Product Design and Development

UNIT 2

MCQ's ON Product Development –Technical and Business Concerns

1.	Tools for gathering customer needs is_____	
	a) Interviews b) Questionnaires c) Be the customer d) All of the above.	D
2.	Direct needs are_____	
	a) Basic needs of customers b) Hidden needs of customers c) Needs that don't change with time d) Needs specific to the customer	A
3.	Which one is the type of customer needs?	
	a) Direct Needs b) Latent Needs c) Special Needs d) All Of the above	D
4.	Which one is not the type of customer need model?	
	a) Kano Model b) Kolbe's Model of learning c) Blackbox Model d) Zachory Wong's Model.	D
5.	_____ segmentation is based on age, sex, education, occupation, annual income status of a family	
	a) Geographic b) Demographic c) Behavioral d) Psychographic	B
6.	_____ segmentation is based on parameters like price, sensitivity, usage rate, brand, loyalty.	
	a) Geographic b) Demographic c) Behavioral d) Psychographic	C
7.	_____segmentation is based on parameters like opinions, lifestyle, attitude, interests.	
	a) Geographic b) Demographic c) Behavioral d) Psychographic	D
8.	_____ customers visit the store regularly.	
	a) External b) Internal c) Discount	C

	d) Impulse	
9.	____ customers have no specific desire in mind when they visit the store.	
	a) Wandering b) Loyal c) Internal d) Discount	A
10.	_____ customers are not having any specific intention to buy a product as per their need but they purchase as per what appears good at the same time.	
	a) Discount b) Loyal c) Impulse d) Need based	C
11.	_____ customers buy a product with a definite need in mind.	
	a) Impulse b) Need based c) Discount d) Loyal	B
12.	First phase of S-Curve Product performance is __	
	a) Low b) High c) Medium d) None of the above.	A
13.	In which physical law of process dominates--	
	a) First b) Second c) Third d) None of the above	C
14.	Long term type of forecast includes time of	
	a) 10-20 years b) 2-10 years c) 1 year or less than 1 year d) None of the above	A
15.	Short term type of forecast includes time of	
	a) 10-20 years b) 2-10 years c) 1 year or less than 1 year d) None of the above	C
16.	Medium term type of forecast includes time of	
	a) 10-20 years b) 2-10 years c) 1 year or less than 1 year d) None of the above	B
17.	Interest on loan is an example of	
	a) Variable cost b) Fixed Cost c) Total Cost d) Average total cost	A

18.	Land property tax is an example of	
	a) Variable cost b) Fixed Cost c) Total Cost d) Average total cost	B
19.	In order to install an idea management system, whereby all ideas are directed to a central point, a company can do any or all of the following:	
	a) Appoint a respected senior person to be the firm's idea manager. b) Create a cross-functional idea management committee comprising of people form R&D, finance, engineering and operations to meet and evaluate new product ideas. c) Reward employees through formal recognition programs. d) All of the above are legitimate ways to systematically collect ideas.	D
20.	The purpose of _____ is to generate a large number of ideas	
	a) idea screening b) idea generation c) concept development and testing d) marketing strategy development	B
21.	The first idea reducing stage is _____ , which helps spot good ideas and drop poor ones as soon as possible.	
	a) idea generation b) idea screening c) concept development and testing d) marketing strategy development	B
22.	A _____ is a detailed version of the idea stated in meaningful consumer terms	
	a. product idea b. product concept c. product image d. test market	B
23.	A _____ is the way consumers perceive an actual or potential product	
	a. product idea b. product concept c. product image d. test market	C
24.	An attractive idea must be developed into a _____.	
	a. product idea b. product concept c. product image d. test market	B
25.	All of the following are accurate descriptions of activities performed in the idea screening stage of new product development, except which one?	
	a. Idea screening helps spot good ideas and drop poor ones as soon as possible. b. Companies want to go ahead only with the product ideas that will turn into profitable products. c. Many companies require their executives to write up new product ideas on a standard form that can be reviewed by a new-product committee. d. Setting up a toll-free number or Web site for anyone who wants to send a new idea to the idea manager.	D
26.	_____ calls for testing new-product concepts with groups of target consumers.	

	a. Concept development b. Concept testing c. Idea generation d. Idea screening	B
27.	_____ entails testing new-product concepts with a target group of consumers to find out if the concepts have strong consumer appeal.	
	a. Concept development b. Concept testing c. Idea generation d. Idea screening	B
28.	Product concepts are presented to consumers during concept testing in any of the following ways, except which one?	
	a. A word or picture description is presented to consumers. b. A concrete and physical presentation of the concept will increase the reliability of the concept test. c. Some companies are using virtual reality to test product concepts. d. Companies are reluctant to use the Web to test product concepts.	D
29.	Designing an initial marketing strategy for a new product based on the _____ is called marketing strategy development.	
	a. new product idea b. product concept c. test market results d. product prototype	B
30.	The marketing strategy statement in new product development consists of three parts: _____, _____, and _____.	
	a. idea generation; idea screening; concept development b. idea generation; concept development; concept testing c. idea generation; idea screening; idea management d. target market description; planned product positioning; sales, market share, and profit goals for the first few years.	D
31.	_____ involves a review of the sales, costs, and profit projections for a new product to find out whether they satisfy the company's objectives.	
	a. Idea generation b. Idea screening c. Business analysis d. Concept development and testing	C
32.	If a product concept passes the _____, it moves into _____.	
	a. business analysis test; product development b. concept development stage; product development c. concept testing stage; product development d. idea generation stage; product development	A
33.	Once management has decided on a product concept and marketing strategy, it can next evaluate the _____ of the proposal.	
	a. product idea portion b. product development part c. business attractiveness d. commercial viability	C
34.	All of the following statements are accurate descriptions of the simultaneous product	

	development approach to new product development, except which one?		
	a. The simultaneous product development approach is also known as collaborative product development. b. Company departments work closely together through cross-functional teams. c. Companies assemble a team of people from various departments that stay with the new product from start to finish. d Companies often pass the new product from department to department in each stage of the process.	D	
35.	All of the following are accurate descriptions of new-product development approaches used by companies in the commercialization phase of the process, except which one		
	a. New-product development teams in the simultaneous approach tend to stay with the new product from start to finish. b. In the simultaneous approach, top management gives the product development team general strategic direction but no clear-cut product idea or work plan. c. In order to get their new products to market more quickly, many companies are adopting a faster approach called sequential product development. d. The simultaneous team-based approach can be riskier and more costly than the slower, more orderly sequential approach.	C	
36.	Operations generated forecasts often not to do with		
	a. Inventory requirements b. Resource needs c. Time requirements d. Sales	D	
37.	Which of the following is not true for forecasting?		
	a. Forecasts are rarely perfect b. The underlying casual system will remain same in the future c. Forecast for group of items is accurate than individual item d. Short range forecasts are less accurate than long range forecasts		
38.	Which of the following is not a forecasting technique?		
	a. Judgemental b. Time series c. Time horizon d. Associative	C	
39.	In which of the following forecasting technique, data obtained from past experience is analyzed?		
	a. Judgemental forecast b. Time series forecast c. Associative model d. All of the above	B	
40.	Delphi method is used for		
	a. Judgemental forecast b. Time series forecast c. Associative model d. All of the above	A	
41.	The_____ includes all the experiences the customers get while buying and using the offering		
	a) Value exploration system	B	

	b) Value delivery system	
	c) Value creation system	
	d) None of the above	
42.	_____is a person's feelings of disappointment or pleasure that result from evaluating a product's perceived performance to their expectations.	
	a) Customer loyalty b) Customer satisfaction c) Customer value d) None of the above	B
43.	The link between the customer loyalty and customer satisfaction is _____	
	a) Proportional b) Non-proportional c) Unaffected d) None of the above	B
44.	Companies can know about customer loyalty by _____ the number of customer satisfaction questions.	
	a) Increasing b) Decreasing c) Both a & b d) None of the above	B
45.	_____ is the totality of characteristics and features of a service or product that bear on its ability to satisfy implied or stated needs	
	a) Quality b) Satisfaction c) Value d) Loyalty	A
46.	Why is market segmentation carried out?	
	a) To break down large markets into smaller markets. b) Provides an opportunity to surpass competitors. c) By grouping together customers with similar needs, it provides a commercially viable method of serving these customers. d) Allows the achievement of greater market share.	C
47.	The _____method is one of the main approaches to segmenting markets by adopting the view that the market consists of customers that are essentially the same, so the task is to identify groups which share particular differences	
	a) sample design b) breakdown c) build up d) profile identification	B
48.	To be effective, the process of market segmentation must meet which of the following basic requirements?	
	a) The firm must avoid focusing on non-variables such as profitability and volume. b) The market segment must have measurable purchasing power and size. c) The company must expand beyond its marketing capabilities to capture growing markets. d) The market segment must reflect the population's changing attitudes and lifestyles.	B
49.	Which of the following are the three broad groups of consumer segmentation criteria?	
	a) Behavioural, psychological and profile criteria.	A

	b) Behavioural-, gender- and industry- type variables. c) Organizational size, demographic and behavioural variables. d) Psychographic, sociological and price variables.	
50.	A commonly used basis for segmenting consumer markets is	
	a) organizational size. b) demographics. c) product type. d) price.	B
51.	Which of the following is not an example of a behavioural variable?	
	a) Product usage. b) Media usage. c) Purchase occasion. d) Personality.	D
52.	Psychographic segmentation is based on	
	a) the quantitative side of consumer demographic analysis. b) the quantitative side of consumer geographic analysis. c) individuals' residential patterns and life-cycle preferences. d) grouping people according to their psychological characteristics, values, and lifestyles.	D
53.	Which of the following are the three broad groups of organizational characteristics segmentation criteria?	
	a) Organizational size, industry type and gender. b) Psychographics, purchaser, and behavioural criteria. c) Organizational size, industry type, and geographical location. d) None of the above.	C
54.	Which of the following is not a useful base for segmenting organizational characteristics?	
	a) By turnover. b) By geographical location. c) By organizational size. d) By industry type.	A
55.	Before beginning the market segmentation process, a firm should:	
	a) identify bases for segmenting markets. b) forecast total market potential. c) forecast market share. d) select target market segments.	A
56.	Organizational characteristics, such as organizational size and location, sometimes referred to as_____	
	a) DMU. b) firmographics. c) ACORN d) product usage .	B
57.	Which of the following is part of the demographic segmentation for consumer markets?	
	a. Age b. Social grade c. Lifestyle d. Personality	A

58.	The major segmentation variables for consumer markets, refers to which of the following?	
	a. Geographic, density, psychographic, behavioral b. Gender, demographic, psychographic, lifestyle c. Geographic, demographic, psychographic, behavioral d. None of the above	C
59.	Which of the following statements is true?	
	a. Psychographic segmentation divides buyers into groups based on their knowledge, attitude or responses to a product b. Target market; a set of buyers sharing common needs or characteristics that the company decides to serve c. Demographic segmentation divides buyers into different groups based on asocial grade, lifestyle or personality characteristics d. None of the above	C
60.	Which of the following statements is true?	
	a. Segmentation, divide the total market into smaller segments b. Targeting, select the segment or segments to enter c. Positioning, position the market offering in the minds of target customers d. All of the above	D
61.	To be useful, market segments must be	
	a. Measurable and Accessible b. Substantial and Differentiable c. Actionable d. All of the above	D
62.		
63.		