



## Practice Exercise

### PASSAGE 1

Marketing executives in television work with a relatively stable advertising medium. In many ways, the television ads aired today are similar to those aired two decades ago. Most television ads still feature actors, still run 30 or 60 seconds, and still show a product. However, the differing dynamics of the Internet pose unique challenges to advertisers, forcing them to adapt their practices and techniques on a regular basis.

In the early days of Internet marketing, online advertisers employed banner and pop-up ads to attract customers. These techniques reached large audiences, generated many sales leads, and came at a low cost. However, a small number of Internet users began to consider these advertising techniques intrusive and annoying. Yet, because marketing strategies relying heavily on banners and pop-ups produced results, companies invested growing amounts of money into purchasing these ad types in hopes of capturing market share in the burgeoning online economy. As consumers became more sophisticated, frustration with these online advertising techniques grew. Independent programmers began to develop tools that blocked banner and pop-up ads. The popularity of these tools exploded when the search engine Google, at the time an increasingly popular website fighting to solidify its place on the Internet with giants Microsoft and Yahoo, offered free software enabling users to block pop-up ads. The backlash against banner ads grew as new web browsers provided users the ability to block image-based ads such as banner ads. Although banner and pop-up ads still exist, they are far less prominent than during the early days of the Internet.

A major development in online marketing came with the introduction of pay-per-click ads. Unlike banner or pop-up ads, which originally required

companies to pay every time a website visitor saw an ad, pay-per-click ads allowed companies to pay only when an interested potential customer clicked on an ad. More importantly, however, these ads circumvented the pop-up and banner blockers. As a result of these advantages and the incredible growth in the use of search engines, which provide excellent venues for pay-per-click advertising, companies began turning to pay-per-click marketing in droves. However, as with the banner and pop-up ads that preceded them, pay-per-click ads came with their drawbacks. When companies began pouring billions of dollars into this emerging medium, online advertising specialists started to notice the presence of what would later be called click fraud: representatives of a company with no interest in the product advertised by a competitor click on the competitor's ads simply to increase the marketing cost of the competitor. Click fraud grew so rapidly that marketers sought to diversify their online positions away from pay-per-click marketing through new mediums.

Although pay-per-click advertising remains a common and effective advertising tool, marketers adapted yet again to the changing dynamics of the Internet by adopting new techniques such as pay-per-performance advertising, search engine optimization, and affiliate marketing. As the pace of the Internet's evolution increases, it seems all the more likely that advertising successfully on the Internet will require a strategy that shuns constancy and embraces change.

1. What does the author imply about the future of pay-per-performance advertising?
  - a. Although it improves on pay-per-click advertising, it is still vulnerable to click fraud.
  - b. It will one day become extinct as internet users discover drawbacks with it.
  - c. Internet users will develop free software to block its effectiveness.
  - d. It will eventually become less popular with advertisers as the Internet evolves and drawbacks emerge.

2. Which of the following most accurately states the main idea of the passage?
- Although pay-per-click advertising remains a wide-spread and effective online advertising medium, its popularity is likely to diminish as the internet evolves.
  - Internet advertising is not well received by Internet users, causing independent programmers to subvert advertisers.
  - Unlike the television, the Internet has experienced dramatic changes in short periods of time.
  - Unlike the television, the Internet has evolved rapidly, forcing online marketers to develop new advertising strategies and mediums.
3. According to the passage, which of the following best describes the current status of pop-up ads?
- widely used
  - less popular now than at earlier times
  - a frequent target of click fraud
  - increasingly popular due to search engine
4. According to the passage, which of the following best describes the practice of click fraud?
- clicking on the banner advertisements of rival companies
  - using software to block advertisements
  - utilizing search engine optimization to visit the pages of competitors
  - clicking on pay-per click ads of competitors
5. According to the passage, the largest point at which the television and Internet differ as an advertising medium is:
- the type of individual each medium reaches
  - whether the medium is interactive
  - the pace at which the medium evolves
  - the cost of advertising with each medium

6. The passage implies that which of the following attributes will be the most important for future success in online advertising
- flexible creativity
  - uniform approach
  - ruthless tenacity
  - eclectic approach
7. Which of the following words best describes the author's tone in the passage?
- critical
  - analytical
  - frustrated
  - biased

## PASSAGE 2

Shortly after September 11, 2001, the United States began requesting additional financial information about persons of interest by subpoenaing records located at the SWIFT banking consortium. SWIFT, which routes trillions of dollars a day, faced an ethical dilemma: fight the subpoenas in order to protect member privacy and the group's reputation for the highest level of confidentiality, or, comply and provide information about thousands of financial communications in the hope that lives will be saved. SWIFT decided to comply in secret, but in late June 2006, four major U.S. newspapers disclosed SWIFT's compliance. This sparked a heated public debate over the ethics of SWIFT's decision to reveal ostensibly confidential financial communications.

Analyzing the situation in hindsight, three ethical justifications existed for not complying with the Treasury Department's requests. First, SWIFT needed to uphold its long-standing values of confidentiality, non-disclosure, and institutional trust. The second ethical reason against SWIFT's involvement came with inadequate government oversight as the Treasury department failed to construct necessary safeguards to ensure the privacy of the data. Third, international law must be upheld and one could argue

quite strongly that the government's use of data breached some parts of international law.

Although SWIFT executives undoubtedly considered the aforementioned reasons for rejecting the government's subpoena, three ethical justifications for complying existed. First, it could be argued that the program was legal because the United States government possesses the authority to subpoena records stored within its territory and SWIFT maintained many of its records in Virginia. Second, it is entirely possible that complying with the government's subpoena thwarted another catastrophic terrorist attack that would have cost lives and dollars. Third, cooperating with the government did not explicitly violate any SWIFT policies due to the presence of a valid subpoena. However, the extent of cooperation certainly surprised many financial institutions and sparked some outrage and debate within the financial community.

While SWIFT had compelling arguments both for agreeing and refusing to cooperate with the U.S. government program, even in hindsight, it is impossible to judge with certitude the wisdom and ethics of SWIFT's decision to cooperate as we still lack answers to important questions such as: What information did the government want? What promises did the government make about data confidentiality? What, if any, potentially impending threats did the government present to justify its need for data?

8. Which of the following can be inferred from the passage?
  - a. no clear cut answer as to the legality of SWIFT's cooperation existed
  - b. SWIFT failed to adequately consult its legal staff before deciding to cooperate
  - c. the volume of money routed through SWIFT declined after its cooperation became public
  - d. U.S. authorities threatened criminal charges if SWIFT refused their subpoenas
9. Inferring from the passage, which of the following constituted an ethical justification for SWIFT complying with the government?
  - a. the U.S. government can subpoena information that pertains to its citizens

- b. SWIFT executives believed another catastrophic attack was unlikely
- c. providing data to the government based upon a valid subpoena did not explicitly violate SWIFT policy
- d. despite ostensibly poor oversight, senior Treasury Department officials assured SWIFT that data would be kept confidential
10. The author suggests which of the following is the most appropriate conclusion of an analysis of the ethics of SWIFT's decision?
- a. SWIFT acted inappropriately as it compromised its long-standing values of integrity, privacy, and confidentiality
- b. SWIFT's actions cannot be judged with perspicuity as answers to important questions are still unknown
- c. SWIFT acted properly as it complied with the requests of a sovereign government in an attempt to save lives
- d. SWIFT's actions endangered the flow of commerce by sparking public outrage at an important institution
11. According to the passage, each of the following describes SWIFT EXCEPT:
- a. had data stored in Virginia
- b. valued confidentiality and non-disclosure
- c. routes trillions of dollars a day
- d. after over a month of deliberation, complied with the government's subpoena
12. The author implies that which of the following most likely occurred as a result of the news stories that ran in June 2006:
- a. U.S. government officials decried the leaking of classified information
- b. SWIFT executives conducted a thorough internal review to assess the legality of SWIFT's actions
- c. some foreign members of the SWIFT consortium demanded answers from SWIFT's executives
- d. many members of the public and financial community debated SWIFT's decision

13. The primary purpose of the passage is to
- explain the extent of SWIFT's cooperation with the U.S. government in tracking financial transactions
  - Trace the origin of public outrage, especially among international financial institutions, over SWIFT's cooperation with U.S. authorities
  - Argue that the absence of information and the presence of ethical complexities make judging SWIFT's decision difficult at best
  - Argue that SWIFT's decision amounted to a compromise of SWIFT's principles
14. The author most likely used the word "ostensibly" near the end of the first paragraph to emphasize that:
- The ethical decision facing SWIFT seemed complex
  - The U.S. government saw no problems in the request it made
  - Four major U.S. newspapers thought on the surface that the decision to publish the story was simple
  - Users of SWIFT believed their financial data and communications were private

### PASSAGE 3

Although websites such as Facebook and MySpace experienced exponential growth during the middle of the first decade of the 21st century, some users remain oblivious to the fact that the information they post online can come back to haunt them. First, employers can monitor employees who maintain a blog, photo diary, or website. Employers can look for controversial employee opinions, sensitive information disclosures, or wildly inappropriate conduct. For example, a North Carolina newspaper fired one of its feature writers after she created a blog on which she anonymously wrote about the idiosyncrasies of her job and co-workers.

The second unintended use of information from social networking websites is employers who check on prospective employees. A June 11, 2006 New York Times article reported that many companies recruiting on college campuses use search engines and social networking websites

such as MySpace, Xanga, and Facebook to conduct background checks. Although the use of MySpace or Google to scrutinize a student's background is somewhat unsettling to many undergraduates, the Times noted that the utilization of Facebook is especially shocking to students who believe that Facebook is limited to current students and recent alumni.

Corporate recruiters and prospective employers are not the only people interested in college students' lives. The third unintended use of social networking websites is college administrators who monitor the Internet—especially Facebook—for student misconduct. For example, a college in Boston's Back Bay expelled its student Government Association President for joining a Facebook group highly critical of a campus police sergeant. In addition, fifteen students at a state university in North Carolina faced charges in court for underage drinking because of photos that appeared on Facebook.

Although more users of websites such as Facebook are becoming aware of the potential pitfalls of online identities, many regular users still fail to take three basic security precautions. First, only make your information available to a specific list of individuals whom you approve. Second, regularly search for potentially harmful information about yourself that may have been posted by mistake or by a disgruntled former associate. Third, never post blatantly offensive material under your name or on your page as, despite the best precautions, this material will likely make its way to the wider world. By taking these simple steps, members of the digital world can realize the many benefits of e-community without experiencing some of the damaging unintended consequences.

15. Based upon the passage, the author implies which of the following:

- information obtained unwillingly from the internet is permissible in court
- it is impossible to protect yourself from unintended uses of information online
- making information available only to people whom you trust

compromises your online community

- d. even if you restrict who can view your data, the government may still access it
16. Which of the following best describes the author's logical flow in the passage?
- define a problem, provide examples of it, offer means of remedying it, and offer a brief evaluation of the issue at hand
  - provide examples of a problem, offer a counter point, provide a resolution of the conflicting views, and offer a brief evaluation of the issue at hand
  - provide examples of a problem, provide means of remedying it, offer a brief evaluation of the issue at hand, and provide a contrasting evaluation of the issue at hand
  - define a problem, provide examples of it, offer a brief evaluation of the issue at hand, and offer suggestions to support that evaluation
17. The author implies that users should take all of the following actions to protect their online privacy EXCEPT
- know to whom you make your online information available
  - speak with recruiters to inform them of any misinformation published about you
  - carefully select and limit who can view your electronic profile
  - avoid uploading information that would be exceedingly damaging if it were discovered
18. According to the passage, all of the following represent a possible threat to privacy or an unintended use of data EXCEPT
- disgruntled past associates posting damaging information online
  - colleges or universities disciplining students for expressing politically incorrect or institutionally disowned opinions
  - government officials using online information, obtained against one's will, to bring legal proceedings
  - malicious users impersonating one's identity to commit identity fraud

19. The tone of the passage suggests that the author's view toward e-community and the digital world can best be described as
- largely pessimistic
  - frustrated
  - guardedly optimistic
  - distressed
20. The primary purpose of the passage is to:
- explain the growth of the digital world through the lens of privacy
  - discuss the risks of the digital world and suggest ways to protect oneself
  - evaluate the pros and cons of active participation in the digital world
  - illustrate potential unintended uses of private information
21. Which of the following best describes the relationship of the fourth paragraph to the remainder of the passage?
- it offers detailed examples to support previous assertions
  - it provides suggestions to ameliorate the previously mentioned problems
  - it summarizes the points of the preceding paragraphs
  - it offers counter evidence and an alternative point of view to the claims made earlier in the passage

#### PASSAGE 4

Although European decisions during the 16<sup>th</sup> and 17<sup>th</sup> centuries to explore, trade with, and colonize large portions of the world brought tremendous economic wealth and vast geographic influence, the enormous success of European maritime ventures during the age of exploration also engendered a litany of unintended consequences for most of the nations with which Europe interacted. Due to their incredible military force, religious zeal, and uncompromising goal of profit, Europeans often imposed their traditions, values, and customs on the people with whom they traded. They frequently acted without regard to the long-term welfare of others as their principal concern was short-term economic gain. Since many nations that traded with

Europe placed high value on their historical customs, some natives became deeply disconcerted by the changes that occurred as a result of European power. These factors, coupled with perennial domestic political instability, caused numerous countries to grow increasingly resistant to European influence.

One potent example of this ideological shift can be seen in the actions of the Tokugawa government of Japan. In its Seclusion Edict of 1636, the government attempted to extricate cultural interactions with Europe from the intimate fabric of Japanese society. The Edict attempted to accomplish this by focusing on three areas. First, it sought to curb cultural exchange by eliminating people bringing European ideas into Japan. The Edict stated, "Japanese ships shall by no means be sent abroad. All Japanese residing abroad shall be put to death when they return home." Second, the Edict focused on limiting trade. Articles 11 through 17 of the Edict imposed stringent regulations on trade and commerce. Third, the government banned Christianity, which it saw as an import from Europe that challenged the long-established and well-enshrined religious traditions of Japan. The government went to considerable lengths to protect its culture. Article eight of the Edict stated, "Even ships shall not be left untouched in the matter of exterminating Christians."

With the example of Japan and the examples of other countries that chose a different response to European influence, it is perhaps not too far of a stretch to conclude that Japan made the right decision in pursuing a path of relative isolationism. As history unfolded during the next 400 years, in general, countries that embraced European hegemony, whether by choice or by force, tended to suffer from pernicious wealth inequality, perennial political instability, and protracted underdevelopment.

22. It can best be inferred from the passage that in 1636, the Japanese government

- saw its citizens living abroad as potential threats
- considered all foreign religions a danger
- disagreed with the European philosophy that trade brought wealth
- foresaw the economic dangers of European trade and imperialism

- 23.Which of the following best characterizes the most significant motivation for Europe's behaviour with Japan during the 17<sup>th</sup> century?
- religious zeal
  - long-term political concerns
  - short-term economic self-interest
  - cultural imperialism
- 24.The author most likely included the quotation from Article Eight of the Edict at the end of the second paragraph to:
- highlight the venomous anger many Japanese leaders felt toward the importation of foreign religions
  - emphasize the determination of the Japanese government to protect itself from foreign influences it saw as damaging
  - illustrate how pervasive foreign religious influence had become in Japanese society
  - emphasize that European economic influence offered no justification for the Edict and the government relied instead on foreign religious influence to justify the Edict
- 25.Based upon the passage, the author would likely agree most strongly with which of the following statements
- European decisions made during the 16<sup>th</sup> and 17<sup>th</sup> centuries in dealing with Japan represent an aberration from the typical pattern of European decisions
  - Japanese rulers who responded with ferocity to European influence bear part of the responsibility for the caustic European-Japanese relationship that ensued
  - with the hindsight of history, Japan likely made the appropriate decision in extricating itself from European influence
  - European religious and cultural values conflicted with European economic behaviour toward Japan

26. According to the passage, which of the following constituted the biggest reason for the Seclusion Edict of 1636?

- a. Japanese economic growth potential would be hampered in the long run
- b. European trade amounted a disproportionate transfer of wealth
- c. with fast growing influence, the potential for European military action against the Japanese government was growing very large
- d. traditional Japanese culture and way of life were threatened by European influence

## PASSAGE 5

Prior to the fall of the Union of Soviet Socialist Republics (USSR), Mikhail Gorbachev, seeing a country falling behind its Western rival and a people increasingly clamoring for change, addressed the growing internal unrest in the summer of 1987 by introducing a series of reforms known as perestroika (literally, restructuring). In *Perestroika: New Thinking for Our Country and the World*, Mikhail Gorbachev discussed his analysis of the problems facing the USSR and his plans to solve them.

Perhaps the most pressing and visible problem facing the USSR in the late 1980s came in the form of the country's consistently mediocre economic performance, despite its vast natural resource wealth and large labour force. Gorbachev flatly admitted that economic failures were increasing and current policies were failing to offer a sustainable remedy. Failing to take advantage of the numerous scientific and technological advancements available, the USSR relied on inefficient and outdated business models. As a result, Gorbachev said, "in the last fifteen years the national income growth rates had declined by more than a half and by the beginning of the eighties had fallen to a level close to economic stagnation." With business executives focused on using more resources (in order to employ more people) instead of becoming more efficient, the country produced poor quality products unable to compete in a global economy. Further, this inefficiency led to shortages: "the Soviet Union, the world's biggest producer of steel, raw materials, fuel and energy, has shortfalls in them due to wasteful or inefficient use."

The decrepit economy engendered social unrest and woe that only compounded economic difficulties and societal misery. Gorbachev wrote of “a gradual erosion of the ideological and moral values of our people” and noted the considerable growth in “alcoholism, drug addiction and crime.” Accentuating these difficulties, the Communist government often ignored the needs of the average citizen, causing distrust and resentment. Perhaps the most destructive element of the social unravelling and inadequate government response was the mediocre education system. Gorbachev said, “Creative thinking was driven out from the social sciences, and superfluous and voluntarist assessments and judgments were declared indisputable truths.”

Although Gorbachev also opined about the growing public disbelief in the content of the immense government propaganda campaigns, the extent to which economic underdevelopment and social deviance gripped Soviet culture made the collapse of the USSR virtually inevitable in the minds of many observers. When combined with glasnost (literally, openness), Gorbachev’s plan that allowed greater transparency, perestroika actually served to hasten the collapse of the USSR. Contrary to its purpose, perestroika ensured that the fall of the USSR would occur sooner rather than later. Only a few years after Gorbachev implemented changes that would have been unthinkable and antithetical to the philosophy of previous leaders like Lenin, Stalin, and Khrushchev, the USSR fell.

27. Which of the following best describes the primary objective of the passage?
- argue that the implementation of perestroika caused the fall of the Soviet Union
  - explain perestroika along with its roots and consequences
  - depict the intention of Mikhail Gorbachev to cause the downfall of the USSR
  - explain the short-falls of a communist system and offer remedies

## FACE

28. The passage implies that which of the following was most true of the Soviet economy prior to perestroika:

- a. suffered from underperformance due to excessive government regulation and micro-management
- b. failed to meet its potential as a result of corruption and bureaucratic overhead
- c. lacked adequate natural resources to grow efficiently, regardless of business management
- d. focused on achieving high-employment rather than export-capable products

29. Based upon the passage, the author would likely agree most with which of the following characterizations of the impact of the USSR's troubled economy during the days leading up to perestroika?

- a. Cause for renewed determination in communist philosophy
- b. Reason that natives looked increasingly to the West and capitalism
- c. Source of frustration and discomfort among citizens that fuelled social friction
- d. Justification for the USSR's neglect of the needs of many citizens

30. According to the passage, which of the following best describes the relationship between perestroika and the fall of the USSR?

- a. Perestroika mildly delayed the fall of the USSR, although the decline of the Soviet Republic was inevitable
- b. Perestroika hastened the decline of the USSR
- c. Perestroika enabled the USSR to pursue much needed restructuring
- d. Perestroika softened the impact from the collapse of the USSR

1. d	2. d	3. b	4. d	5. c	6. a	7. b	8. a	9. c	10. b	11. d	12. d	13. c	14. d	15. a	16. a	17. b	18. d	19. c	20. b	21. b	22. a	23. c	24. b	25. c	26. d	27. b	28. d	29. c	30. b
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Answer Key for Practice Questions