, the company sees increasing returns. During the second stage of production, the total product is still increasing, but not as quickly. The company sees diminishing returns. During the third stage, it sees negative returns. There is no fourth stage of production.
SOURCE: EC:023
SOURCE: EC LAP 31—Know Your Limits (Law of Diminishing Returns)

23. A

Being cooperative with coworkers. Responsible workers work cooperatively with others and do not create problems for them. They also take the blame for their own mistakes. Performing pleasant tasks before unpleasant ones and scheduling long meetings are not characteristics of responsible behavior.

SOURCE: EI:021

SOURCE: EI LAP 21—Make the Honor Role (Acting Responsibly)

24. A

Businesses. Associations with colors are especially important cultural issues for businesses. When a company does international business, it must be careful to consider the connotations of the colors it uses on packaging, labels, etc., in the cultures that will be affected. Associations with colors tend to be less important issues for individuals, families, or travelers.

SOURCE: EI:033

SOURCE: EI LAP 11—Getting to Know You (Cultural Sensitivity)

25. D

Leaders. Being persuasive is a characteristic of an effective leader. A leader is a person who guides or directs the actions of others in a desired manner. Leaders help others make decisions and encourage them to do their best. People often follow leaders because they are persuasive. Leaders also persuade by setting the example. Being persuasive is not especially important for followers. Being persuasive is not the same as being aggressive or a bully.

SOURCE: EI:012

SOURCE: EI LAP 121—Win Them Over (Persuading Others)

26. D

Assessing the negotiation; it helps her make adjustments for the next negotiation session. When Tara reflects on her negotiation, she reviews her actions in order to make adjustments for the next negotiation session. This is referred to as assessing the negotiation. Establishing terms is done before the assessment stage. Establishing terms is an important step of the negotiating process because it helps each person understand the other's expectations and responsibilities. Sometimes, this involves paperwork or legal documentation. Establishing terms helps to avoid conflict later on. While it is important, it doesn't have anything to do with assessing the negotiation, which occurs when the negotiation is done.

SOURCE: EI:062

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

27. A

Verbal assertiveness. Verbal assertiveness is a confident attitude that involves the use of words. Some of the ways in which you can be verbally assertive include starting conversations, saying what you think, asking questions, requesting help, and refusing others' requests. Nonverbal assertiveness is assertive behavior that does not involve words. It is often expressed through body language. Empathy is the ability to put yourself in another person's situation. People can start conversations with others without asking prying questions that would indicate nosiness.

SOURCE: EI:008

SOURCE: EI LAP 18—Assert Yourself (Assertiveness)

28. C

Unpleasant work environment. Unfriendly coworkers, mean bosses, noisy or unorganized workspaces, and demanding customers are all factors that can make a workplace unpleasant and stressful. Vicki's coworkers make her work environment unpleasant. A heavy/unrealistic workload, lack of direction, and low salary are all causes of stress, but they are not illustrated in Vicki's example.

SOURCE: EI:028

SOURCE: EI LAP 25—Keep Your Cool (Stress Management)

29. C

Show appreciation for team members' work. Team leaders and project managers are typically expected to motivate their team members to take action and complete certain tasks successfully. One way to motivate team members is to show appreciation for team members' work. By publicly thanking team members for completing certain tasks and recognizing the value of what they do, you are likely to motivate or influence the team members to do more. Making your work environment as informal as possible can also motivate team members—because many individuals function better without someone breathing down their necks, reminding them of deadlines or requirements. Before you can expect team members to become motivated, you must show excitement and enthusiasm for the work yourself. Team members will only become motivated if they see you acting motivated first. Rather than publicly complaining about team members who make mistakes, discuss individuals' errors with them in private.

SOURCE: EI:059

SOURCE: Event Negotiator. (2015, June 18). *25 sure-fire ways to motivate your team members*.

Retrieved November 17, 2015, from <http://www.eventnegotiators.com.au/25-sure-fire-ways-to-motivate-your-team-members/>

30. D

Integrity. People with integrity have strong moral character, do the right thing, and stand up for what they believe in. Cece feels comfortable being honest with Myron because he's completely trustworthy. Approachability is an attitude or demeanor that says, "You can talk to me." Humility is a lack of pride. Flexibility is the ability to adapt to changes as they occur.

SOURCE: EI:041

SOURCE: EI LAP 24—Bring Out the Best (Coaching Others)

31. B

Currency. Currency is the money that a country uses to buy and sell goods and services. There are several types of currency. For example, coins and paper money are types of currency because they can be used to buy products. Coins and paper money generally are used by individuals to purchase the products they need. Bonds are interest-bearing certificates issued by the government that promise to pay bond owners a certain sum at a specified time. A dividend is a sum of money paid to an investor or stockholder as earnings on an investment. Dividends are often sent to the investor in the form of a check. A contract is a legal agreement between two or more businesses stating that one party is to do something in return for something provided by another party.

SOURCE: FI:059

SOURCE: Investopedia. (2015). *Currency*. Retrieved November 17, 2015, from <http://www.investopedia.com/terms/c/currency.asp>

32. D

Principal amount and interest rate. When people keep their money in a financial institution (e.g., bank), they earn interest on the amount (principal) that they put into the account. The interest is paid to the customer's account by the financial institution. Over time, the customer earns money on the principal by accumulating interest, which increases the future value of the savings account. To calculate the future value of the savings account, it is necessary to know the principal amount, the interest rate, and the length of time that the principal is in the account. Quarterly wages, late fees, annual income, and insurance rates are not elements that will help a person calculate the future value of money in a savings account.

SOURCE: FI:062

SOURCE: Carter, S. (2015). *Understanding the time value of money*. Retrieved November 17, 2015, from <http://www.investopedia.com/articles/03/082703.asp>

33. B

Getting started now. The single most important aspect of making a financial plan and setting goals is getting started *now*. Learning to make hard choices, making enough money, and choosing a career path are important aspects of goal setting, but they are not as important as simply getting started.

SOURCE: FI:065

SOURCE: QS LAP 31—Set Yourself Up (Setting Financial Goals)

34. C

Gross profit. A business's total profit before all other expenses have been deducted is known as the gross profit. The gross profit helps businesses see how much money they've invested in making or obtaining their products versus how much it costs to run the business. The net income is the business's final profit, or the money the company actually makes after all expenses have been deducted and taxes have been paid. The revenue is the total amount of money earned by a business—all money coming into the business, no matter what the source, is revenue. Operating expenses are all of the expenses associated with running the business.

SOURCE: FI:094

SOURCE: FI LAP 4—Watch Your Bottom Line (Income Statements)

35. D

Censorship. Although collaboration and cooperation among individuals can be used to achieve a common goal, groupthink conditions can be detrimental to ethical decision making. Groupthink is an extreme form of cohesiveness in which all members of the group strive for unanimity (harmony) at any cost. This condition stifles independent thinking and objectivity. Group members who question another member's idea or action may be censored or cut off by the group majority. In addition, individuals begin to self-censor, which means they quiet their own conflicting thoughts for the "good of the group." Groupthink can erode personal ethics and lead group members to do things they normally wouldn't do. In today's competitive business environment, the pressure to earn high profits has often resulted in fraudulent behavior, embezzlement, money laundering, etc. Such actions are often a result of groupthink conditions. Empathy is the ability to place oneself in another person's place or circumstances. Empathy is not a characteristic of groupthink, which embraces harmonious or like-minded thinking.

SOURCE: FI:355

SOURCE: Griffin, R.W., & Moorhead, G. (2010). *Organizational behavior: Managing people and organizations* (9th ed.) [pp. 239-242]. Mason, OH: South-Western Cengage Learning.

36. B

To gain constructive suggestions for improvement. Exit interviews are discussions with employees who are leaving that are designed to gain feedback for the business. Exit interviews aim to gauge employee attitudes about a company (not outside issues or competition), and gain constructive suggestions for improvement. They are not designed to negotiate compensation and benefits—this would take place with a new employee, not one who is leaving.

SOURCE: HR:410

SOURCE: HR LAP 35—People Pusher (Nature of Human Resources Management)

37. D

Autoparts Report. This is a trade journal because it publishes information specific to a certain industry—in this case, the auto parts industry. *Newsweek* and *USA Today* are general-interest news publications. *People* is a general-interest entertainment publication.

SOURCE: IM:012

SOURCE: IM LAP 12—Data Do It (Need for Marketing Data)

38. A

Protect the patients' privacy rights. By law, healthcare organizations must take steps to ensure that patients' medical records are secure and that patients know how the healthcare organization uses and discloses medical information. The government does not regulate healthcare information-management activities to prevent personal-injury lawsuits, keep tax information confidential, or improve employees' performance.

SOURCE: IM:419

SOURCE: About.com. (2015). *Protecting the privacy of patients' health information*. Retrieved November 17, 2015, from <http://seniorhealth.about.com/library/news/blprivacyreg.htm>

39. C

Place. Marketing research can tell the business the advantages and disadvantages of various locations so that the business can choose the location that would get its products in the right place at the right time. The price decision involves deciding the amount of money marketers will ask in exchange for their products; the product decision involves deciding what goods, services, or ideas to sell; and the promotion decision involves selecting the type of communications that will be used to inform, persuade, or remind customers of their products.

SOURCE: IM:010

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

40. A

The benefits outweigh the costs. Before beginning a marketing-research study, managers and researchers must agree that the benefits the study will bring will outweigh the costs it will require (time, money, and effort). If they agree, the study can proceed. Many marketing-research studies will take much longer than two weeks to complete. The results of the study should stand alone and not be dependent on the opinions of either managers or researchers. The two parties may or may not agree on 30 days as the timeframe in which the bill must be paid.

SOURCE: IM:282

SOURCE: IM LAP 13—What's the Problem (Marketing-Research Problems)

41. C

Customers' product preferences. Internal records provide businesses with information about their customers' buying habits and product usage. By reviewing inventory reports, a business can determine which products are selling well and which products are moving slowly. This information may prompt the business to phase out the slow moving product and increase promotional efforts for the products that are selling well. Customers' invoices provide information about an individual customer's buying preferences and habits. For example, invoices might reveal that certain customers buy a certain quantity of a particular product four times a month. By knowing this type of information, the business can customize promotions for its customers and take steps to ensure that it has sufficient product on hand when it is needed. Financial reports provide information about customers' credit status and limits. Customer invoices do not provide information about a product's level of quality. Businesses need to analyze industry and competitors' data and compare them with internal data to evaluate their market share.

SOURCE: IM:184

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 594-595). Woodland Hills, CA: Glencoe/McGraw-Hill.

42. D

Secondary information. Secondary information is data that have already been collected by others. Marketing researchers can obtain secondary information from websites and often find that the data are useful for addressing their current issues or problems. Some researchers access trade-association websites, which often publish articles and provide statistical data that relate to a specific industry. Online libraries are also good sources of secondary information because they have extensive access to various periodicals, online textbooks, and magazines. Internal data come from within the business. Primary data are information collected for a specific issue at hand. Classified information is confidential and is only available for certain viewers.

SOURCE: IM:289

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 102-103]. Upper Saddle River, NJ: Prentice-Hall.

43. D

Avoid appearing biased. A personal interview is one way to collect detailed, qualitative marketing-research data. When marketing researchers conduct interviews, it is important for them to make the interviewees feel comfortable and willing to talk openly about the topic at hand. Interviewers should monitor their verbal and nonverbal behavior to ensure that they appear neutral and unbiased. If an interviewer says or does something to indicate a biased attitude, tries to influence responses, or dominates the conversation, the interviewee may not feel comfortable answering questions honestly. If the interviewee provides dishonest answers, the research is inaccurate or unreliable. A time limit on an interview is not a reason for an interviewer to monitor his/her verbal and nonverbal behavior during the interview.

SOURCE: IM:418

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 212-215]. Mason, OH: South-Western Cengage Learning.

44. D

Counting the number of respondents who agreed with the questions. In many cases, processing marketing information involves tabulating the results. Tabulating is counting the number of respondents who answered each question with one of the possible answers. For example, if 100 people responded to a survey, businesses need to know how many of them agreed, disagreed, or had no opinion about the questions. Also, tabulating helps businesses to determine if some people did not answer all the questions, which might have an effect on the accuracy of the results. Tabulating does not involve analyzing the information to make it useful, or comparing the results with results from other types of research. Coding is assigning a numeric value to the various responses on the survey.

SOURCE: IM:062

SOURCE: Hair, J.F., Wolfinbarger, M., Ortinau, D.J., & Bush, R.P. (2008). *Essentials of marketing research* (pp. 202-203). New York, NY: McGraw-Hill Irwin.

45. B

Descriptive. Descriptive statistics are derived by summarizing information gathered from a sample of a population. Multivariate statistics are derived by analyzing two variables at the same time. Sequential and unilateral are not common terms used to define types of statistical information collected and analyzed by market researchers.

SOURCE: IM:191

SOURCE: College of St. Benedict and St. John's University. (n.d.). *Descriptive statistics*. Retrieved November 17, 2015, from <http://www.physics.csbsju.edu/stats/descriptive2.html>

46. A

Respondent-selection. When interviewers survey an inappropriate sample of the population, the marketing research becomes skewed. For example, an interviewer who is supposed to interview only 18- to 24-year-old males but who also interviews some 25- to 40-year-old males is not conducting the research appropriately. This type of error is called a respondent-selection error. Deliberate-falsification errors occur when people provide false information on purpose. These errors often occur when the respondents do not want to reveal personal information, are bored, or are embarrassed by the question. Respondent-inability errors occur when respondents forget the answer to a question (e.g., What did you have for lunch last Tuesday?). Data-analysis errors occur during the data-analysis phase rather than the data-collection phase of the marketing-research process.

SOURCE: IM:292

SOURCE: Rao, S.R. (2009, January 20). *Respondent selection errors*. Retrieved November 17, 2015, from <http://www.citeman.com/4765-respondent-selection-errors.html>

47. D

Locating the publication date. When marketers obtain secondary data, or information that has been collected for reasons other than the purpose at hand, they must make sure the information is up-to-date and relevant. Some marketers obtain information from online journals and articles. To make sure the information is up-to-date or current according to the research standards, the marketer should look for the article's publication date, which is often included near the author's byline or at the end of the article. A marketer may not be able to determine an article's timeliness by accessing the website's FAQ page, evaluating a trademark, or reviewing the site map.

SOURCE: IM:428

SOURCE: Colorado State University. (2013, July 23). *How to evaluate journal articles*. Retrieved November 17, 2015, from <http://lib.colostate.edu/howto/evaljrl2.html>

48. B

Expectation. Your buying behavior is being influenced by an expectation, or something you anticipate to happen based on past experience. Expectations are an important part of our perceptions, or personal pictures of the world. An opinion leader is a role model. A special occasion might become a situational influence on your buying behavior. A cultural norm refers to the usual behavior in the place where you live.

SOURCE: MK:014

SOURCE: MK LAP 6—Cause and Effect (Buying Behavior)

49. B

Yes, changes in the marketplace require changes in marketing strategy. Changes such as price increases, new competition, or an increase in operating expenses require that businesses have flexible strategies. A responsible business operation will be prepared to redesign its strategies as needed.

SOURCE: MP:001

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

50. A

Specific. In other words, scuba gear appeals only to certain market groups. In order to market products that have limited appeal, marketers use market segmentation that divides the market into smaller, more specific groups. Mass marketing is designing products and directing marketing activities in order to appeal to the general market. Mass marketing is used for goods and services that almost all people buy and use. Examples include soap, toothpaste, bread, and milk.

SOURCE: MP:003

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

51. B

Promotional activities. A marketing plan is a set of procedures or strategies for attracting the target customer to a business. An important part of a marketing plan is the promotional activities that a business will use to inform, persuade, or remind customers of its products. Businesses need to identify these activities, which may include advertising, sales promotion, personal selling, and publicity. Human resources are the people who work to produce goods or services. Purchasing policies are guidelines that direct purchasing decisions. An operating system involves the activities needed to run the business on a day-to-day basis.

SOURCE: MP:007

SOURCE: MP LAP 1—A Winning Plan (Nature of Marketing Plans)

52. C

Length of time to complete sales. The length of time it takes a business to complete its sales may have an effect on its sales forecast (e.g., some businesses complete sales immediately, while other businesses may take months from start to finish). Economic conditions, competition, and season/weather are all external factors that may affect a business's sales forecast.

SOURCE: MP:013

SOURCE: MP LAP 5—Futurecast (The Nature of Sales Forecasts)

53. B

Quality of information. For information to be useful, it must be accurate and current. Therefore, businesses evaluate the quality of information they obtain to determine if it is relevant to the issue, accurate, and current. Information that is out-of-date or that includes errors will not help the business. The business might make poor decisions based on information that is of low quality. Businesses do not evaluate the research procedure, type of statistics, or hardware application to determine if data are accurate and current.

SOURCE: NF:079

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 27-29]. Mason, OH: South-Western Cengage Learning.

54. A

Identity. Managing information regarding copyrights and trademarks helps a company to preserve its identity. If a competitor tries to infringe upon this protected material, the company will be ready to stake its claim quickly. Copyrights and trademarks do not necessarily relate to inventory, correspondence, or customers.

SOURCE: NF:110

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

55. A

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

SOURCE: NF:004

SOURCE: Microsoft Office. (2015). Reply to or forward an email message. Retrieved November 23, 2015, from <https://support.office.com/en-US/article/reply-to-or-forward-an-email-message-2d7a77e7-b55d-4921-9c8a-d04b4c70c5a7>

56. D

To organize vendor information. Businesses often use database software programs to organize and analyze various types of information. For example, a business might organize information about its vendors according to name, location, type of product, selling price, or reliability. Spreadsheet software programs may be used to calculate weekly payroll. Graphics software programs may be used to diagram work schedules. Desktop publishing programs may be used to prepare promotional material.

SOURCE: NF:009

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2010). *Marketing essentials* [p. 199]. Woodland Hills, CA: Glencoe/McGraw-Hill.

57. D

Unemployment rate. An environmental scan is an analysis of external forces that influence a business's success. The fluctuation of unemployment rates is an economic factor because unemployment has an effect on consumers' ability to buy goods and services. If consumers are unemployed, they do not have income to spend. As a result, businesses do not sell as much because consumers are not buying. When this situation occurs, businesses often reduce expenses in an attempt to stay in business until the rate of employment starts to rise again. Increased regulation is a political factor. Population shift is a demographic factor. Lifestyle adjustment is a cultural factor.

SOURCE: NF:015

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

58. B

Statistical findings. Statistics are information presented in numerical form. For the statistics to be useful, businesses must analyze and interpret them. For example, it may be important for businesses to find out how many customers are in certain age groups, and then convert those figures to percentages to determine which groups make the most purchases. By analyzing this type of statistical finding, businesses can make decisions about targeting certain groups to increase sales and profits. Businesses might analyze training results rather than training methods. They do not analyze information skills or privacy factors when making business decisions to improve the company.

SOURCE: NF:093

SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (pp. 182-183). Columbus, OH: Glencoe/McGraw-Hill.

59. D

Sales. Businesses may lose the opportunity to make sales if injured employees cannot be present to carry out their duties. Lost sales usually result in less profit, which can be a serious problem for a business. Losing sales and income could eventually force a company out of business. Assets are anything of value that the business owns. Benefits are advantages obtained from using a good or service. Goods are tangible objects that can be manufactured or produced for resale.

SOURCE: OP:009

SOURCE: OSHA. (n.d.). *Costs of accidents*. Retrieved November 17, 2015, from https://www.osha.gov/SLTC/etools/safetyhealth/mod1_costs.html

60. C

A back-up plan. A back-up plan is an alternate way to carry out a project. When unforeseen events change the project, the project can still be completed if you have a back-up plan. The back-up plan might call for doing the project on another day or asking for help from people outside the project. Having self-control and patience will help the project manager cope effectively when unforeseen events occur. However, a back-up plan is still needed for the project to proceed. One aspect of a back-up plan might involve asking volunteers to help.

SOURCE: OP:002

SOURCE: QS LAP 18—Make It Happen (Managing Projects)

61. C

To identify and solve problems. Once a project has been completed, it's important to evaluate the results to determine if the project was successful. Part of the evaluation process involves identifying problems that may have occurred during the project and taking steps to solve those problems so they will not affect future projects. For example, management may find that the project could have been completed faster and for less money if different employees were involved. Management plans goals and objectives, organizes materials and supplies, and schedules time and employees before the project begins.

SOURCE: OP:159

SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (pp. 257-260). Columbus, OH: Glencoe/McGraw-Hill.

62. A

Inventory of supplies. When businesses use an automatic reorder system, an order for additional supplies is placed when the inventory decreases to an established level. This makes it possible for a business to effectively maintain an inventory of supplies at the right level. The business does not tie up funds by purchasing too many supplies, or risk running out of supplies. Businesses do not use an automatic reorder system to maintain an adequate work environment, budget for expenses, or maintenance system.

SOURCE: OP:031

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 421-431]. Tinley Park, IL: The Goodheart-Willcox Co.

63. C

Dispatching. Dispatching is issuing orders for production to start. These are usually written orders that tell employees what their job assignments are, when to move materials to the work area, or which tools and equipment to assemble. Scheduling establishes the timetable to be followed in production. Routing is the production activity that determines the sequence for the steps in the production process. Following up makes sure that production was carried out according to plan and that the products met company standards.

SOURCE: OP:017

SOURCE: OP LAP 17—Can You Make It? (Nature of Production)

64. D

Improve quality and reduce inefficiencies. Six Sigma is a quality-management framework that involves continuously setting higher goals of perfection. Six Sigma builds upon previous goals to set higher goals in order to continuously improve the quality of the business's goods, services, or processes. The ultimate goal is to maximize outputs, reduce inefficiencies and waste, have no process or product defects, and minimize production costs. If these actions are successful, the business's profits may increase. As a quality-control framework, the primary purpose of Six Sigma is not to eliminate resources, lessen decision making, influence regulation, or decrease outputs.

SOURCE: OP:163

SOURCE: Investopedia. (2015). *Six sigma*. Retrieved November 17, 2015, from <http://www.investopedia.com/terms/s/six-sigma.asp>

65. A

Emotion. Chad feels strongly about the second car, so his decision making is influenced by his emotion. Chad isn't influenced by experience because he hasn't encountered this particular option before. Framing is an external factor that refers to the way an option is presented. Chad isn't being influenced by insight or intuition because he doesn't have a gut feeling that the second car is better. In fact, he knows that the first car is a much better buy, but he decides to go with the second car anyway.

SOURCE: PD:017

SOURCE: PD LAP 10—Weigh Your Options (Decision Making in Business)

66. B

Careers. Self-understanding helps people to choose careers that are appropriate for their particular abilities. Each of us is born with a unique combination of abilities and aptitudes for certain skills. Understanding what those skills and abilities are usually helps people to choose careers for which they are well suited and in which they will be successful. People who understand themselves and their skills and abilities are not necessarily able to choose appropriate friends. Talents, the natural aptitudes that people are born with, are not chosen but may be developed. Traits are personal characteristics that make up an individual's personality.

SOURCE: PD:013

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 608-613]. Tinley Park, IL: The Goodheart-Willcox Co.

67. D

Credit analyst. Banking services include cash management, short-term investments, mortgages and other loans, credit cards, and bill payment. A credit analyst works in the banking-services sector. A public relations specialist works in marketing. An insurance broker works in the insurance sector of finance. A real estate broker works in securities and investments.

SOURCE: PD:025

SOURCE: PD LAP 15—Go For It! (Careers in Business)

68. B

To attract attention. One of the main reasons for writing a letter of application is to attract attention and hold the reader's interest. The letter of application should encourage the employer to invite the applicant in for an interview. The letter should contain a few interesting details that will attract attention but should not be lengthy or detailed. Applicants should organize their thoughts before writing a letter of application. Letters of application are not used to provide detailed data or to describe activities.

SOURCE: PD:030

SOURCE: Bailey, L.J. (2007). *Working: Career success for the 21st century* (3rd ed.) [pp. 54-55]. Mason, OH: South-Western.

69. C

Education, experience, and position. A professional organization is a group of persons in the same profession who form a society to further their common interests. While education, experience, and/or position may be entry requirements for some professional organizations, the disclosure of confidential information such as income is not usually required. Race is not a valid consideration among entry requirements.

SOURCE: PD:036

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

70. D

Service. There are many career opportunities in service marketing. Service marketing is selling intangible items. Services are productive acts that satisfy wants and needs but cannot be tasted, felt, seen, heard, or smelled. Booking hotel rooms is an example of service marketing because it involves selling the use of a room for a period of time but not permanent ownership of the room. A feature is a fact or characteristic of a product. Sports are athletic activities. A benefit is an advantage customers receive from using a product.

SOURCE: PD:024

SOURCE: PD LAP 21—Career Opportunities in Marketing

71. B

Calculator. Calculators are devices that are used to compute numerical data. Calculators are widely used and are available in many forms, including battery-operated models and traditional electrical models. They are often found on computers. A fax machine is used to transmit documents via telephone lines. Scanners are technological devices that transmit images or information to computers. Printers do not calculate simple mathematical computations.

SOURCE: PI:016

SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (pp. 175-177). Columbus, OH: Glencoe/McGraw-Hill.

72. C

Three computer-chip manufacturers agree to sell their products within a certain price range. Price fixing is an illegal arrangement that occurs when businesses agree on prices of their goods or services. Price fixing hinders competition because it results in little choice for the consumer. Dramatically increasing prices for necessary items during a natural disaster is an example of price gouging. Price skimming involves setting high prices for new products and lowering them over time. Offering coupons is a form of sales promotion.

SOURCE: PI:017

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 324]. Upper Saddle River, NJ: Prentice-Hall.

73. A

There are many kinds of selling prices for goods and services. All products have selling prices. Some examples other than prices for tangible products would be tuition, insurance premiums, and bus fares. It is not an easy process for a business to determine the best selling price for its products because many factors must be considered. Selling prices fluctuate rather than stay the same.

SOURCE: PI:002

SOURCE: PI LAP 3—Make Cents (Factors Affecting Selling Price)

74. A

Create demand for the products. Innovators are consumers who like to try new things, and they are usually the first to buy new products. When innovators like the new products they try, this influences others to buy the products and creates demand for them. Innovators tend to be young, so their purchases do not get the products into the hands of older buyers. Selling to innovators helps the business to recover the costs of product development but does not reduce them. Businesses are not interested in persuading competitors to enter the market.

SOURCE: PM:024

SOURCE: PM LAP 18—Get a Life (Cycle) (Product Life Cycles)

75. B

Advanced new products. The technology developed by the space program and other government-funded projects ultimately becomes available to businesses that use the technology to create advanced new products for the general public. Businesses take advantage of the technology to develop products that improve the lives of customers and meet the needs of modern society. Also, by creating new products, businesses have the opportunity to increase sales and expand operations. The technology developed by the space program does not help businesses to create marketing strategies, updated brand names, or advertising techniques.

SOURCE: PM:039

SOURCE: Wilson, J.R. & Ross, H. (2008). Space program benefits: NASA's positive impact on society. In NASA, *50th Magazine*. Retrieved November 17, 2015, from http://www.nasa.gov/50th/50th_magazine/benefits.html

76. B

True, establishing procedures reduces harmful effects to the company and its image. Not only is it ethical to have procedures for handling complaints, returns, or recalls, it is also in the best interest of the company. However, these procedures are not required by law. Ethical marketers want to resolve any problems and provide safe products to customers. Ethical marketers do not blame customers for problems or believe that procedures are a waste of time or not important.

SOURCE: PM:040

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials: Teacher wraparound edition* (p. 226). Woodland Hills, CA: Glencoe/McGraw-Hill.

77. B

Personal experiences. A person's experiences—hobbies, interests, or career—often create product opportunities. A product opportunity is a favorable circumstance that presents itself to provide a good or service that consumers are willing to buy. By selling her jewelry on eBay, Jessica is applying her personal experience (i.e., hobby) to act on a product opportunity. Business processes, consumer attitudes, and demographics are important factors that affect business success, rather than identifying this particular product opportunity.

SOURCE: PM:134

SOURCE: Shopify. (n.d.). *The 8 opportunity types*. Retrieved November 17, 2015, from <https://www.shopify.com/guides/what-to-sell/online-product-opportunities>

78. C

You cannot help your teammates. Relay brainstorming resembles a relay race. It involves multiple individuals from competing teams responding in a certain order with no assistance from teammates.

SOURCE: PM:127

SOURCE: PM LAP 11—Unleash Your Oh! Zone (Techniques for Generating Product Ideas)

79. A

Promotional tool. Many companies feature their warranties or guarantees in their advertising. This is often helpful in gaining new customers. Advertising that a product works so well that it never needs to be repaired is an example of using guarantees as a promotional tool. A guarantee is an example of a benefit rather than a feature. Offering guarantees, rather than advertising them, is an example of using guarantees as a competitive tool. The wording of a guarantee protects a business by specifying exactly what the guarantee covers.

SOURCE: PM:020

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

80. D

Testing. Government regulations require the thorough testing of many new products such as drugs or infant car seats before these products may be sold to consumers. The purpose of government-required testing is to make sure the new products are safe for consumers to use or consume. For example, it takes from five to nine years to get most new drugs on the market because drug companies must meet the extensive testing requirements of the Food and Drug Administration. Licensing is the process of issuing a government permit allowing a business to function in the marketplace. Training is teaching or developing a specific skill. Labeling is the process of attaching printed information to a product.

SOURCE: PM:017

SOURCE: PM LAP 7—Protect and Serve (Consumer Protection)

81. A

Trading up. A product-mix strategy in which a business adds a higher priced product or product line to its product mix is trading up. Trading down is a product-mix strategy in which a business adds a lower priced product or product line to its product mix. Positioning is a product-mix strategy in which a business creates a certain image or impression of a product in the minds of consumers. Alteration is a product-mix strategy in which a business makes changes to its product or product lines.

SOURCE: PM:003

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

82. D

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

SOURCE: PM:041

SOURCE: Miller, G. (2012, April 3). *10 ways retailers can leverage bundling of products to drive sales*. Retrieved November 17, 2015, from <http://upstreamcommerce.com/blog/2012/04/03/10-ways-retailers-leverage-bundling-products-drive-sales>

83. D

Price and quality. The promotional slogan is positioning the product as having great taste at a great price. The taste is a quality. The promotion does not address specific features and benefits of the product such as "30% more chicken than the competition" or "Helps lower cholesterol." The company is not claiming that its soups have a characteristic that is different than that of competitors. The soups are not positioned according to other products because the slogan does not include information about other products that the company produces.

SOURCE: PM:042

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 645). Woodland Hills, CA: Glencoe/McGraw-Hill.

84. D

Brand cue. Brand cues are simple reminders of the brand's identity and values. Brand cues are a great way to remind employees about brand values and the brand promise. Touch points are all the opportunities that businesses have to connect with customers and reinforce their brand values. Logos are distinctive symbols, designs, or groups of letters. Distributor brands are owned by the retailer or wholesaler that sells the brands, rather than the manufacturer.

SOURCE: PM:206

SOURCE: PM LAP 20—Corporate Identity (Nature of Corporate Branding)

85. C

Create desire. Promotion is a marketing function needed to communicate information about goods, services, images, and/or ideas to achieve a desired outcome. In relation to marketing, one of the main goals of promotion is to create desire in people to want to purchase a specific good, service, or event. By communicating information, the marketers hope to attract attention, create desire, and generate sales. Promotion is important because if people do not have the desire, they will not buy. Developing an appropriate message is one step in the promotional process, but it is not a goal. Monitoring feedback from previous promotional efforts will help marketers to make changes to their message to more effectively create desire. Production is an operations function.

SOURCE: PR:001

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 362-363). Woodland Hills, CA: Glencoe/McGraw-Hill.

86. C

Personal selling completes the sale. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services. It attracts consumers to a business, but personal selling efforts are required in order to complete sales. If enough sales are completed, the result will be reduced inventory levels. Warranties can be used in personal selling, but they are not part of the promotional mix. Advertising may increase rather than reduce the business's expenses.

SOURCE: PR:003

SOURCE: PR LAP 1—Spread the Word (Nature of the Promotional Mix)

87. B

Information is available on demand. Internet surfers can access a business's website and obtain product information 24 hours a day, seven days a week—making it available anytime the Internet user wants to see it. The Internet serves as a promotional vehicle that is more likely to be available to affluent markets, or those who can afford Internet services, but it does not ensure that consumers' privacy is secure. Many businesses use the Internet as a supplemental tool to promote products, which does not mean that businesses don't need to include target marketing in their overall business and promotional objectives.

SOURCE: PR:100

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [p. 244]. Upper Saddle River, NJ: Prentice Hall.

88. D

Remedy. In legal circumstances, a remedy is a resolution—a way to right a wrongdoing. When a government agency issues a cease-and-desist order, it is ordering the advertiser to stop running the advertisement until a hearing is held to determine if the advertisement is deceptive or unfair. Arbitration is a formal process in which a neutral third party makes decisions about a contract dispute. Remand refers to sending a legal case back to the court so a specific action can be taken. Appropriation refers to a legal action that relates to the invasion of privacy.

SOURCE: PR:101

SOURCE: Hill, G. & Hill, K. (n.d.). Remedy. In *Law.com Legal Dictionary*. Retrieved November 17, 2015, from <http://dictionary.law.com/Default.aspx?selected=1784>

89. A

It can be expensive to produce and distribute. Direct-mail is a promotional medium that comes to consumers' homes and businesses. Traditional direct-mail advertising involves the production and distribution of promotional materials that are delivered by a postal or delivery service to consumers' mailboxes. The high cost per piece means a business will need to calculate carefully the response rate needed to break even. It is ideal for getting repeat customers and can be timed for the mailings to arrive at crucial periods, such as the beginning of a sales promotion. In many situations, packages can be designed for reuse or to be reused with very little updating.

SOURCE: PR:089

SOURCE: Wolski, C. (n.d.). *The disadvantages of direct mail*. Retrieved November 15, 2015, from <http://smallbusiness.chron.com/disadvantages-direct-mail-1436.html>

90. D

Trade advertising and trade shows. Sales promotion encompasses promotional activities other than advertising, personal selling, and publicity. Depending on their target markets, businesses use different types of sales-promotion strategies to stimulate sales. When a business uses the push sales-promotion strategy, it is attempting to move or push the product through the distribution channel to the end user. To do this, businesses use sales-promotion techniques (e.g., discount coupons and rebates) to provide channel members with incentives to sell the products to their customers, who are often the end users. Businesses often use trade advertising and trade shows to inform channel members about their products and sales promotions. If a business uses a pull strategy, it is likely use mass advertising communication channels (e.g., national television commercials) to reach the target market. Pricing is a marketing function that involves determining and adjusting prices to maximize returns and to meet customers' perceptions of value.

SOURCE: PR:249

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 368). Woodland Hills, CA: Glencoe/McGraw-Hill.

91. A

Shows the general arrangement and appearance of an advertisement. An ad layout is a rough draft of the basic design of an ad, showing the general arrangement and appearance of an advertisement. It indicates the position of all the elements of an ad—headline, subhead, body copy, illustration, and signature. The ad layout does not portray only the typeface, type sizes, or the body copy.

SOURCE: PR:014

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 429-430). Woodland Hills, CA: Glencoe/McGraw-Hill.

92. A

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

SOURCE: PR:251

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 471-473). Columbus, OH: Glencoe/McGraw-Hill.

93. C

Jana prepares a press release about her firm's new licensing agreement with a large company. The public relations department is the area of the business that is responsible for establishing good relations between the business and the public. Public relations staff members are responsible for developing and distributing press releases. Press releases include newsworthy information about the business and are provided to the media to obtain publicity. Businesses often distribute press releases to announce new products, employee promotions, mergers, awards, licensing agreements, etc. Sales promotion is a product-promotion activity. Calling on prospective customers to schedule product demonstrations is a sales activity. Reviewing an overdue-accounts report is an accounting activity.

SOURCE: PR:252

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 397-399). Columbus, OH: Glencoe/McGraw-Hill.

94. D

Influence. The salesperson's role is to guide customers in making effective buying decisions that will lead to customer satisfaction. Salespeople do not determine what the customer will buy—the customer does. A salesperson should never try to compel a customer to purchase a product. Customers personalize their own purchase decisions by basing those decisions on their own personal needs and desires.

SOURCE: SE:017

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

95. B

Meet customers' needs. One way to develop long-term relationships with customers is to provide quality service that meets customers' needs and makes them feel appreciated. In many cases, the type of service provided must be tailored to fit the needs of the customer. For example, one customer might need an order delivered overnight while another customer needs to return a defective item. Salespeople should determine what the customer needs and then provide that service. Not all services need to save money for customers, although many services do not add cost. Services need to be tailored to the customer rather than the same for all customers. Services usually do not include customers' employees unless the service involves training employees to use a new type of product.

SOURCE: SE:076

SOURCE: SE LAP 130—Go Beyond the Sale (Customer Service in Selling)

96. D

Salespeople. Since salespeople engage in selling activities on a regular basis, they are the employees who bear the most responsibility for implementing the policies. Selling policies help to ensure that customers receive fair and equal treatment. Managers usually have responsibility for developing selling policies. Suppliers are not responsible for a business's selling policies.

SOURCE: SE:932

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

97. C

Giving opinions. To be ethical, salespeople should avoid giving their opinions about the capabilities and benefits of a particular product. Salespeople should rely on facts and information provided by the company. If they give their opinions, they run the risk of exaggerating or making unrealistic claims. Exaggerating or making unrealistic promises is usually considered unethical, and may even be illegal if customers buy based on that information. Salespeople usually mention warranties, discuss prices, and explain features. However, they should provide accurate, factual information when doing so rather than giving their opinions.

SOURCE: SE:106

SOURCE: SE LAP 129—Keep It Real—In Sales (Legal and Ethical Considerations in Selling)

98. D

Features. A feature is a physical characteristic or quality of a product. It is something the customer can touch, feel, smell, see, or measure. It helps to describe the product. In short, features answer the question, "What is it?" A benefit is the personal satisfaction or advantage that a customer wants from a product. Construction and durability are types of features that a salesperson might point out; however, these features do not apply to all products.

SOURCE: SE:109

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

99. D

Facts. Buyers' motives can be classified into three broad categories—rational, emotional, and patronage. Rational buyers make decisions based on facts and logic, and often consider convenience, durability, time, and money. Because Carlos considered gas mileage, product ratings, and warranty information, he used rational buying motives based on facts. Patronage motives involve loyalty to a brand or business. Emotional buying motives involve basing purchasing decisions on personal feelings, intuition, and opinions. Many emotionally based buying decisions involve projecting a certain appearance or social status.

SOURCE: SE:359

SOURCE: Gautam, K. (2010, March 21). *Buying motives*. Retrieved November 18, 2015, from <http://marketstudying.blogspot.com/2010/03/buying-motives.html>

100. A

Work alongside subordinates. The role of the middle manager is to plan and organize the work of others, not to do the same work that they do. It may, on occasion, be necessary for a manager to lend a hand, but this should not be regular practice. An effective manager should plan his/her time in order to use his/her abilities to the best advantage and establish and carry out immediate goals. First-line managers or supervisors often work alongside subordinates.

SOURCE: SM:001

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