



Competency-Based
Competitive Events
Written Exam
for State/Province Use

Test Number 1259
Booklet Number _____

Marketing Exam

Fashion Merchandising and Marketing Event
Marketing Management Event
Sales Management Meeting Event

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have _____ minutes to complete all questions.

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1. The ZRB Company promises to ship LST Inc. 200 units of product by a certain date, and LST Inc. promises to pay ZRB \$25,000 for the product within 14 days of receipt. This is an example of a(n)
 - A. defensible agreement.
 - B. exempt contract.
 - C. executed agreement.
 - D. bilateral contract.
2. Information technology has dramatically improved supply chain management capability by creating a seamless distribution process for matching
 - A. inventory needs to distribution centers.
 - B. inventory needs to customer requirements.
 - C. costs with expenses.
 - D. customer requirements with product innovation.
3. Which of the following businesses is most likely to violate antitrust laws if it insists on an exclusive dealing agreement:
 - A. The buyer
 - B. A small startup
 - C. Horizontal business partners
 - D. A firm with dominant market power
4. Chadwell's Toy Palace is planning a "buy one, get one free" sale for some popular toys. What will the store need to do to ensure that there are enough products available to meet the changing demand?
 - A. Change the distribution strategy from selective to intensive
 - B. Hire additional warehouse staff for the duration of the sale
 - C. Purchase higher quantities of the sale items in a timely manner
 - D. Send copies of the promotional literature to the store's vendors
5. Which of the following is a common reason for horizontal conflict among distribution channel members:
 - A. Direct distribution
 - B. Transportation issues
 - C. Territorial boundaries
 - D. Shipping errors
6. People's Bank recently partnered with a local supermarket chain to offer a special rewards credit card for supermarket customers. Both the bank and the supermarket hope to gain more customers from the relationship. This is an example of
 - A. mutual advertising.
 - B. affinity marketing.
 - C. company partnership.
 - D. dual promotion.
7. What do many businesses do if they detect problems during the process of evaluating the performance of a channel member?
 - A. Terminate the member
 - B. Help the member improve
 - C. Fine the member for damages
 - D. Recommend the member to others
8. When preparing for a speech, it's most important to
 - A. write note cards.
 - B. design visual aids.
 - C. plan your appearance.
 - D. practice.
9. 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?
 - A. Reading the text aloud
 - B. Reading the text backwards
 - C. Correcting grammatical mistakes
 - D. Correcting punctuation errors
10. If a manager wants to be sure they correctly interpret their employees' nonverbal cues, how should they communicate with them?
 - A. By email
 - B. By phone
 - C. Face-to-face
 - D. Through an office-wide memo
11. Tony, a salesman, often matches his communication style to his customers' to make them feel more comfortable and relaxed during their conversations. In this example, Tony is
 - A. appreciating the customers' point of view.
 - B. finding common ground with customers.
 - C. being empathetic toward customers.
 - D. using mirroring to develop rapport.

12. Sugar and flour that are purchased to make baked goods are classified as
- A. supplies.
 - B. installations.
 - C. materials.
 - D. parts.
13. ABC Corporation recently held a series of executive meetings where company leaders discussed several "big-picture" questions about the business's future. These questions included "Is the company headed in the right direction?" and "Is the company likely to experience long-term success?" Which primary business activity were the company leaders a part of?
- A. Financial analysis
 - B. Strategic management
 - C. Human resources management
 - D. Information management
14. Which of the following factors have provided businesses with more opportunities to buy and sell products at the international level:
- A. Protectionism
 - B. Free trade agreements
 - C. Language barriers
 - D. Strict safety standards
15. Why are government regulations that control how businesses use natural resources developed?
- A. To stabilize the economy
 - B. To encourage workplace safety
 - C. To protect the environment
 - D. To seize business property
16. When calculating the gross domestic product for the nation, what category would items such as a business's new delivery truck, office furniture, and computer equipment come under?
- A. Government purchases of goods and services
 - B. Personal consumption expenditures
 - C. Net exports of goods and services
 - D. Gross private domestic investment
17. Assessing your personal strengths and weaknesses in an objective way involves
- A. comparing your attributes with others' skills and talents.
 - B. basing a strength or weakness on one isolated incident.
 - C. looking for behavior patterns that occur regularly over time.
 - D. working to improve most of your weaknesses at one time.
18. One of the drawbacks of communicating without words is that it is
- A. sometimes misunderstood.
 - B. hard to learn.
 - C. too precise.
 - D. not effective.
19. When you're assigned a project, your boss takes the time to clearly explain the instructions to you. As a result, you're able to finish your project much sooner and with fewer mistakes. Which benefit of open and honest communication are you experiencing?
- A. A good reputation
 - B. Increased sales
 - C. Better ideas
 - D. Increased productivity
20. Determine the reason for the following conflict: As Matthew was leaving the office to go to an important dinner meeting, his manager asked him to work late on a project with a tight deadline.
- A. Competing situations
 - B. Unclear expectations
 - C. Unclear boundaries
 - D. Miscommunication
21. What is the benefit of shared vision to an organization?
- A. It creates a competitive environment.
 - B. It ensures that the team's goals are achievable.
 - C. It serves as a guide for decision-making.
 - D. It supports a groupthink attitude.

22. Mia makes a conscious effort to dress professionally, arrive at work on time, work late when necessary, take on extra assignments, and be respectful of and helpful to influential employees. As a result of Mia's professional dedication, the company has implemented many of her ideas. This is an example of an employee using _____ to achieve organizational goals.
- A. reciprocity
 - B. impression management
 - C. excessive flattery
 - D. codependency
23. If one of your coworkers is treating another coworker unfairly, what is the ethical thing to do?
- A. Speak up.
 - B. Ignore it.
 - C. Be aggressive.
 - D. Look for another job.
24. Fiona made a \$500 donation to a local homeless shelter last year. When she prepares her personal income tax form, she can claim the donation as part of her
- A. public property.
 - B. tax deductions.
 - C. living expenses.
 - D. discretionary income.
25. Rossi is buying a new computer for \$363 with his credit card. The credit card has a rate of 24% and uses an adjusted balance method to calculate interest. The credit card company begins charging interest on Rossi's purchase during the first billing period. If Rossi makes a payment of \$200 for the first billing period and pays the remaining amount for the second billing period, how much total interest will Rossi pay?
- A. \$7.26
 - B. \$14.52
 - C. \$10.67
 - D. \$12.31
26. If a business wants to prepare reliable financial reports, it must be
- A. neutral.
 - B. partial.
 - C. certified.
 - D. supervised.
27. The best source for data about the goods and services a company needs to buy for its own operation is its
- A. vendors.
 - B. sales team.
 - C. customers.
 - D. competitors.
28. Which of the following is a limitation of a marketing-information system:
- A. It updates too quickly during times of business change.
 - B. It eliminates marketers' jobs.
 - C. It's expensive to implement.
 - D. It's very difficult to train employees on its use.
29. Which of the following is a true statement about marketing-information systems:
- A. They eliminate the need for marketing managers and staff.
 - B. They are often not worth the money it costs to install them.
 - C. They are easy for employees, customers, and vendors to use.
 - D. They may be slow to update during major business changes.
30. Cecelia started seeing ads on various websites for a pair of shoes that she almost bought online. This is because of
- A. deception.
 - B. big data.
 - C. confidentiality.
 - D. transparency.
31. For legal purposes, what should a business do when it collects marketing information from its online customers?
- A. Post its privacy policies on its website
 - B. Develop confidential selling strategies
 - C. Purchase surge-protection insurance
 - D. Store the information at an insecure site
32. When conducting marketing research, what is the first step of the process?
- A. Develop a hypothesis
 - B. Identify the reason for the research
 - C. Make recommendations based on findings
 - D. Collect the needed data

33. If a business's main goal in conducting research is to implement the marketing concept, it is most likely to attempt to identify
- A. sales lost to the competition.
 - B. effective advertising methods.
 - C. appropriate product prices.
 - D. customer wants and needs.
34. Researchers are studying a company's past sales invoices as part of their current marketing research project. The sales invoices are examples of
- A. primary data.
 - B. relevant variables.
 - C. secondary data.
 - D. units of analysis.
35. Marketers have developed a hypothesis, and they want to test it. Which of the following research designs is most appropriate in this situation:
- A. Descriptive research
 - B. Exploratory research
 - C. Causal research
 - D. Statistical research
36. What type of marketing data can a business obtain by reviewing its inventory reports and customers' invoices?
- A. Product quality
 - B. Customers' credit limits
 - C. Customers' product preferences
 - D. Actual market share
37. Businesses can determine their customers' ordering frequency by reviewing
- A. meta tags.
 - B. invoices.
 - C. stock plans.
 - D. income statements.
38. Which of the following is a tool used in the tracking method of data collection:
- A. Customer loyalty cards
 - B. Experiments
 - C. Interviews
 - D. Questionnaires
39. Which of the following is a disadvantage of the experiment method of data collection:
- A. Experiments raise concerns about privacy.
 - B. Experiments do not show cause and effect.
 - C. Experiments are prone to technical difficulties.
 - D. Experiments can be difficult to design for marketing purposes.
40. Gabby is beginning to analyze data from a marketing research survey when she realizes that a participant's entry is incomplete. What should she do before deciding to delete that entry?
- A. Complete a regression imputation
 - B. Try to recover the missing information
 - C. Make sure the error was not random
 - D. Delete the incomplete questions
41. What is one way to monitor the buzz your company receives?
- A. Answer customer complaints promptly on social media.
 - B. Have social media conversations with interested customers about your products.
 - C. Use website analytics to see which social media sites customers use to find your website.
 - D. Update your company's website to make it easier to use and find.
42. Ralph is a marketing statistician who is examining data gathered from a recent survey. The survey asked men ages 18-35 how often they shave in a given week. Most men said they shave every day, or 7 times a week. The number 7 in this data set would be the
- A. kurtosis.
 - B. mean.
 - C. median.
 - D. mode.
43. An individual returns a marketing research survey that contains unanswered questions. This is an example of a(n)
- A. nonresponse error.
 - B. interviewer oversight.
 - C. mathematical miscalculation.
 - D. rating mistake.

44. A local advertising firm created a research study that aimed to understand the television viewing habits of the adult population in its city. The company then selected a sample of 500 people to participate in the study, all of whom lived in the neighborhood by the company's office. This is an example of a sample with
- A. undercoverage.
 - B. sampling error.
 - C. nonresponse bias.
 - D. voluntary response bias.
45. The following appeared on a recent survey: "Do you agree that the government wastes taxpayers' money by supporting unnecessary programs?" This is an example of a(n)
- A. indifferent statement.
 - B. leading question.
 - C. open-ended inquiry.
 - D. unstated alternative.
46. Why should marketing researchers use more than one method to acquire data?
- A. Because multiple methods will give a more accurate picture of customer behavior
 - B. Because customers may not like certain methods of marketing research
 - C. Because certain methods of marketing research are known for being inaccurate
 - D. Because individual marketers may not like certain methods of marketing research
47. Consumers make buying decisions based on
- A. laws.
 - B. technical support.
 - C. perception.
 - D. objective reality.
48. Alex is an 18-year-old high school student who enjoys soccer and music. Both of his parents are highly educated and have professional careers. Which of the following details about Alex is an example of psychographic information:
- A. He is 18 years old.
 - B. His parents are highly educated.
 - C. He is a high school student.
 - D. He enjoys soccer and music.
49. SWOT analysis is an important part of the _____ process.
- A. hiring
 - B. marketing planning
 - C. staff training
 - D. inventory buying
50. Which of the following is an important component of a marketing plan:
- A. Risk management plan
 - B. Management chart
 - C. Publicity format
 - D. Situation analysis
51. Which of the following is an advantage of quantitative sales forecasting:
- A. It's perfect for new businesses.
 - B. It's cheap.
 - C. It provides a "human touch."
 - D. It's reliable.
52. Paul, an information technology (IT) manager, uses his ability to access customer information databases to steal credit card numbers. This is an example of which ethical issue related to information management?
- A. Click fraud
 - B. Copyright infringement
 - C. Cybercrime
 - D. Data loss
53. What type of system synchronizes sales and marketing efforts?
- A. Customer relationship management
 - B. Transaction processing
 - C. Supply chain management
 - D. Decision support
54. The purpose of data mining is to
- A. keep employees engaged.
 - B. locate potential customers.
 - C. monitor the activity of competitors.
 - D. turn raw data into useful information.
55. Consumers sometimes choose to support or boycott a business based on the business's stance on controversial issues such as abortion or same-sex marriage. Businesses that these customers support or boycott are being impacted by
- A. society and culture.
 - B. demographics.
 - C. the government.
 - D. competition.

56. Because Kendra must finish a task and submit her work to Joshua so he can complete his part of the project by next Thursday, these two team members' jobs are
- A. interdependent.
 - B. complex.
 - C. autonomous.
 - D. bureaucratic.
57. The Six Sigma model involves continuously implementing activities that
- A. improve quality and reduce inefficiencies.
 - B. promote consistency and eliminate resources.
 - C. stimulate revenue and lessen decision-making.
 - D. influence regulation and decrease outputs.
58. Before you can reach a goal, you must first _____ an appropriate one.
- A. select
 - B. complete
 - C. fulfill
 - D. adjust
59. Carly is inventive, imaginative, and innovative. In other words, she is able to develop something original, see something that's "not there," and make changes or improvements to old ways of doing things. Carly could best be described as
- A. a troublemaker.
 - B. independent.
 - C. a rule-follower.
 - D. creative.
60. An employee's role in helping a business meet its organizational goals is affected by the employee's
- A. benefits package.
 - B. job responsibilities.
 - C. comfort with risk.
 - D. networking abilities.
61. Tania's main job duties include organizing focus groups, product tests, and surveys. Tania likely works in
- A. public relations.
 - B. customer service.
 - C. sales.
 - D. marketing research.
62. The bait-and-switch tactic of luring customers with low-priced products with the intention of trading the customers up to higher-priced versions is
- A. ethical and illegal.
 - B. unethical and legal.
 - C. ethical and legal.
 - D. unethical and illegal.
63. If a pharmaceutical company sets an unnecessarily high price for a lifesaving drug, it is behaving in a(n) _____ manner.
- A. socially irresponsible
 - B. economically justifiable
 - C. conscientious
 - D. charitable
64. Pricing-analytic software applications enable businesses to
- A. identify favorable pricing strategies.
 - B. automate pricing processes among channel members.
 - C. simulate the impact of pricing changes.
 - D. generate price lists for different customers.
65. The strawberry crop was severely damaged by a late frost this year. The selling price of a quart of strawberries has been set 50 cents higher this year than last. Which of the following factors affected the price of strawberries:
- A. Competition
 - B. Costs of production
 - C. Supply and demand
 - D. Product life cycle
66. Which of the following areas of product/service management is important in attracting customers and in protecting products:
- A. Idea generation
 - B. Concept testing
 - C. Labeling
 - D. Packaging
67. Which of the following is a reason that many products go into decline:
- A. The market is saturated.
 - B. Customer tastes stay the same.
 - C. No better products are available.
 - D. They are outlawed by the government.

68. Kelly runs a successful startup company that sells homemade nut butters. After several months of explosive growth, she notices that her sales seem to have peaked. Her products are still selling, but they're doing so at a slower rate than before. Kelly's products are in the _____ stage of the product life cycle.
- A. maturity
 - B. growth
 - C. decline
 - D. introduction
69. When marketers focus on a product's appearance as opposed to the product's function, they help create
- A. industrial sales.
 - B. institutional advertisements.
 - C. planned obsolescence.
 - D. packaging issues.
70. Which of the following is an example of an intangible product that an advertising agency might provide a client:
- A. Creative idea for an ad
 - B. Point-of-purchase display
 - C. Banners for a retail store
 - D. Promotional sales literature
71. Gwen is a very logical and analytical person who likes to develop new ideas using structured, organized techniques. Based on this information, Gwen is most likely to prefer _____ thinking ideation methods.
- A. philosophical
 - B. lateral
 - C. programmed
 - D. artistic
72. A primary role of the facilitator in a group brainstorming session that is generating product ideas is to
- A. improve relationships.
 - B. evaluate each idea.
 - C. lead the debate.
 - D. encourage participation.
73. When a manufacturing company decides how many parts should be in each box, what the quality of those parts should be, and how quickly employees should make the parts and package them, it is setting product
- A. grades.
 - B. standards.
 - C. sales.
 - D. costs.
74. What can businesses do to reduce risks associated with personal injuries and product damage due to improper product use?
- A. Use recyclable packaging
 - B. Offer a service guarantee
 - C. Implement a return policy
 - D. Provide detailed written instructions
75. If a consumer feels that an automobile company's promotional materials have exaggerated a car's safety features, what type of government agency should they contact?
- A. A government agency that regulates highway safety
 - B. A government agency that regulates product safety
 - C. A government agency that regulates advertising
 - D. A government agency that regulates financial products
76. Which of the following is an example of a business that uses product class as a positioning strategy:
- A. Emphasizing a 100,000-mile car warranty
 - B. Associating an artificial sweetener with sugar
 - C. Focusing on the value of a line of cosmetics
 - D. Communicating a resort's luxury services
77. Elyza usually buys the same brand of chocolate, but if her favorite brand isn't available, she'll try another brand. Elyza demonstrates brand
- A. mark.
 - B. recognition.
 - C. preference.
 - D. insistence.

78. Small businesses can compete with larger ones in the area of customer service by
- A. having employees process orders by hand rather than use computers.
 - B. establishing customer service departments to handle complaints.
 - C. offering small service gestures that don't cost a lot of money.
 - D. absorbing all service costs so that customers don't have to pay for anything.
79. A department store sells clothing from brands like Levi's, but it also sells its own store brands of clothing, also known as _____ brands.
- A. value
 - B. corporate
 - C. private
 - D. business
80. Decisions about positioning a company's corporate brand are significantly influenced by its
- A. trademark.
 - B. trade character.
 - C. buyers.
 - D. products.
81. Marcy would like to learn more about VaccuFresh vacuum cleaners, so she goes to the company's website and begins a live chat with a service representative. From VaccuFresh's perspective, Marcy's online chat is a(n)
- A. marketing strategy.
 - B. customer touchpoint.
 - C. customer analysis.
 - D. advertising success.
82. The communication of information about goods, services, images, and/or ideas defines
- A. promotion.
 - B. cultural trends.
 - C. message channels.
 - D. demand.
83. If a manufacturer has chosen to advertise on national radio and in magazines, which of the following factors has influenced the promotional mix:
- A. Need for face-to-face promotion
 - B. Geographical location of the market
 - C. Limited promotional funds
 - D. Technical aspects of the product
84. Which of the following is an example of publicity:
- A. A radio announcer delivers a paid message about the grand opening of a business.
 - B. Free samples are given to customers entering a business.
 - C. A fashion show highlighting the latest in bridal fashions is held.
 - D. An author appears on a talk show to discuss their new book.
85. Which of the following examples is most likely to stimulate ethical controversy in terms of promotion:
- A. A manufacturer works with its dealers to develop a national sweepstakes promotion.
 - B. A television station runs several beer commercials during prime-time viewing hours.
 - C. A retailer places advertisements in newspapers announcing early-bird specials during a sale.
 - D. A radio station broadcasts public service announcements that inform the public about health issues.
86. Which of the following is an example of a deceptive promotional practice:
- A. Advertising goods even though there isn't enough stock to meet expected demand
 - B. Representing goods and services accurately and truthfully in sales materials
 - C. Requiring all salespeople to adhere to company ethics policies while on the job
 - D. Publishing a job listing even though the position will be filled by a current employee
87. Large companies that do not want to share commercial time during a television show can purchase
- A. spot announcements.
 - B. program sponsorships.
 - C. participation shows.
 - D. promotional media.
88. Shaggy Dog Deli creates a Twitter hashtag, #shaggydogdeli, to get customers to share reviews and promote the business. This is an example of _____ marketing.
- A. cause
 - B. organic word-of-mouth
 - C. amplified word-of-mouth
 - D. opt-in email

89. Martin is in the checkout line at the grocery store when he sees an eye-catching display of candy bars. He realizes that he's hungry, so he grabs one for the ride home. The candy bar display in the checkout aisle is an example of
- A. a free-standing insert.
 - B. point-of-sale marketing.
 - C. a consumer sweepstakes.
 - D. a trade-in promotion.
90. Which of the following statements correctly describes a difference between advertising and sales promotions:
- A. Sales promotions and advertising are two words used to describe the same thing.
 - B. Sales promotions can be subtle and indirect, whereas advertising is more to the point.
 - C. Advertising is a short-term activity, whereas sales promotions are typically long-term activities.
 - D. Sales promotions typically have a limited time frame, whereas advertising is ongoing.
91. A print ad photograph that shows tents erected in a forest is focusing on the
- A. product in an appropriate setting.
 - B. benefits of using the product.
 - C. product actually being used.
 - D. details and features of the product.
92. A furniture store released an ad in the weekly paper, but readers complained that it was too busy and made it difficult to know where to focus. The advertisement should have included more
- A. logos.
 - B. fonts.
 - C. white space.
 - D. graphics.
93. An important activity performed by a business's public relations staff is
- A. market segmentation.
 - B. crisis management.
 - C. territory development.
 - D. talent acquisition.
94. A business that wants to obtain a lot of publicity about a new product should send a formal announcement to an external audience, such as the
- A. media.
 - B. managers.
 - C. employees.
 - D. board of directors.
95. RunRight and QuickStride both sell the same type of running shoes and apparel at similar prices. Jamie, however, prefers QuickStride because the employees always offer to help her find the correct size for her feet. She rarely shops at RunRight. QuickStride is using its _____ to beat its competition.
- A. employee discipline
 - B. product quality
 - C. price matching
 - D. customer service
96. The largest store you sell to wants to exchange the merchandise it purchased four months ago because it hasn't sold any of the items from that shipment. Your company's selling policy states that refunds or exchanges must be made within 90 days. How should you handle this situation?
- A. Talk to your supervisor regarding the situation.
 - B. Tell the client that you did not set the policy.
 - C. Enforce the current policy.
 - D. Spend time trying to sell the client something else.
97. Which of the following would an ethical salesperson do:
- A. Make decisions based on what works best right now
 - B. Stick with the facts during a sales presentation
 - C. Manipulate potential customers into doing what the salesperson wants
 - D. Fudge expense reports when no one's looking
98. Krista works at a pool supply store. One of the products she sells is a waterproof speaker system. The speaker system is popular because customers don't have to worry about getting it wet when they are using it by the pool. The ability to get the speakers wet is a(n) _____ benefit.
- A. exclusive
 - B. obvious
 - C. hidden
 - D. unfamiliar

99. Which of the following components of the selling process is most likely to help reduce the amount of selling time required:
- A. Prescribing possible solutions
 - B. Discovering customer needs
 - C. Establishing relationships with customers
 - D. Creating a good impression of the business
100. Many customers second-guess their purchasing decisions during which stage of purchasing?
- A. Post-purchase
 - B. Pre-purchase
 - C. During-purchase
 - D. Before the need for a product is identified



KEY

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Marketing Management Event
Sales Management Meeting Event

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1. D

Bilateral contract. A bilateral contract is a mutually beneficial agreement between two parties in which both parties promise to perform certain activities. In the example, one company makes a promise to ship a certain product by a certain date, and the other company promises to pay for the product within a certain amount of time. An executed agreement is an agreement or contract that has already occurred. Exempt contract and defensible agreement are fictitious terms.

SOURCE: BL:002 Describe the nature of legally binding contracts

SOURCE: Mann, R.A., & Roberts, B.S. (2020). *Business law and the regulation of business* (13th ed.) [pp.185-186]. Boston, MA: Cengage Learning, Inc.

2. B

Inventory needs to customer requirements. The heart of physical distribution is timeliness, availability, and quality. Improved information technology has made customer product information readily available, allowing for a more efficient distribution process. Matching costs with expense information is more often handled in finance management. Production innovation is not considered part of the distribution process. Distribution centers are tied to inventory needs in the distribution process and the path a product may take on its way to the consumer.

SOURCE: CM:004 Describe the use of technology in the channel management function

SOURCE: Stackpole, B. (2020, February 14). *5 supply chain technologies that deliver competitive advantage*. Retrieved September 21, 2021, from <https://mitsloan.mit.edu/ideas-made-to-matter/5-supply-chain-technologies-deliver-competitive-advantage>

3. D

A firm with dominant market power. Dominant firms may be held to a higher standard under antitrust laws due to their monopolistic potential. Small startups are less likely to violate competitive laws, as are buyers who are being locked into the agreement. Exclusive dealing only pertains to vertical business partners.

SOURCE: CM:005 Explain legal considerations in channel management

SOURCE: Chen, J. (2021, May 29). *Understanding antitrust laws*. Retrieved September 16, 2021, from <http://www.investopedia.com/ask/answers/09/antitrust-law.asp>

4. C

Purchase higher quantities of the sale items in a timely manner. Channel management is the process by which marketers ensure that products are distributed to customers efficiently and effectively.

Coordinating channel management with other marketing activities is important because the store must have items available to sell to the customers. This involves ordering the appropriate amount of items and ensuring that the items are delivered to the store before the promotional event or sale. Stores that promote goods they do not have in stock often annoy the customers who want to buy the items. A selective distribution strategy is a distribution pattern in which a producer sells a product through a limited number of intermediaries in a geographic location. An intensive distribution strategy involves a producer selling a product through every available intermediary. A business would not change its overall distribution strategy for a single promotional event. Hiring additional warehouse staff and sending copies of promotional literature to vendors will not ensure that the store has enough products available to meet the demand for the items during the sale.

SOURCE: CM:007 Coordinate channel management with other marketing activities

SOURCE: Ray, L. (n.d.). *Describe the importance of sales operations & resource planning for the supply chain*. Retrieved September 16, 2021, from <https://smallbusiness.chron.com/describe-importance-sales-operations-resource-planning-supply-chain-17690.html>

5. C

Territorial boundaries. Horizontal conflicts are disagreements between channel members at the same level of distribution. Unclear territorial boundaries and violations of territorial boundaries are often sources of horizontal conflict. For example, suppose two retailers are located on the same block, and one store begins to sell the same line of specialty goods that the other store sells. Because both stores are competing for the same customers, conflict is likely to occur. Vertical conflicts are disagreements between channel members at different levels of the distribution channel. If a producer decides to use a direct distribution strategy (bypass its distributors and sell directly to end users), vertical conflict is likely to occur. Transportation issues and shipping errors may cause occasional vertical conflict.

SOURCE: CM:008 Explain the nature of channel-member relationships

SOURCE: Mack, S. (2019, March 5). *Horizontal & vertical marketing conflicts*. Retrieved September 16, 2021, from <https://smallbusiness.chron.com/horizontal-vertical-marketing-conflicts-65325.html>

6. B

Affinity marketing. Affinity marketing occurs when two companies link their brands for a mutually beneficial outcome. The relationship between People's Bank and the local supermarket chain is an example of an affinity partner relationship. Mutual advertising, company partnership, and dual promotion are not terms used to describe this type of relationship.

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

SOURCE: Marketing-Schools.org. (2020, November 12). *Affinity marketing*. Retrieved September 16, 2021, from <https://www.marketing-schools.org/types-of-marketing/affinity-marketing.html>

7. B

Help the member improve. Businesses usually try to work with channel members to improve their performance because it is less costly to maintain a relationship than to locate new channel members. During an evaluation, a business might detect certain problems, many of which may be small and easy to correct. Helping a channel member improve and correct problems is usually inexpensive. However, it is time-consuming to search for new channel members and to develop new relationships. A business probably would not terminate the member unless the problems were severe and impossible to correct. A business would not fine the member for damages. Depending on the types of problems, a business might, or might not, recommend the member to others.

SOURCE: CM:011 Evaluate channel members

SOURCE: Rand, J. (2020, November 6). *7 tips to improve channel performance*. Retrieved October 21, 2021, from <https://channelmechanics.com/channel-performance-tips/>

8. D

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 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

9. A

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 Edit and revise written work consistent with professional standards

SOURCE: University of North Carolina Writing Center. (2021). *Reading aloud*. Retrieved September 15, 2021, from <https://writingcenter.unc.edu/tips-and-tools/reading-aloud>

10. C
Face-to-face. With face-to-face communication, a manager would be able to observe their employees' nonverbal communication. This is not possible when communicating via phone, email, or office memo.
SOURCE: CO:092 Choose and use appropriate channel for workplace communication
SOURCE: UCPath Center. (n.d.). *Why nonverbal communication matters in the workplace*. Retrieved September 15, 2021, from <https://ucpathjobs.org/working-at-uc/nonverbal-communication-matters-workplace/>
11. D
Using mirroring to develop rapport. Developing rapport with customers is an important part of making a sale. One way that salespeople can build rapport is through mirroring—matching their communication style to that of the customer. This makes the customer feel more comfortable during a sales conversation. Finding common ground with customers, being empathetic, and appreciating the customers' point of view are also important methods of building rapport, but they are not demonstrated in this specific example.
SOURCE: CR:029 Develop rapport with customers
SOURCE: Mind Tools Content Team. (2021). *Building rapport*. Retrieved September 21, 2021, from <https://www.mindtools.com/pages/article/building-rapport.htm>
12. C
Materials. Materials are items that will become part of a finished product after they have been processed. Sugar and flour need additional processing before they become baked goods. Parts are items that will become part of a finished product without any additional processing. Installations are high-cost, long-lasting items that are used to produce other goods and services. Supplies are items that are constantly being purchased and used up in the operation of a business.
SOURCE: EC:002 Distinguish between economic goods and services
SOURCE: LAP-EC-902—Get the Goods on Goods and Services (Economic Goods and Services)
13. B
Strategic management. Strategic management is the process of planning, controlling, and organizing an organization or department. Strategic management helps a business determine how it can succeed and reach its goals over time. Holding a series of executive meetings to answer "big-picture" organizational questions is an example of strategic management, not financial analysis, human resources management, or information management. Financial analysis is the process of planning, maintaining, monitoring, controlling, and reporting the use of financial resources. Human resources management is the process of planning, staffing, leading, and organizing employees. Information management is the process of accessing, processing, maintaining, evaluating, and disseminating business knowledge, facts, or data.
SOURCE: EC:071 Describe types of business activities
SOURCE: LAP-EC-071—Strictly Business (Business Activities)
14. B
Free trade agreements. Free trade agreements lessen the trade restrictions (e.g., tariffs, quotas, licenses) among countries. For example, the North American Free Trade Agreement (NAFTA) is a trade agreement among the United States, Canada, and Mexico that has eliminated trade barriers. When fewer trade barriers exist, there are more opportunities for businesses to buy and sell products in other countries. Protectionism is a government's policy to protect domestic industries and businesses against foreign competition. Protectionism, language barriers, and strict safety standards often hinder a business's ability to enter international markets.
SOURCE: EC:104 Discuss the global environment in which businesses operate
SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

15. C

To protect the environment. Governments pass and enforce laws to protect consumers, businesses, and other resources. Many of these laws address business practices. The government passes and enforces environmental laws to protect our natural resources such as water, air, botanical life, and wildlife from the potentially unhealthy and unsafe outcomes of production processes. Environmental laws regulate how much and what type of chemicals can be used in the environment. The laws also regulate the ways in which the chemicals can be disposed. Labor and safety laws protect employees and consumers who enter the workplace. Monetary and fiscal policies regulate and stabilize the economy. Governments do not develop regulations that control how businesses use natural resources so they can seize business property.

SOURCE: EC:008 Determine the relationship between government and business

SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)

16. D

Gross private domestic investment. Gross private domestic investment is a factor used to calculate GDP, which includes the value of all capital goods created in the economy during the year and inventories held by business firms from the current year's production. Personal consumption expenditures include the final market value of all goods and services purchased for direct consumption by individuals, families, and nonprofit organizations. Net exports of goods and services is determined by subtracting imports from exports. Government purchases of goods and services include all purchases made by the government and the wages of all government workers.

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

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

17. C

Looking for behavior patterns that occur regularly over time. By assessing your personal strengths and weaknesses, you can apply your talents where they are best used and select a career in which you are most likely to be successful. A successful assessment of your strengths and weaknesses requires being aware of your behavior patterns over time. By being aware of your behavior patterns, you can determine the things that you do well and things that you want to improve. When assessing your personal strengths and weaknesses, avoid making false generalizations about yourself, which is basing your idea of a personal strength or weakness on one isolated incident. And, because everyone is different, avoid comparing yourself to others. After identifying the weaknesses that you want to work on, try improving one weakness at a time. Taking on too many changes at once can be very frustrating.

SOURCE: EI:002 Assess personal strengths and weaknesses

SOURCE: LAP-EI-902—Assess for Success (Assessing Personal Strengths and Weaknesses)

18. A

Sometimes misunderstood. There is no "dictionary of signals" for body language. Nonverbal communication cannot be precise, which means that the recipient may not receive the message that the speaker intends to convey. In some cases, the body language seems to contradict what the speaker is saying. Expressing oneself through body language is not hard to learn, because we all use some forms of it instinctively. It can be more effective in some situations than verbal communication.

SOURCE: EI:007 Explain the nature of effective communications

SOURCE: Houston Chronicle. (2020, September 8). *Benefit of nonverbal communication in business*. Retrieved September 15, 2021, from <https://smallbusiness.chron.com/benefit-nonverbal-communication-business-2831.html>

19. D

Increased productivity. When people are able to communicate openly with each other, they will be more productive. If your boss gives you clear instructions, you will be able to complete your project more quickly and with fewer mistakes. Increased sales, better ideas, and a good reputation are all benefits of transparency, but they are not illustrated in this example.

SOURCE: EI:129 Foster open, honest communication

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

20. A

Competing situations. Multiple situations were competing for Matthew's attention, so his conflict was about how to spend his time. Should he attend an important dinner meeting, or should he accommodate his manager's request to work late? When people do not know what they're supposed to do, or what someone else expects them to do, conflict can occur due to unclear expectations. Conflicts that involve unclear boundaries occur when people lack understanding about appropriate behavior. Conflicts related to miscommunication occur when barriers (e.g., noise) prevent someone from obtaining or understanding the information needed to make wise decisions.

SOURCE: EI:015 Use conflict-resolution skills

SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)

21. C

It serves as a guide for decision-making. When a shared vision exists, all members of the organization understand and support the organization's purpose. Successful organizations set goals and make decisions to fulfill the organization's purpose, which is based on the vision. A shared vision does not ensure that goals are achievable. Groupthink is a form of extreme cohesiveness that occurs when individuality and independent thinking within the group are discouraged. Competition doesn't increase because of a shared vision. Unattainable goals and groupthink tend to create circumstances that hinder an organization's ability to achieve its purpose.

SOURCE: EI:060 Enlist others in working toward a shared vision

SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)

22. B

Impression management. If an employee has the ability to influence other workers' opinions or actions within the company, the employee is fostering political relationships. Building positive political relationships in the workplace begins by identifying and carrying out actions that will foster positive relationships, which is impression management. Reciprocity involves doing something for another person and expecting that person to return the favor at another time. Codependency is putting others' needs above your own and can lead to dysfunctional relationships. Excessive flattery often comes across as an insincere way of trying to get something from another person.

SOURCE: EI:034 Explain the impact of political relationships within an organization

SOURCE: Harappa. (2020, November 20). *What is impression management?* Retrieved September 15, 2021, from <https://harappa.education/harappa-diaries/meaning-examples-and-strategies-of-impression-management/>

23. A

Speak up. Fairness involves sticking up for people who are being treated unfairly, not ignoring the problem. This doesn't necessarily involve being aggressive or looking for another job.

SOURCE: EI:123 Describe the nature of ethics

SOURCE: LAP-EI-123—Rules To Live By (Nature of Ethics)

24. B

Tax deductions. Tax deductions are expenses that can be subtracted from gross income. For example, charitable donations can be claimed as tax deductions on an individual's personal tax return. The tax filer may need to provide a receipt for donations that exceed a certain amount of money. Other examples of tax-deductible expenses include college tuition, home mortgage interest, and child care. Charitable donations are not claimed on tax returns as public property, living expenses, or discretionary income.

SOURCE: FI:074 Prepare personal income tax forms

SOURCE: Hightower, S.S. (2020, October 27). *5 reasons to keep making tax-deductible donations.* Retrieved September 15, 2021, from <https://www.creditkarma.com/tax/i/reasons-tax-deductible-donations/>

25. C

\$10.67. Credit card companies using the adjusted balance method to charge interest only charge it on the principal balance that remains each month. To calculate how much total interest Rossi will pay during the initial two billing periods, first calculate the monthly interest rate by dividing the APR by the number of months in a year (24% [or 0.24] / $12 = 0.02$). Then, multiply the monthly interest rate by the principal amount to determine the amount of interest charged for the first month ($0.02 \times \$363 = \7.26). For the following month, you first need to determine the new principal amount. Subtract the interest amount charged during the initial month from last month's repayment to determine the payment amount applied to the principal ($\$200 - \$7.26 = \$192.74$). Next, subtract the payment amount applied to the principal amount at the end of the first month from the original balance to determine the new principal amount to be charged interest for the second month ($\$363 - \$192.74 = \$170.26$). Calculate the interest charged for the second month ($0.02 \times \$170.26 = \3.41). Add together the interest paid each month to determine the total interest Rossi will pay during the first two billing periods ($\$7.26 + \$3.41 = \$10.67$).

SOURCE: FI:782 Calculate the cost of credit

SOURCE: Hightower, S.S. (2021, June 28). *How does credit card interest work?* Retrieved September 15, 2021, from <https://www.creditkarma.com/credit-cards/i/how-does-credit-card-interest-work/>

26. A

Neutral. If a business wants to prepare reliable financial reports, it must be neutral, or impartial. This means the business has put no bias into the reports, either positive or negative. A business does not necessarily need any certifications to prepare reliable financial reports, although the more education and experience its accountants have the better. A business can generally create a reliable financial report without supervision.

SOURCE: FI:579 Describe the need for financial information

SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

27. A

Vendors. The best source for data about the goods and services a company needs to buy for its own operation is its vendors. Vendors are the businesses from which companies buy these products. The sales team, customers, and competitors would not be good sources of data about these products.

SOURCE: IM:012 Describe the need for marketing data

SOURCE: LAP-IM-012—Data Do It (Need for Marketing Data)

28. C

It's expensive to implement. Marketing-information systems (MkISs) can be expensive to implement. It can take time to train employees to use an MkIS, but it's not necessarily difficult. An MkIS cannot replace skilled marketers. It may update too slowly in times of business change.

SOURCE: IM:001 Explain the nature and scope of the marketing-information management function

SOURCE: LAP-IM-002—Get the Facts Straight (Marketing-Information Management)

29. D

They may be slow to update during major business changes. Marketing-information systems are not without their limitations. They can be slow to update with new information during major business changes. They may be expensive to install, but that doesn't mean it isn't worth the cost and effort. Marketing-information systems aren't always easy to use, but training employees properly should help them become proficient. They do not eliminate the need for skilled marketing managers and staff.

SOURCE: IM:001 Explain the nature and scope of the marketing-information management function

SOURCE: LAP-IM-002—Get the Facts Straight (Marketing-Information Management)

30. B

Big data. Big data refers to the large amounts of raw facts and figures that are automatically collected from electronic sources. When you see ads for products that you previously viewed online, your data are being tracked and used to market to you. The ads Cecelia saw were not because of deception, confidentiality, or transparency.

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

SOURCE: LAP-IM-025—Info With Integrity (Ethics in Marketing-Information Management)

31. A

Post its privacy policies on its website. Privacy policies are a business's guidelines about how it maintains and uses its customers' information such as credit, purchasing habits, and addresses. To protect consumers' privacy, governments often legislate how businesses can obtain and use customer information. Jurisdiction refers to the authority (e.g., location, subject matter) a court has to resolve a legal issue. For example, one state, province, or country may require a business to disclose to customers that it allows third parties access to certain customer information, while another state, province, or country may not have the same law. Therefore, businesses should post their privacy policies on their websites to reduce the risk of lawsuits that may be initiated by customers in other jurisdictions. Storing information at an unsafe site is a poor business practice and may be grounds for a lawsuit in some jurisdictions. A surge protector is a device that individuals and businesses use to prevent excessive bursts of electricity from damaging computers. Some insurance companies provide businesses with insurance to cover losses associated with power surges. Selling strategies are the plans of action for the selling function, which do not always affect consumers' privacy.

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

SOURCE: Pegarella, S. (2021, July 13). *Privacy policies are mandatory by law*. Retrieved September 16, 2021, from <https://termsfeed.com/blog/privacy-policy-mandatory-law/>

32. B

Identify the reason for the research. The first step in the research process is identifying the problem, issue, situation, or concern to be researched. This is an important step because if the business does not clearly identify and define the reason for the research, the business may invest its time and money unwisely. Developing a hypothesis, collecting the needed data, and making recommendations based on findings all come later in the research process.

SOURCE: IM:010 Explain the nature of marketing research

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

33. D

Customer wants and needs. The marketing concept is a philosophy of conducting business that is based on satisfying customer wants and needs while achieving company goals. Determining effective advertising methods, appropriate product prices, and sales lost to competitors may also be goals in conducting research, but they are not as directly related to implementing the marketing concept as identifying customer wants and needs.

SOURCE: IM:010 Explain the nature of marketing research

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

34. C

Secondary data. The sales invoices are examples of secondary data, or facts, figures, and statistics that already exist and have been used for purposes other than the marketing research study. Primary data are new facts, figures, or statistics gathered for the specific marketing research project being conducted. Relevant variables are the types of information studied in a marketing research project (e.g., brand awareness, customer satisfaction, etc.). Units of analysis are the entities or elements that are being studied in market research (e.g., individual, household, etc.).

SOURCE: IM:282 Discuss the nature of marketing research problems/issues

SOURCE: LAP-IM-282—What's the Problem? (Marketing Research Problems)

35. C

Causal research. Causal research tests hypotheses and focuses on cause and effect. It would be the most appropriate design for the marketers in this scenario. Exploratory research gathers information and clarifies concepts; it does not test hypotheses. Descriptive research gathers statistical information but does not test hypotheses; it is often called statistical research.

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

SOURCE: LAP-IM-284—Better by Design (Marketing Research Designs)

36. 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 Identify data monitored for marketing decision making

SOURCE: Post, J. (2021, March 10). *Best customer tracking methods for your small business*.

Retrieved September 16, 2021, from <https://www.business.com/articles/customer-tracking/>

37. B

Invoices. An invoice is the formal, printed record of a sale that includes all necessary information about a sales transaction. The information includes the buyer, the seller, items purchased, amounts, prices, delivery date, credit, discount terms, etc. Businesses can review their invoices to determine how often the customers are ordering from the business and the types of products they are purchasing. Meta tags are HTML codes that display information about web pages. A stock plan is a list of items that a business needs to purchase for inventory. An income statement is a financial summary that shows how much money the business has made or has lost over a period of time. Meta tags, stock plans, and income statements do not indicate how often specific customers place orders with a business.

SOURCE: IM:184 Identify data monitored for marketing decision making

SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)

38. A

Customer loyalty cards. Customer loyalty cards are a tool used in the tracking method of data collection. Retailers issue the cards to customers so they can track their purchases and provide incentives for buying. Tracking does not include experiments, interviews, or questionnaires.

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

SOURCE: LAP-IM-289—Hunting and Gathering (Data Collection Methods)

39. D

Experiments can be difficult to design for marketing purposes. Experiments can be difficult to design for marketing purposes since marketers must take human behavior (which is very complex) into account. Experiments do, however, show cause and effect. They are not necessarily prone to technical difficulties and do not necessarily raise concerns about privacy.

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

SOURCE: LAP-IM-289—Hunting and Gathering (Data Collection Methods)

40. B

Try to recover the missing information. If possible, researchers should contact respondents to ask them to fill in the missing information to eliminate the errors. A regression imputation should not be done before deleting an entry; rather, it is a way to fill in missing data by predicting a score. Before deleting an entry, Gabby should make sure the incomplete data are random because only random incomplete entries should be deleted. While deleting entire questions from the whole survey is an option, it should not be done before deciding to delete a particular entry. Rather, it is an alternative way of handling missing data.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: Sauro, J. (2015, June 2). *7 ways to handle missing data*. Retrieved September 27, 2021, from <https://measuringu.com/handle-missing-data/>

41. C

Use website analytics to see which social media sites customers use to find your website. Website analytics can help you determine how many people are visiting your website and which sites they're using to find your website. This can be helpful in measuring how effective your various social media presences are in drawing in customers. Talking to customers on social media, answering customer complaints, and updating your website are important, but they do not measure buzz.

SOURCE: IM:469 Monitor/measure customer "buzz"

SOURCE: Rai, S. (2019, January 2). *6 reasons why website analytics are important for your business growth*. Retrieved October 21, 2021, from <https://www.monsterinsights.com/reasons-why-website-analytics-is-important-for-your-business-growth/>

42. D

Mode. Seven is the number that appears with greatest frequency in the data set. If 7 were the mean, or average, the question would contain a phrase such as "on average." However, since the phrase "most men" appears, it can be assumed that 7 is the value that appears with greatest frequency. If 7 were the median, it would be the middle value of a data set. It is not possible to say with certainty that 7 is the median of the data set described above, because there is no array given. It is not possible to say that 7 is the value of the kurtosis of the frequency distribution, because the full data set is not made available in the question.

SOURCE: IM:191 Explain the use of descriptive statistics in marketing decision making

SOURCE: Purplemath. (2021). *Mean, median, mode, and range*. Retrieved September 16, 2021, from <https://www.purplemath.com/modules/meanmode.htm>

43. A

Nonresponse error. Errors can occur during any phase of the marketing research process and can affect the validity of the results. A nonresponse error occurs when a member of the sample population does not answer all of the questions in a survey. Respondents fail to answer questions for many reasons—they may not understand the question, they may feel uncomfortable answering the question, or they may not see the question on the survey. Unanswered questions on a survey are not examples of interviewer oversight, mathematical miscalculation, or rating mistakes.

SOURCE: IM:292 Identify sources of error in a research project (e.g., response errors, interviewer errors, non-response errors, sample design)

SOURCE: SurveyMonkey. (1999-2021). *5 ways to avoid nonresponse errors*. Retrieved September 16, 2021, from <https://www.surveymonkey.com/mp/how-to-avoid-nonresponse-error/>

44. A

Undercoverage. Undercoverage occurs when some members of the population are inadequately represented in the sample. Because the company wanted to learn about all of the city's adults, its sample should have represented all the different groups of people that live in the city—not just one neighborhood. Sampling error is the variability among statistics from different samples. Nonresponse bias occurs when respondents are either unwilling or unable to participate in the survey or when respondents leave certain survey items blank. Voluntary response bias occurs when sample members volunteer themselves to be in the sample.

SOURCE: IM:292 Identify sources of error in a research project (e.g., response errors, interviewer errors, non-response errors, sample design)

SOURCE: Stat Trek. (2021). *Bias in survey sampling*. Retrieved October 21, 2021, from <http://stattrek.com/survey-research/survey-bias.aspx>

45. B

Leading question. Leading questions tend to influence the respondents' answers and create bias, which skews results. Because words such as "wastes" and "unnecessary programs" tend to generate strong emotional reactions and overall negative views about the topic, the survey question is biased. The question is a closed-ended question because it requires a "yes" or "no" answer. The situation does not exemplify an indifferent statement, an open-ended inquiry, or an unstated alternative.

SOURCE: IM:293 Evaluate questionnaire design (e.g., types of questions, question wording, routing, sequencing, length, layout)

SOURCE: QuestionPro. (2019, September 6). *Leading questions: Definition, characteristics and examples*. Retrieved October 24, 2021, from <https://www.questionpro.com/blog/leading-questions/>

46. A
Because multiple methods will give a more accurate picture of customer behavior. If marketing researchers want to have the most accurate results possible, it is wise to use multiple methods of marketing research. If a certain method of marketing research is known for being inaccurate, then researchers should not use that method. Customers or researchers not liking a certain method of marketing research does not necessarily affect its accuracy.
SOURCE: IM:428 Assess appropriateness of marketing research for the problem/issue (e.g., research methods, sources of information, timeliness of information, etc.)
SOURCE: Stewart, C. (2015, March 31). *3 reasons multiple sources are necessary for market research projects*. Retrieved September 16, 2021, from <https://blog.marketresearch.com/3-reasons-multiple-sources-are-necessary-for-market-research-projects>
47. C
Perception. Consumers make buying decisions based on perception rather than on objective (factual) reality. This is why marketers try so hard to influence perception. Consumers do not tend to make buying decisions based on technical support or laws.
SOURCE: MK:014 Explain factors that influence customer/client/business buying behavior
SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)
48. D
He enjoys soccer and music. Lifestyle interests such as soccer and music are examples of psychographic information; all of the other details given relate to demographics (e.g., age, gender, life stage, socioeconomic status).
SOURCE: MP:003 Explain the concept of market and market identification
SOURCE: LAP-MP-003—Have We Met? (Market Identification)
49. B
Marketing planning. The SWOT analysis assesses a company's strengths, weaknesses, opportunities, and threats. It is an important part of the marketing planning process. It is not part of the hiring, staff training, or inventory buying process.
SOURCE: MP:006 Explain the nature of marketing planning
SOURCE: Strategus. (2017, September 25). *SWOT analysis for smart marketing strategy*. Retrieved September 16, 2021, from <https://www.strategus.com/blog/swot-analysis-smart-marketing-strategy>
50. D
Situation analysis. This is a determination of a firm's current business situation and the direction in which the business is headed. It is a summary of the internal factors that affect the business's strengths and weaknesses, as well as external factors that affect opportunities and threats. Management chart, publicity format, and risk management plan are not components of a marketing plan.
SOURCE: MP:007 Explain the nature of marketing plans
SOURCE: Lorette, K. (2019, February 12). *A situational analysis of a strategic marketing plan*. Retrieved October 21, 2021, from <https://smallbusiness.chron.com/situational-analysis-strategic-marketing-plan-1474.html>
51. D
It's reliable. Quantitative sales forecasting is advantageous because it's reliable—based on hard facts and numerical data. However, it isn't cheap to undertake quantitative sales forecasting. Quantitative sales forecasting doesn't provide the "human touch" that qualitative forecasting does, and it's not ideal for new businesses, since they don't have a lot of information to go on.
SOURCE: MP:013 Explain the nature of sales forecasts
SOURCE: LAP-MP-013—Futurecast (The Nature of Sales Forecasts)

52. C

Cybercrime. Cybercrime is any crime that is committed through the use of computers or the internet. IT managers often have access to sensitive information that could be stolen or misused. Copyright infringement involves the illegal use of someone else's copyrighted work, such as a song or other artistic work. Click fraud is a type of internet scam in which the perpetrator repeatedly clicks on an online advertisement to generate profits for the host site or drain money from the advertiser. Data loss is any loss of important information due to malpractice or other causes. The ethical issue of cybercrime is demonstrated in this example, not copyright infringement, click fraud, or data loss.

SOURCE: NF:111 Explain the role of ethics in information management

SOURCE: Martin, M. (2021, August 27). *Ethical & security issues in information system*. Retrieved September 15, 2021, from <https://www.guru99.com/mis-ethical-social-issue.html>

53. A

Customer relationship management. Customer relationship management systems accumulate and track customer activities and allow for interactions between customers and businesses. Transaction processing systems collect data from user inputs and generate outputs that assist in the core operations of a business. Supply chain management systems allow companies to work with suppliers and partners to improve operations. Decision support systems give companies access to financial, marketing, and operational data that help them make better decisions.

SOURCE: NF:083 Explain the role of information systems

SOURCE: Davoren, J. (2019, March 6). *Types of information systems in an organization*. Retrieved September 15, 2021, from <https://smallbusiness.chron.com/types-information-systems-organization-43097.html>

54. D

Turn raw data into useful information. Data mining involves looking at large quantities of data and extracting the information that can help a company better understand its customers, increase sales, and decrease costs. The purpose of data mining is not to locate potential customers, monitor the activity of competitors, or keep employees engaged.

SOURCE: NF:148 Discuss the nature of data mining

SOURCE: Twin, A. (2021, September 17). *Data mining*. Retrieved September 28, 2021, from <https://www.investopedia.com/terms/d/datamining.asp>

55. A

Society and culture. Society and culture can greatly impact business operations. Consumers who have strong opinions about abortion or same-sex marriage, for example, often make decisions about which companies to do business with based on the companies' stance on these controversial issues. Demographics are the physical and social characteristics of a population, such as age, race, sex, etc. The government can impact businesses by establishing new laws or tax rates but has little to do with people's personal opinions or values. Competition refers to rivalry among sellers trying to increase profits or market share.

SOURCE: NF:015 Conduct an environmental scan to obtain business information

SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

56. A

Interdependent. A work team consists of individuals who possess different skills to accomplish a common goal. When two people rely on each other to accomplish a task or goal, they are interdependent. There is not enough information to determine if the two coworkers' jobs are complex, nor is there enough information to determine if they work for a bureaucratic organization.

SOURCE: OP:230 Coordinate work with that of team members

SOURCE: Hanna, D. (2016, April 7). *The secret glue of high performance teams*. Retrieved September 15, 2021, from <https://www.linkedin.com/pulse/high-performance-teaming-interdependence-drives-david-hanna/>

57. A

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 Identify quality-control measures

SOURCE: Hayes, A. (2021, March 24). *Six Sigma*. Retrieved September 15, 2021, from <https://www.investopedia.com/terms/s/six-sigma.asp>

58. A

Select. The first step in achieving goals is to choose one that is meaningful to you. You may want to start with a single goal or a set of goals. Before you can reach a goal, you must have a clear idea of your goal from the beginning in order to achieve it. To complete or to fulfill a goal is to achieve it. It is not necessary to adjust an appropriate goal.

SOURCE: PD:018 Set personal goals

SOURCE: LAP-PD-918—Go for the Goal (Goal Setting)

59. D

Creative. Creativity is the ability to generate unique ideas, possibilities, and solutions. People who are creative usually possess inventiveness, imagination, and innovation. Based on the information given, Carly can best be described as creative—not necessarily independent, a rule-follower, or a troublemaker.

SOURCE: PD:012 Demonstrate appropriate creativity

SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

60. B

Job responsibilities. A business needs its employees to carry out their job responsibilities in order for the business to achieve its overall objectives or organizational goals. Management determines these goals and assigns job responsibilities to the employees who will accomplish the goals. For example, the primary responsibility of an accounts-receivable employee is to process the business's financial receipts. By fulfilling this responsibility, the employee is helping the business achieve its overall goal of acquiring income so it can continue to operate. The benefits package does not affect the employee's role in helping a business achieve its goals. Employees are given specific goals to accomplish in relation to their jobs, which may or may not include some risk-taking. Networking, which is the exchange of information with others for the purpose of professional or business development, may or may not be an important aspect of an employee's job responsibilities.

SOURCE: PD:255 Ascertain employee's role in meeting organizational goals

SOURCE: Ryba, K. (2021, February 23). *How to align individual, team, and organizational goals for success*. Retrieved September 15, 2021, from <https://www.quantumworkplace.com/future-of-work/how-to-align-organizational-goals>

61. D

Marketing research. Marketing researchers are in charge of figuring out what customers need and want and why customers do what they do. Marketing research jobs focus on marketing activities that involve determining information needs; designing data collection processes; collecting data; analyzing data; presenting data; organizing focus groups, product tests, and surveys; and using data for marketing planning. Customer service, sales, and public relations professionals do not organize focus groups, product tests, and surveys.

SOURCE: PD:024 Explain employment opportunities in marketing

SOURCE: LAP-PD-024—Career Opportunities in Marketing

62. D

Unethical and illegal. Deceptive pricing practices such as bait-and-switch are designed to attract the price-conscious consumer. Not offering a reasonable amount of the advertised product is an example of a business taking unfair advantage of the customer's willingness to buy and violates the guidelines of the Federal Trade Commission. These tactics are illegal as well as unethical.

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

SOURCE: McCormick, M. (2017, May 30). *Are your prices ethical?* Retrieved October 21, 2021, from <https://blog.blackcurve.com/are-your-prices-ethical>

63. A

Socially irresponsible. It is socially irresponsible to price a lifesaving product so that the people who need it cannot afford it. In some jurisdictions, it is considered price gouging, which is illegal. This action is not economically justifiable, charitable, or conscientious.

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

SOURCE: Heyward, C. (2020, November 18). *The growing importance of social responsibility in business*. Retrieved September 21, 2021, from <https://www.forbes.com/sites/forbesbusinesscouncil/2020/11/18/the-growing-importance-of-social-responsibility-in-business/?sh=2d0f2452283b>

64. C

Simulate the impact of pricing changes. Analytic applications enable marketers to input different variables and analyze their outcomes. By analyzing these “what if” situations or simulations, marketers can make sound pricing decisions that align with their objectives. Price-execution applications automate pricing processes and generate price lists. Price-optimization applications help marketers identify favorable pricing strategies.

SOURCE: PI:016 Explain the use of technology in the pricing function

SOURCE: Campbell, P. (2019, July 22). *Pricing analytics: Definition, metrics, and why you need it*. Retrieved September 16, 2021, from <https://www.profitwell.com/recur/all/pricing-analytics>

65. C

Supply and demand. When the supply of a product is less than the demand, marketers often increase the selling price. Production costs, competition, and product life cycle are not factors that caused the selling price to increase in this situation.

SOURCE: PI:002 Explain factors affecting pricing decisions

SOURCE: LAP-PI-003—Make Cents (Factors Affecting Selling Price)

66. D

Packaging. Packaging is placing the product in a protective wrap or container before it is offered for sale. It is an area of product management that has increased in importance as the number of items available to consumers has increased. The package must be eye-catching to attract purchasers. It must also protect the product, create a product image ranging from economy to luxury, and identify the product brand. Good packaging helps increase sales. Labeling provides information about the product and attracts customers but does not protect the product. Idea generation is the process of thinking up or creating new plans, schemes, and thoughts. Concept testing is exploring the concept, or idea, for a product in order to obtain feedback.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

67. A

The market is saturated. Many products go into decline because the market is saturated. This means that almost all of the product's potential customers have been reached, and the only opportunity for increased sales comes with population growth or a shift in market share. If a product were to be outlawed by the government, it would happen earlier in the product life cycle. Customer tastes shift, and superior products become available. These are both common reasons that older products go into decline.

SOURCE: PM:024 Identify the impact of product life cycles on marketing decisions

SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)

68. A

Maturity. The maturity stage is the product life cycle stage in which sales peak and then increase at a slower rate or start to decline. The growth stage is the stage in which sales rise rapidly, whereas the decline stage is the stage in which sales decrease and profits begin to erode. The introduction stage is the stage in which the product first appears in the marketplace.

SOURCE: PM:024 Identify the impact of product life cycles on marketing decisions

SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)

69. C

Planned obsolescence. By developing new styles and models, marketers encourage consumers to think that the product they have is outdated. This, then, encourages customers to buy the new style or model of the product. This has become a big ethical issue because consumers are trashing perfectly usable goods and filling up landfills with poisonous chemicals. Institutional advertisements focus on promoting attitudes and beliefs as opposed to selling products. Industrial sales are those that occur among businesses. Packaging is not involved in the scenario.

SOURCE: PM:040 Explain business ethics in product/service management

SOURCE: Kenton, W. (2019, June 4). *Planned obsolescence*. Retrieved September 16, 2021, from https://www.investopedia.com/terms/p/planned_obsolescence.asp

70. A

Creative idea for an ad. Advertising agencies often provide both tangible and intangible products. Intangible products are those that are not capable of being detected through the senses, such as a creative idea for an ad. The idea might be the theme that the agency is recommending for an overall advertising campaign such as the "Just Do It" promotion for Nike. Once an agency develops the idea, which is intangible, it usually develops tangible products to support the idea. These tangible products might be point-of-purchase displays, banners for retail stores, or promotional sales literature.

SOURCE: PM:091 Explain the concept of "product" in marketing communications

SOURCE: Walker, A. (2018, August 2). *How do you market an intangible product?* Retrieved October 21, 2021, from <https://www.inbounddesignpartners.com/blog/how-do-you-market-an-intangible-product>

71. C

Programmed. Since Gwen likes to use structured, organized techniques to develop new ideas, she is likely to prefer programmed thinking ideation methods. Programmed thinking is a process used to solve problems and generate ideas in logical, analytical, organized ways. Lateral thinking is very different from programmed thinking. Lateral thinking is a process used to solve problems and generate ideas in purposely illogical ways. Philosophical thinking and artistic thinking are not usually referred to as ideation methods.

SOURCE: PM:127 Identify methods/techniques to generate a product idea

SOURCE: LAP-PM-127—Unleash Your Mind (Techniques for Generating Product Ideas)

72. D

Encourage participation. Brainstorming is a creative-thinking technique that involves identifying as many ideas as possible during a certain time frame. Businesses often use the brainstorming technique to generate ideas for new or improved products. The facilitator helps keep the members of the group brainstorming session on track. This person keeps order, encourages participation, fosters a creative environment, and documents the ideas for further review. The facilitator should not evaluate the ideas or initiate debate during a brainstorming session. These actions may hinder the creative-thinking process and discourage group members from participating. The primary purpose of a facilitator is to lead the discussion, not improve relationships.

SOURCE: PM:128 Generate product ideas

SOURCE: Robin Powered. (2021). *How to facilitate a brainstorming session that gets great results*. Retrieved September 16, 2021, from <https://robinpowered.com/blog/how-to-facilitate-a-brainstorming-session-that-gets-great-results>

73. B

Standards. Standards are specifications or statements that are used as a basis for comparing or judging goods or services. The most common types of product standards include quantity standards, quality standards, time standards, and cost standards. Grades are ratings assigned to products that tell to what extent standards were met. The company is not setting sales standards. Costs are just one common type of product standard.

SOURCE: PM:019 Describe the uses of grades and standards in marketing

SOURCE: LAP-PM-008—Raise the Bar (Grades and Standards)

74. D

Provide detailed written instructions. To protect customers, businesses must advise customers about how to use their products safely. Complex products that require assembly or that have multiple functions should provide detailed written instructions to help the customer assemble or use the product correctly. When the product is assembled or used correctly, there is less risk of injury to the product user and less risk associated with product damage. Offering a service guarantee, implementing a return policy, and using recyclable packaging are not actions that will help reduce the risk of personal injuries and product damage.

SOURCE: PM:017 Identify consumer protection provisions of appropriate agencies

SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

75. C

A government agency that regulates advertising. Since promotional materials are a form of advertising, a government agency that regulates advertising is most likely to have laws in place to protect the consumer. Product safety agencies help ensure the safety of products by setting safety standards and requiring manufacturers to test products and provide safety warnings. Highway safety agencies regulate the safety of automobiles by investigating safety defects and recalling vehicles with safety problems. Agencies regulating financial products work to make financial products safe for consumers by educating them and by supervising banks and financial service providers.

SOURCE: PM:017 Identify consumer protection provisions of appropriate agencies

SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

76. B

Associating an artificial sweetener with sugar. Positioning is a product mix strategy in which a business creates a certain image or impression of a product in the minds of consumers. One strategy businesses might use to position their products is by associating the good or service with a particular product category. Sugar, artificial sweeteners, and certain herbs are items that people use to sweeten foods and beverages to enhance their taste. Emphasizing a warranty is using a product benefit to position the car. A business that focuses on value is using price to position its products. When a resort communicates information about its luxury services, it is using quality to position its product.

SOURCE: PM:042 Describe factors used by marketers to position products/services

SOURCE: LAP-PM-042—Getting Piece of Mind (Factors Used To Position Products/Services)

77. C

Preference. Brands usually pass through successive stages of brand loyalty, which is customers' allegiance to a particular brand. Brand preference is when consumers prefer to purchase a certain brand based on their positive experience with the brand. However, if that brand is not available, the consumer will purchase another brand. Brand recognition is when consumers become aware of a brand and know a bit about it. And when consumers insist on "their" brand and will not accept a substitute, the brand has reached brand insistence. Only that particular brand will satisfy a customer for a given purpose. A brand mark is a distinctive symbol, design, sound, or group of letters that is seen or heard but cannot be spoken.

SOURCE: PM:021 Explain the nature of product/service branding

SOURCE: LAP-PM-021—It's a Brand, Brand, Brand World! (Nature of Product Branding)

78. C

Offering small service gestures that don't cost a lot of money. Small, inexpensive service gestures, such as a free email newsletter, amount to big impressions about what a business has to offer without costing much money. It is unreasonable to expect small businesses to not charge customers for a portion of customer service because they would quickly go under. Computers can handle customer service more quickly than a manual method, thereby increasing customer satisfaction. Establishing a customer service department is not practical for many small businesses, because it involves a large investment in human labor, money, and store space.

SOURCE: PM:013 Explain the role of customer service in positioning/image

SOURCE: LAP-PM-913—Customer Service Supersized (The Role of Customer Service in Positioning/Image)

79. C

Private. A private brand is owned by the intermediary (retailer, wholesaler, or other distributor) that sells the brand rather than the manufacturer. Private brands are sometimes called private labels, store brands, or distributor brands. Corporate brands are all the combined customer impressions and experiences associated with a particular company. Value and business brands are not terms typically used to refer to private brands.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: LAP-PM-206—Corporate Identity (Nature of Corporate Branding)

80. D

Products. A corporate brand is all the combined customer impressions and experiences associated with a particular company. Positioning involves creating the desired image or impression in the minds of consumers. Many factors affect positioning decisions. An important factor to consider is the type of products that the company offers. For example, a service business offers intangible activities, so it might position itself by emphasizing its employees' knowledge and expertise. On the other hand, a manufacturer offers tangible goods, so it might consider the quality of the materials that it uses to produce the goods. Trade characters and trademarks are branding elements that companies use to reinforce brand awareness. Buyers are employees who purchase merchandise and/or supplies for their employers. A company's positioning goals influence the type of merchandise that the buyers purchase.

SOURCE: PM:207 Describe factors used by businesses to position corporate brands

SOURCE: Lake, L. (2019, November 20). *How to develop your brand strategy*. Retrieved September 16, 2021, from <https://www.thebalancesmb.com/how-to-develop-your-brand-strategy-2295187>

81. B

Customer touchpoint. A customer touchpoint is any encounter in which a business and a customer engage. In this example, Marcy's live chat with a service representative would be considered a customer touchpoint to VaccuFresh—not a marketing strategy, customer analysis, or advertising success.

SOURCE: PM:277 Identify customer touch points

SOURCE: Walters, J. (2020). *What a customer touchpoint is (and why you should care)*. Retrieved September 16, 2021, from <https://experienceinvestigators.com/customer-touchpoint/>

82. A

Promotion. Promotion is personal if it involves contact between people, and it is nonpersonal if other means of communicating the message are used. Message channels are the media used by sellers to promote goods, e.g., radio, television. Demand is the quantity of a good or service that buyers are ready to buy at a given price at a particular time. Cultural trends are the direction of changes in people's beliefs, behavior patterns, and attitudes.

SOURCE: PR:001 Explain the role of promotion as a marketing function

SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

83. B

Geographical location of the market. A company would advertise nationally to deliver a promotional message to customers who are widely scattered. Neither radio nor magazines would bring customers into face-to-face contact. A product with technical aspects would require personal selling. If the company's promotional funds were limited, it could not afford national advertising.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

84. D

An author appears on a talk show to discuss their new book. Publicity is a nonpersonal form of promotion that is not paid for by the company or individual that benefits from or is harmed by it. A radio announcer delivering a paid nonpersonal message is an example of advertising. Free samples and a fashion show are examples of sales promotion activities designed to stimulate consumer purchases.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

85. B

A television station runs several beer commercials during prime-time viewing hours. Prime-time viewing hours on television are considered time slots that are geared to families. As a result, offensive, violent, and sexual content are often limited at these times. Some might find promoting beer to families and/or minors during this time unethical. The examples consisting of a sweepstakes promotion, advertisement placements, and public service announcements do not provide enough information to determine if unethical behavior has been exhibited.

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

SOURCE: Management Study Guide. (2021). *Ethics in advertising*. Retrieved September 21, 2021, from <https://www.managementstudyguide.com/advertising-ethics.htm>

86. A

Advertising goods even though there isn't enough stock to meet expected demand. Advertising for goods or services when a company knows it will not have enough inventory to meet expected demand is unethical and deceptive. Representing goods and services accurately and truthfully and requiring salespeople to adhere to company ethics policies are both examples of ethical sales practices.

Publishing a job listing even though the position will be filled by a current employee may be unethical and deceptive, but it's not an example of a sales practice.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: FindLaw. (2016, June 20). *Details on state deceptive trade practices*. Retrieved September 28, 2021, from <https://statelaws.findlaw.com/consumer-laws/details-on-state-deceptive-trade-practices.html>

87. B

Program sponsorships. Program sponsorship is broadcast advertising in which one advertiser sponsors an entire show, including its production costs, without sharing commercial time. Spot announcements are presented between shows and originate from the local station rather than the network. Promotional media consist of any channels of communication used by businesses for delivering advertising messages to target groups of consumers. Participation shows involve the purchase of commercial time by several different advertisers within the same program.

SOURCE: PR:007 Explain types of advertising media

SOURCE: LAP-PR-003—Ad-quipping Your Business (Types of Advertising Media)

88. C

Amplified word-of-mouth. Amplified word-of-mouth marketing occurs when a marketer launches a campaign to accelerate or encourage existing word-of-mouth marketing. Organic word-of-mouth marketing is natural promotion and publicity for a business provided by customers who tell others of their satisfaction with the business. Cause marketing involves cooperation with a nonprofit organization and benefits both parties. Opt-in email marketing takes place when a company sends electronic promotional messages with a recipient's permission, allowing the recipient to request removal from the subscriber list at any time.

SOURCE: PR:247 Describe word-of-mouth channels used to communicate with targeted audiences

SOURCE: Sonntag, J. (2020, October 14). *Word-of-mouth marketing: How to create an impactful strategy*. Retrieved October 21, 2021, from <https://www.act.com/blog/gb/word-of-mouth-marketing-strategy/>

89. B

Point-of-sale marketing. Point-of-sale marketing is marketing that occurs at the location where products are sold to the final consumer. A display of candy bars in the checkout aisle is an example of point-of-sale marketing. A free-standing insert is a piece of paper that is placed in a newspaper or magazine, usually containing marketing materials such as coupons. A sweepstakes is a type of contest in which prizes are awarded to winners. Trade-in promotions allow customers to trade a used product for cash or gift cards.

SOURCE: PR:249 Identify communications channels used in sales promotion

SOURCE: Marketing-Schools.org. (2020, November 25). *Point-of-sale marketing*. Retrieved September 16, 2021, from <https://www.marketing-schools.org/types-of-marketing/point-of-sale-marketing.html>

90. D

Sales promotions typically have a limited time frame, whereas advertising is ongoing. Sales promotions are generally short-term in nature and are intended to sell as many products as possible within a specific time frame. Advertising, on the other hand, is a long-term activity that takes place in various places and at various times to communicate a desired message. Advertising can be subtle and indirect, whereas promotions are generally to the point and clear. While similar, advertising and sales promotions are not the same thing.

SOURCE: PR:249 Identify communications channels used in sales promotion

SOURCE: Quain, S. (2019, March 7). *Difference between advertising and sales promotions*. Retrieved October 21, 2021, from <https://smallbusiness.chron.com/difference-between-advertising-sales-promotions-3377.html>

91. A

Product in an appropriate setting. There are many ways that illustrations in advertisements can be used to attract attention and create desire for products. One way is to use illustrations that focus on the product in an appropriate setting. A photograph of tents in a forest shows the product in a setting in which it would normally be used. Illustrations showing the positive results of using the product are focusing on the benefits of using the product. Illustrations showing someone actually using the product are focusing on the product in use. Illustrations showing specific details or features rather than the product as a whole are focusing on the product's details and features.

SOURCE: PR:014 Explain the components of advertisements

SOURCE: EyeEm. (n.d.). *How to use images effectively in your brand marketing and design*. Retrieved September 16, 2021, from <https://www.eyem.com/blog/99-designs-use-images-effectively-brand-marketing-design>

92. C

White space. White space is essential because it separates images on the page, keeps the page from looking cluttered and messy, and makes the advertisement clearer. White space could help the furniture store's ad look less busy. More fonts would probably make the ad look busier and would not necessarily help the readers know where to focus. Logos and graphics would not necessarily help the ad be less busy.

SOURCE: PR:251 Explain the importance of coordinating elements in advertisements

SOURCE: Denver Digital. (2020, March 13). *The importance of white space in advertising*. Retrieved October 21, 2021, from <https://denverdigital.com/blog/2020/04/10/the-importance-of-white-space-in-advertising/>

93. B

Crisis management. Crisis management is a public relations strategy that involves the ongoing managing, planning, and coordinating of resources to handle undesirable situations or circumstances. Market segmentation is the process of dividing a total market into smaller, specific groups. Territory development refers to the expansion of a selling area. Talent acquisition is the process of finding and hiring employees.

SOURCE: PR:252 Identify types of public-relations activities

SOURCE: Lamb, C.W., Hair, J.H., Jr., & McDaniel, C. (2019). *MKTG* (12th ed.) [Lesson 16-5a]. Boston, MA: Cengage Learning, Inc.

94. A

Media. A business's public relations department is responsible for establishing and maintaining good relations between the business and the public. The public often consists of external audiences such as customers, local businesses, the media, and local residents. The public also consists of internal audiences such as employees, managers, shareholders, and boards of directors. An important aspect of the public relations function is communicating information about the business to the public. An effective way of communicating to many of the business's audiences and obtaining publicity is through the media—television, radio, newspapers, etc. By sending press releases or holding press conferences, the business can obtain publicity about its new products, community service projects, expansion plans, etc.

SOURCE: PR:253 Discuss internal and external audiences for public-relations activities

SOURCE: Wolf, L. (2021, January 18). *Press releases and their purpose*. Retrieved September 21, 2021, from <https://www.thebalancesmb.com/what-is-a-press-release-3515529>

95. D

Customer service. You may think that if you offer a product with the best price and the best quality, you'll beat all the competition. Unfortunately, price and quality can be easily matched among competitors. Customer service is where the real competition among businesses begins. This example demonstrates the importance of excellent customer service, not product quality, price matching, or employee discipline.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

96. A

Talk to your supervisor regarding the situation. Selling policies are general rules established to guide the selling effort, and they need to be a bit flexible so an occasional exception can be made. In this situation, being flexible may help you satisfy your largest customer and keep their business. By stating that you did not set the policy, you are not offering the client assistance at all. Spending time selling the client something else does not resolve the current problem. Enforcing the current policy offers no type of solution or assistance to the client.

SOURCE: SE:932 Explain company selling policies

SOURCE: LAP-SE-932—Sell Right (Selling Policies)

97. B

Stick with the facts during a sales presentation. An ethical salesperson tries to stick to the facts during sales presentations instead of misleading customers or badmouthing competitors. Ethical salespeople don't make decisions based on what works best right now; instead, they make decisions based on what's right. Ethical salespeople also don't manipulate potential customers or fudge expense reports.

SOURCE: SE:106 Explain legal and ethical considerations in selling

SOURCE: LAP-SE-106—Keep It Real—In Sales (Legal and Ethical Considerations in Selling)

98. B

Obvious. Obvious or apparent benefits are advantages that need little explanation by the salesperson. The customer already knows, or can easily recognize, the benefit. A speaker system that is waterproof has the obvious benefit of being able to get wet, and salespeople do not necessarily need to inform customers of this benefit. Unique or exclusive benefits are advantages that are available only from your good, service, or business. Krista's waterproof speakers are probably not the only speakers that are waterproof, so this example does not demonstrate an exclusive benefit. Hidden benefits are advantages that cannot be seen or understood without the assistance of a salesperson. In this example, the benefit of waterproof speakers is clear and easily understood. "Unfamiliar" is not a term generally used to describe types of product benefits.

SOURCE: SE:109 Analyze product information to identify product features and benefits

SOURCE: LAP-SE-109—Find Features, Boost Benefits (Feature-Benefit Selling)

99. B

Discovering customer needs. The second phase of the selling process involves discovering customer needs and wants. When customers do not know precisely what they are looking for, a salesperson must be prepared to discover their needs. Assessing customer needs is important because it often reduces the amount of selling time required. Establishing relationships with customers is the first phase of the selling process and may include creating a good impression of the business. Prescribing possible solutions is the third phase of the selling process and takes place after salespeople have discovered customer needs.

SOURCE: SE:048 Explain the selling process

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

100. A

Post-purchase. It is common for customers to question their purchasing decisions after they purchase goods. Most consumers do not second-guess their decisions before the need for a product is identified or during the pre-purchase or during-purchase stages, because they have not yet purchased any goods.

SOURCE: SE:359 Discuss motivational theories that impact buying behavior

SOURCE: Scott, T. (2021). *Buyer's remorse: Understanding this seemingly irrational behavior*.

Retrieved September 21, 2021, from <https://www.bidsketch.com/blog/sales/buyers-remorse/>



KEY

Test Number 1259

Marketing Exam

Fashion Merchandising and Marketing Event
Marketing Management Event
Sales Management Meeting Event

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1. D

Bilateral contract. A bilateral contract is a mutually beneficial agreement between two parties in which both parties promise to perform certain activities. In the example, one company makes a promise to ship a certain product by a certain date, and the other company promises to pay for the product within a certain amount of time. An executed agreement is an agreement or contract that has already occurred. Exempt contract and defensible agreement are fictitious terms.

SOURCE: BL:002 Describe the nature of legally binding contracts

SOURCE: Mann, R.A., & Roberts, B.S. (2020). *Business law and the regulation of business* (13th ed.) [pp.185-186]. Boston, MA: Cengage Learning, Inc.

2. B

Inventory needs to customer requirements. The heart of physical distribution is timeliness, availability, and quality. Improved information technology has made customer product information readily available, allowing for a more efficient distribution process. Matching costs with expense information is more often handled in finance management. Production innovation is not considered part of the distribution process. Distribution centers are tied to inventory needs in the distribution process and the path a product may take on its way to the consumer.

SOURCE: CM:004 Describe the use of technology in the channel management function

SOURCE: Stackpole, B. (2020, February 14). *5 supply chain technologies that deliver competitive advantage*. Retrieved September 21, 2021, from <https://mitsloan.mit.edu/ideas-made-to-matter/5-supply-chain-technologies-deliver-competitive-advantage>

3. D

A firm with dominant market power. Dominant firms may be held to a higher standard under antitrust laws due to their monopolistic potential. Small startups are less likely to violate competitive laws, as are buyers who are being locked into the agreement. Exclusive dealing only pertains to vertical business partners.

SOURCE: CM:005 Explain legal considerations in channel management

SOURCE: Chen, J. (2021, May 29). *Understanding antitrust laws*. Retrieved September 16, 2021, from <http://www.investopedia.com/ask/answers/09/antitrust-law.asp>

4. C

Purchase higher quantities of the sale items in a timely manner. Channel management is the process by which marketers ensure that products are distributed to customers efficiently and effectively.

Coordinating channel management with other marketing activities is important because the store must have items available to sell to the customers. This involves ordering the appropriate amount of items and ensuring that the items are delivered to the store before the promotional event or sale. Stores that promote goods they do not have in stock often annoy the customers who want to buy the items. A selective distribution strategy is a distribution pattern in which a producer sells a product through a limited number of intermediaries in a geographic location. An intensive distribution strategy involves a producer selling a product through every available intermediary. A business would not change its overall distribution strategy for a single promotional event. Hiring additional warehouse staff and sending copies of promotional literature to vendors will not ensure that the store has enough products available to meet the demand for the items during the sale.

SOURCE: CM:007 Coordinate channel management with other marketing activities

SOURCE: Ray, L. (n.d.). *Describe the importance of sales operations & resource planning for the supply chain*. Retrieved September 16, 2021, from <https://smallbusiness.chron.com/describe-importance-sales-operations-resource-planning-supply-chain-17690.html>

5. C

Territorial boundaries. Horizontal conflicts are disagreements between channel members at the same level of distribution. Unclear territorial boundaries and violations of territorial boundaries are often sources of horizontal conflict. For example, suppose two retailers are located on the same block, and one store begins to sell the same line of specialty goods that the other store sells. Because both stores are competing for the same customers, conflict is likely to occur. Vertical conflicts are disagreements between channel members at different levels of the distribution channel. If a producer decides to use a direct distribution strategy (bypass its distributors and sell directly to end users), vertical conflict is likely to occur. Transportation issues and shipping errors may cause occasional vertical conflict.

SOURCE: CM:008 Explain the nature of channel-member relationships

SOURCE: Mack, S. (2019, March 5). *Horizontal & vertical marketing conflicts*. Retrieved September 16, 2021, from <https://smallbusiness.chron.com/horizontal-vertical-marketing-conflicts-65325.html>

6. B

Affinity marketing. Affinity marketing occurs when two companies link their brands for a mutually beneficial outcome. The relationship between People's Bank and the local supermarket chain is an example of an affinity partner relationship. Mutual advertising, company partnership, and dual promotion are not terms used to describe this type of relationship.

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

SOURCE: Marketing-Schools.org. (2020, November 12). *Affinity marketing*. Retrieved September 16, 2021, from <https://www.marketing-schools.org/types-of-marketing/affinity-marketing.html>

7. B

Help the member improve. Businesses usually try to work with channel members to improve their performance because it is less costly to maintain a relationship than to locate new channel members. During an evaluation, a business might detect certain problems, many of which may be small and easy to correct. Helping a channel member improve and correct problems is usually inexpensive. However, it is time-consuming to search for new channel members and to develop new relationships. A business probably would not terminate the member unless the problems were severe and impossible to correct. A business would not fine the member for damages. Depending on the types of problems, a business might, or might not, recommend the member to others.

SOURCE: CM:011 Evaluate channel members

SOURCE: Rand, J. (2020, November 6). *7 tips to improve channel performance*. Retrieved October 21, 2021, from <https://channelmechanics.com/channel-performance-tips/>

8. D

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 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

9. A

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 Edit and revise written work consistent with professional standards

SOURCE: University of North Carolina Writing Center. (2021). *Reading aloud*. Retrieved September 15, 2021, from <https://writingcenter.unc.edu/tips-and-tools/reading-aloud>

10. C

Face-to-face. With face-to-face communication, a manager would be able to observe their employees' nonverbal communication. This is not possible when communicating via phone, email, or office memo.

SOURCE: CO:092 Choose and use appropriate channel for workplace communication

SOURCE: UCPath Center. (n.d.). *Why nonverbal communication matters in the workplace*. Retrieved September 15, 2021, from <https://ucpathjobs.org/working-at-uc/nonverbal-communication-matters-workplace/>

11. D

Using mirroring to develop rapport. Developing rapport with customers is an important part of making a sale. One way that salespeople can build rapport is through mirroring—matching their communication style to that of the customer. This makes the customer feel more comfortable during a sales conversation. Finding common ground with customers, being empathetic, and appreciating the customers' point of view are also important methods of building rapport, but they are not demonstrated in this specific example.

SOURCE: CR:029 Develop rapport with customers

SOURCE: Mind Tools Content Team. (2021). *Building rapport*. Retrieved September 21, 2021, from <https://www.mindtools.com/pages/article/building-rapport.htm>

12. C

Materials. Materials are items that will become part of a finished product after they have been processed. Sugar and flour need additional processing before they become baked goods. Parts are items that will become part of a finished product without any additional processing. Installations are high-cost, long-lasting items that are used to produce other goods and services. Supplies are items that are constantly being purchased and used up in the operation of a business.

SOURCE: EC:002 Distinguish between economic goods and services

SOURCE: LAP-EC-902—Get the Goods on Goods and Services (Economic Goods and Services)

13. B

Strategic management. Strategic management is the process of planning, controlling, and organizing an organization or department. Strategic management helps a business determine how it can succeed and reach its goals over time. Holding a series of executive meetings to answer "big-picture" organizational questions is an example of strategic management, not financial analysis, human resources management, or information management. Financial analysis is the process of planning, maintaining, monitoring, controlling, and reporting the use of financial resources. Human resources management is the process of planning, staffing, leading, and organizing employees. Information management is the process of accessing, processing, maintaining, evaluating, and disseminating business knowledge, facts, or data.

SOURCE: EC:071 Describe types of business activities

SOURCE: LAP-EC-071—Strictly Business (Business Activities)

14. B

Free trade agreements. Free trade agreements lessen the trade restrictions (e.g., tariffs, quotas, licenses) among countries. For example, the North American Free Trade Agreement (NAFTA) is a trade agreement among the United States, Canada, and Mexico that has eliminated trade barriers. When fewer trade barriers exist, there are more opportunities for businesses to buy and sell products in other countries. Protectionism is a government's policy to protect domestic industries and businesses against foreign competition. Protectionism, language barriers, and strict safety standards often hinder a business's ability to enter international markets.

SOURCE: EC:104 Discuss the global environment in which businesses operate

SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

15. C

To protect the environment. Governments pass and enforce laws to protect consumers, businesses, and other resources. Many of these laws address business practices. The government passes and enforces environmental laws to protect our natural resources such as water, air, botanical life, and wildlife from the potentially unhealthy and unsafe outcomes of production processes. Environmental laws regulate how much and what type of chemicals can be used in the environment. The laws also regulate the ways in which the chemicals can be disposed. Labor and safety laws protect employees and consumers who enter the workplace. Monetary and fiscal policies regulate and stabilize the economy. Governments do not develop regulations that control how businesses use natural resources so they can seize business property.

SOURCE: EC:008 Determine the relationship between government and business

SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)

16. D

Gross private domestic investment. Gross private domestic investment is a factor used to calculate GDP, which includes the value of all capital goods created in the economy during the year and inventories held by business firms from the current year's production. Personal consumption expenditures include the final market value of all goods and services purchased for direct consumption by individuals, families, and nonprofit organizations. Net exports of goods and services is determined by subtracting imports from exports. Government purchases of goods and services include all purchases made by the government and the wages of all government workers.

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

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

17. C

Looking for behavior patterns that occur regularly over time. By assessing your personal strengths and weaknesses, you can apply your talents where they are best used and select a career in which you are most likely to be successful. A successful assessment of your strengths and weaknesses requires being aware of your behavior patterns over time. By being aware of your behavior patterns, you can determine the things that you do well and things that you want to improve. When assessing your personal strengths and weaknesses, avoid making false generalizations about yourself, which is basing your idea of a personal strength or weakness on one isolated incident. And, because everyone is different, avoid comparing yourself to others. After identifying the weaknesses that you want to work on, try improving one weakness at a time. Taking on too many changes at once can be very frustrating.

SOURCE: EI:002 Assess personal strengths and weaknesses

SOURCE: LAP-EI-902—Assess for Success (Assessing Personal Strengths and Weaknesses)

18. A

Sometimes misunderstood. There is no "dictionary of signals" for body language. Nonverbal communication cannot be precise, which means that the recipient may not receive the message that the speaker intends to convey. In some cases, the body language seems to contradict what the speaker is saying. Expressing oneself through body language is not hard to learn, because we all use some forms of it instinctively. It can be more effective in some situations than verbal communication.

SOURCE: EI:007 Explain the nature of effective communications

SOURCE: Houston Chronicle. (2020, September 8). *Benefit of nonverbal communication in business*. Retrieved September 15, 2021, from <https://smallbusiness.chron.com/benefit-nonverbal-communication-business-2831.html>

19. D

Increased productivity. When people are able to communicate openly with each other, they will be more productive. If your boss gives you clear instructions, you will be able to complete your project more quickly and with fewer mistakes. Increased sales, better ideas, and a good reputation are all benefits of transparency, but they are not illustrated in this example.

SOURCE: EI:129 Foster open, honest communication

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

20. A

Competing situations. Multiple situations were competing for Matthew's attention, so his conflict was about how to spend his time. Should he attend an important dinner meeting, or should he accommodate his manager's request to work late? When people do not know what they're supposed to do, or what someone else expects them to do, conflict can occur due to unclear expectations. Conflicts that involve unclear boundaries occur when people lack understanding about appropriate behavior. Conflicts related to miscommunication occur when barriers (e.g., noise) prevent someone from obtaining or understanding the information needed to make wise decisions.

SOURCE: EI:015 Use conflict-resolution skills

SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)

21. C

It serves as a guide for decision-making. When a shared vision exists, all members of the organization understand and support the organization's purpose. Successful organizations set goals and make decisions to fulfill the organization's purpose, which is based on the vision. A shared vision does not ensure that goals are achievable. Groupthink is a form of extreme cohesiveness that occurs when individuality and independent thinking within the group are discouraged. Competition doesn't increase because of a shared vision. Unattainable goals and groupthink tend to create circumstances that hinder an organization's ability to achieve its purpose.

SOURCE: EI:060 Enlist others in working toward a shared vision

SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)

22. B

Impression management. If an employee has the ability to influence other workers' opinions or actions within the company, the employee is fostering political relationships. Building positive political relationships in the workplace begins by identifying and carrying out actions that will foster positive relationships, which is impression management. Reciprocity involves doing something for another person and expecting that person to return the favor at another time. Codependency is putting others' needs above your own and can lead to dysfunctional relationships. Excessive flattery often comes across as an insincere way of trying to get something from another person.

SOURCE: EI:034 Explain the impact of political relationships within an organization

SOURCE: Harappa. (2020, November 20). *What is impression management?* Retrieved September 15, 2021, from <https://harappa.education/harappa-diaries/meaning-examples-and-strategies-of-impression-management/>

23. A

Speak up. Fairness involves sticking up for people who are being treated unfairly, not ignoring the problem. This doesn't necessarily involve being aggressive or looking for another job.

SOURCE: EI:123 Describe the nature of ethics

SOURCE: LAP-EI-123—Rules To Live By (Nature of Ethics)

24. B

Tax deductions. Tax deductions are expenses that can be subtracted from gross income. For example, charitable donations can be claimed as tax deductions on an individual's personal tax return. The tax filer may need to provide a receipt for donations that exceed a certain amount of money. Other examples of tax-deductible expenses include college tuition, home mortgage interest, and child care. Charitable donations are not claimed on tax returns as public property, living expenses, or discretionary income.

SOURCE: FI:074 Prepare personal income tax forms

SOURCE: Hightower, S.S. (2020, October 27). *5 reasons to keep making tax-deductible donations.* Retrieved September 15, 2021, from <https://www.creditkarma.com/tax/i/reasons-tax-deductible-donations/>

25. C

\$10.67. Credit card companies using the adjusted balance method to charge interest only charge it on the principal balance that remains each month. To calculate how much total interest Rossi will pay during the initial two billing periods, first calculate the monthly interest rate by dividing the APR by the number of months in a year (24% [or 0.24] / $12 = 0.02$). Then, multiply the monthly interest rate by the principal amount to determine the amount of interest charged for the first month ($0.02 \times \$363 = \7.26). For the following month, you first need to determine the new principal amount. Subtract the interest amount charged during the initial month from last month's repayment to determine the payment amount applied to the principal ($\$200 - \$7.26 = \$192.74$). Next, subtract the payment amount applied to the principal amount at the end of the first month from the original balance to determine the new principal amount to be charged interest for the second month ($\$363 - \$192.74 = \$170.26$). Calculate the interest charged for the second month ($0.02 \times \$170.26 = \3.41). Add together the interest paid each month to determine the total interest Rossi will pay during the first two billing periods ($\$7.26 + \$3.41 = \$10.67$).

SOURCE: FI:782 Calculate the cost of credit

SOURCE: Hightower, S.S. (2021, June 28). *How does credit card interest work?* Retrieved September 15, 2021, from <https://www.creditkarma.com/credit-cards/i/how-does-credit-card-interest-work/>

26. A

Neutral. If a business wants to prepare reliable financial reports, it must be neutral, or impartial. This means the business has put no bias into the reports, either positive or negative. A business does not necessarily need any certifications to prepare reliable financial reports, although the more education and experience its accountants have the better. A business can generally create a reliable financial report without supervision.

SOURCE: FI:579 Describe the need for financial information

SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

27. A

Vendors. The best source for data about the goods and services a company needs to buy for its own operation is its vendors. Vendors are the businesses from which companies buy these products. The sales team, customers, and competitors would not be good sources of data about these products.

SOURCE: IM:012 Describe the need for marketing data

SOURCE: LAP-IM-012—Data Do It (Need for Marketing Data)

28. C

It's expensive to implement. Marketing-information systems (MkISs) can be expensive to implement. It can take time to train employees to use an MkIS, but it's not necessarily difficult. An MkIS cannot replace skilled marketers. It may update too slowly in times of business change.

SOURCE: IM:001 Explain the nature and scope of the marketing-information management function

SOURCE: LAP-IM-002—Get the Facts Straight (Marketing-Information Management)

29. D

They may be slow to update during major business changes. Marketing-information systems are not without their limitations. They can be slow to update with new information during major business changes. They may be expensive to install, but that doesn't mean it isn't worth the cost and effort. Marketing-information systems aren't always easy to use, but training employees properly should help them become proficient. They do not eliminate the need for skilled marketing managers and staff.

SOURCE: IM:001 Explain the nature and scope of the marketing-information management function

SOURCE: LAP-IM-002—Get the Facts Straight (Marketing-Information Management)

30. B

Big data. Big data refers to the large amounts of raw facts and figures that are automatically collected from electronic sources. When you see ads for products that you previously viewed online, your data are being tracked and used to market to you. The ads Cecelia saw were not because of deception, confidentiality, or transparency.

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

SOURCE: LAP-IM-025—Info With Integrity (Ethics in Marketing-Information Management)

31. A

Post its privacy policies on its website. Privacy policies are a business's guidelines about how it maintains and uses its customers' information such as credit, purchasing habits, and addresses. To protect consumers' privacy, governments often legislate how businesses can obtain and use customer information. Jurisdiction refers to the authority (e.g., location, subject matter) a court has to resolve a legal issue. For example, one state, province, or country may require a business to disclose to customers that it allows third parties access to certain customer information, while another state, province, or country may not have the same law. Therefore, businesses should post their privacy policies on their websites to reduce the risk of lawsuits that may be initiated by customers in other jurisdictions. Storing information at an unsafe site is a poor business practice and may be grounds for a lawsuit in some jurisdictions. A surge protector is a device that individuals and businesses use to prevent excessive bursts of electricity from damaging computers. Some insurance companies provide businesses with insurance to cover losses associated with power surges. Selling strategies are the plans of action for the selling function, which do not always affect consumers' privacy.

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

SOURCE: Pegarella, S. (2021, July 13). *Privacy policies are mandatory by law*. Retrieved September 16, 2021, from <https://termsfeed.com/blog/privacy-policy-mandatory-law/>

32. B

Identify the reason for the research. The first step in the research process is identifying the problem, issue, situation, or concern to be researched. This is an important step because if the business does not clearly identify and define the reason for the research, the business may invest its time and money unwisely. Developing a hypothesis, collecting the needed data, and making recommendations based on findings all come later in the research process.

SOURCE: IM:010 Explain the nature of marketing research

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

33. D

Customer wants and needs. The marketing concept is a philosophy of conducting business that is based on satisfying customer wants and needs while achieving company goals. Determining effective advertising methods, appropriate product prices, and sales lost to competitors may also be goals in conducting research, but they are not as directly related to implementing the marketing concept as identifying customer wants and needs.

SOURCE: IM:010 Explain the nature of marketing research

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

34. C

Secondary data. The sales invoices are examples of secondary data, or facts, figures, and statistics that already exist and have been used for purposes other than the marketing research study. Primary data are new facts, figures, or statistics gathered for the specific marketing research project being conducted. Relevant variables are the types of information studied in a marketing research project (e.g., brand awareness, customer satisfaction, etc.). Units of analysis are the entities or elements that are being studied in market research (e.g., individual, household, etc.).

SOURCE: IM:282 Discuss the nature of marketing research problems/issues

SOURCE: LAP-IM-282—What's the Problem? (Marketing Research Problems)

35. C

Causal research. Causal research tests hypotheses and focuses on cause and effect. It would be the most appropriate design for the marketers in this scenario. Exploratory research gathers information and clarifies concepts; it does not test hypotheses. Descriptive research gathers statistical information but does not test hypotheses; it is often called statistical research.

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

SOURCE: LAP-IM-284—Better by Design (Marketing Research Designs)

36. 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 Identify data monitored for marketing decision making

SOURCE: Post, J. (2021, March 10). *Best customer tracking methods for your small business*.

Retrieved September 16, 2021, from <https://www.business.com/articles/customer-tracking/>

37. B

Invoices. An invoice is the formal, printed record of a sale that includes all necessary information about a sales transaction. The information includes the buyer, the seller, items purchased, amounts, prices, delivery date, credit, discount terms, etc. Businesses can review their invoices to determine how often the customers are ordering from the business and the types of products they are purchasing. Meta tags are HTML codes that display information about web pages. A stock plan is a list of items that a business needs to purchase for inventory. An income statement is a financial summary that shows how much money the business has made or has lost over a period of time. Meta tags, stock plans, and income statements do not indicate how often specific customers place orders with a business.

SOURCE: IM:184 Identify data monitored for marketing decision making

SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)

38. A

Customer loyalty cards. Customer loyalty cards are a tool used in the tracking method of data collection. Retailers issue the cards to customers so they can track their purchases and provide incentives for buying. Tracking does not include experiments, interviews, or questionnaires.

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

SOURCE: LAP-IM-289—Hunting and Gathering (Data Collection Methods)

39. D

Experiments can be difficult to design for marketing purposes. Experiments can be difficult to design for marketing purposes since marketers must take human behavior (which is very complex) into account. Experiments do, however, show cause and effect. They are not necessarily prone to technical difficulties and do not necessarily raise concerns about privacy.

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

SOURCE: LAP-IM-289—Hunting and Gathering (Data Collection Methods)

40. B

Try to recover the missing information. If possible, researchers should contact respondents to ask them to fill in the missing information to eliminate the errors. A regression imputation should not be done before deleting an entry; rather, it is a way to fill in missing data by predicting a score. Before deleting an entry, Gabby should make sure the incomplete data are random because only random incomplete entries should be deleted. While deleting entire questions from the whole survey is an option, it should not be done before deciding to delete a particular entry. Rather, it is an alternative way of handling missing data.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: Sauro, J. (2015, June 2). *7 ways to handle missing data*. Retrieved September 27, 2021, from <https://measuringu.com/handle-missing-data/>

41. C

Use website analytics to see which social media sites customers use to find your website. Website analytics can help you determine how many people are visiting your website and which sites they're using to find your website. This can be helpful in measuring how effective your various social media presences are in drawing in customers. Talking to customers on social media, answering customer complaints, and updating your website are important, but they do not measure buzz.

SOURCE: IM:469 Monitor/measure customer "buzz"

SOURCE: Rai, S. (2019, January 2). *6 reasons why website analytics are important for your business growth*. Retrieved October 21, 2021, from <https://www.monsterinsights.com/reasons-why-website-analytics-is-important-for-your-business-growth/>

42. D

Mode. Seven is the number that appears with greatest frequency in the data set. If 7 were the mean, or average, the question would contain a phrase such as "on average." However, since the phrase "most men" appears, it can be assumed that 7 is the value that appears with greatest frequency. If 7 were the median, it would be the middle value of a data set. It is not possible to say with certainty that 7 is the median of the data set described above, because there is no array given. It is not possible to say that 7 is the value of the kurtosis of the frequency distribution, because the full data set is not made available in the question.

SOURCE: IM:191 Explain the use of descriptive statistics in marketing decision making

SOURCE: Purplemath. (2021). *Mean, median, mode, and range*. Retrieved September 16, 2021, from <https://www.purplemath.com/modules/meanmode.htm>

43. A

Nonresponse error. Errors can occur during any phase of the marketing research process and can affect the validity of the results. A nonresponse error occurs when a member of the sample population does not answer all of the questions in a survey. Respondents fail to answer questions for many reasons—they may not understand the question, they may feel uncomfortable answering the question, or they may not see the question on the survey. Unanswered questions on a survey are not examples of interviewer oversight, mathematical miscalculation, or rating mistakes.

SOURCE: IM:292 Identify sources of error in a research project (e.g., response errors, interviewer errors, non-response errors, sample design)

SOURCE: SurveyMonkey. (1999-2021). *5 ways to avoid nonresponse errors*. Retrieved September 16, 2021, from <https://www.surveymonkey.com/mp/how-to-avoid-nonresponse-error/>

44. A

Undercoverage. Undercoverage occurs when some members of the population are inadequately represented in the sample. Because the company wanted to learn about all of the city's adults, its sample should have represented all the different groups of people that live in the city—not just one neighborhood. Sampling error is the variability among statistics from different samples. Nonresponse bias occurs when respondents are either unwilling or unable to participate in the survey or when respondents leave certain survey items blank. Voluntary response bias occurs when sample members volunteer themselves to be in the sample.

SOURCE: IM:292 Identify sources of error in a research project (e.g., response errors, interviewer errors, non-response errors, sample design)

SOURCE: Stat Trek. (2021). *Bias in survey sampling*. Retrieved October 21, 2021, from <http://stattrek.com/survey-research/survey-bias.aspx>

45. B

Leading question. Leading questions tend to influence the respondents' answers and create bias, which skews results. Because words such as "wastes" and "unnecessary programs" tend to generate strong emotional reactions and overall negative views about the topic, the survey question is biased. The question is a closed-ended question because it requires a "yes" or "no" answer. The situation does not exemplify an indifferent statement, an open-ended inquiry, or an unstated alternative.

SOURCE: IM:293 Evaluate questionnaire design (e.g., types of questions, question wording, routing, sequencing, length, layout)

SOURCE: QuestionPro. (2019, September 6). *Leading questions: Definition, characteristics and examples*. Retrieved October 24, 2021, from <https://www.questionpro.com/blog/leading-questions/>

46. A
Because multiple methods will give a more accurate picture of customer behavior. If marketing researchers want to have the most accurate results possible, it is wise to use multiple methods of marketing research. If a certain method of marketing research is known for being inaccurate, then researchers should not use that method. Customers or researchers not liking a certain method of marketing research does not necessarily affect its accuracy.
SOURCE: IM:428 Assess appropriateness of marketing research for the problem/issue (e.g., research methods, sources of information, timeliness of information, etc.)
SOURCE: Stewart, C. (2015, March 31). *3 reasons multiple sources are necessary for market research projects*. Retrieved September 16, 2021, from <https://blog.marketresearch.com/3-reasons-multiple-sources-are-necessary-for-market-research-projects>
47. C
Perception. Consumers make buying decisions based on perception rather than on objective (factual) reality. This is why marketers try so hard to influence perception. Consumers do not tend to make buying decisions based on technical support or laws.
SOURCE: MK:014 Explain factors that influence customer/client/business buying behavior
SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)
48. D
He enjoys soccer and music. Lifestyle interests such as soccer and music are examples of psychographic information; all of the other details given relate to demographics (e.g., age, gender, life stage, socioeconomic status).
SOURCE: MP:003 Explain the concept of market and market identification
SOURCE: LAP-MP-003—Have We Met? (Market Identification)
49. B
Marketing planning. The SWOT analysis assesses a company's strengths, weaknesses, opportunities, and threats. It is an important part of the marketing planning process. It is not part of the hiring, staff training, or inventory buying process.
SOURCE: MP:006 Explain the nature of marketing planning
SOURCE: Strategus. (2017, September 25). *SWOT analysis for smart marketing strategy*. Retrieved September 16, 2021, from <https://www.strategus.com/blog/swot-analysis-smart-marketing-strategy>
50. D
Situation analysis. This is a determination of a firm's current business situation and the direction in which the business is headed. It is a summary of the internal factors that affect the business's strengths and weaknesses, as well as external factors that affect opportunities and threats. Management chart, publicity format, and risk management plan are not components of a marketing plan.
SOURCE: MP:007 Explain the nature of marketing plans
SOURCE: Lorette, K. (2019, February 12). *A situational analysis of a strategic marketing plan*. Retrieved October 21, 2021, from <https://smallbusiness.chron.com/situational-analysis-strategic-marketing-plan-1474.html>
51. D
It's reliable. Quantitative sales forecasting is advantageous because it's reliable—based on hard facts and numerical data. However, it isn't cheap to undertake quantitative sales forecasting. Quantitative sales forecasting doesn't provide the "human touch" that qualitative forecasting does, and it's not ideal for new businesses, since they don't have a lot of information to go on.
SOURCE: MP:013 Explain the nature of sales forecasts
SOURCE: LAP-MP-013—Futurecast (The Nature of Sales Forecasts)

52. C

Cybercrime. Cybercrime is any crime that is committed through the use of computers or the internet. IT managers often have access to sensitive information that could be stolen or misused. Copyright infringement involves the illegal use of someone else's copyrighted work, such as a song or other artistic work. Click fraud is a type of internet scam in which the perpetrator repeatedly clicks on an online advertisement to generate profits for the host site or drain money from the advertiser. Data loss is any loss of important information due to malpractice or other causes. The ethical issue of cybercrime is demonstrated in this example, not copyright infringement, click fraud, or data loss.

SOURCE: NF:111 Explain the role of ethics in information management

SOURCE: Martin, M. (2021, August 27). *Ethical & security issues in information system*. Retrieved September 15, 2021, from <https://www.guru99.com/mis-ethical-social-issue.html>

53. A

Customer relationship management. Customer relationship management systems accumulate and track customer activities and allow for interactions between customers and businesses. Transaction processing systems collect data from user inputs and generate outputs that assist in the core operations of a business. Supply chain management systems allow companies to work with suppliers and partners to improve operations. Decision support systems give companies access to financial, marketing, and operational data that help them make better decisions.

SOURCE: NF:083 Explain the role of information systems

SOURCE: Davoren, J. (2019, March 6). *Types of information systems in an organization*. Retrieved September 15, 2021, from <https://smallbusiness.chron.com/types-information-systems-organization-43097.html>

54. D

Turn raw data into useful information. Data mining involves looking at large quantities of data and extracting the information that can help a company better understand its customers, increase sales, and decrease costs. The purpose of data mining is not to locate potential customers, monitor the activity of competitors, or keep employees engaged.

SOURCE: NF:148 Discuss the nature of data mining

SOURCE: Twin, A. (2021, September 17). *Data mining*. Retrieved September 28, 2021, from <https://www.investopedia.com/terms/d/datamining.asp>

55. A

Society and culture. Society and culture can greatly impact business operations. Consumers who have strong opinions about abortion or same-sex marriage, for example, often make decisions about which companies to do business with based on the companies' stance on these controversial issues. Demographics are the physical and social characteristics of a population, such as age, race, sex, etc. The government can impact businesses by establishing new laws or tax rates but has little to do with people's personal opinions or values. Competition refers to rivalry among sellers trying to increase profits or market share.

SOURCE: NF:015 Conduct an environmental scan to obtain business information

SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

56. A

Interdependent. A work team consists of individuals who possess different skills to accomplish a common goal. When two people rely on each other to accomplish a task or goal, they are interdependent. There is not enough information to determine if the two coworkers' jobs are complex, nor is there enough information to determine if they work for a bureaucratic organization.

SOURCE: OP:230 Coordinate work with that of team members

SOURCE: Hanna, D. (2016, April 7). *The secret glue of high performance teams*. Retrieved September 15, 2021, from <https://www.linkedin.com/pulse/high-performance-teaming-interdependence-drives-david-hanna/>

57. A

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 Identify quality-control measures

SOURCE: Hayes, A. (2021, March 24). *Six Sigma*. Retrieved September 15, 2021, from <https://www.investopedia.com/terms/s/six-sigma.asp>

58. A

Select. The first step in achieving goals is to choose one that is meaningful to you. You may want to start with a single goal or a set of goals. Before you can reach a goal, you must have a clear idea of your goal from the beginning in order to achieve it. To complete or to fulfill a goal is to achieve it. It is not necessary to adjust an appropriate goal.

SOURCE: PD:018 Set personal goals

SOURCE: LAP-PD-918—Go for the Goal (Goal Setting)

59. D

Creative. Creativity is the ability to generate unique ideas, possibilities, and solutions. People who are creative usually possess inventiveness, imagination, and innovation. Based on the information given, Carly can best be described as creative—not necessarily independent, a rule-follower, or a troublemaker.

SOURCE: PD:012 Demonstrate appropriate creativity

SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

60. B

Job responsibilities. A business needs its employees to carry out their job responsibilities in order for the business to achieve its overall objectives or organizational goals. Management determines these goals and assigns job responsibilities to the employees who will accomplish the goals. For example, the primary responsibility of an accounts-receivable employee is to process the business's financial receipts. By fulfilling this responsibility, the employee is helping the business achieve its overall goal of acquiring income so it can continue to operate. The benefits package does not affect the employee's role in helping a business achieve its goals. Employees are given specific goals to accomplish in relation to their jobs, which may or may not include some risk-taking. Networking, which is the exchange of information with others for the purpose of professional or business development, may or may not be an important aspect of an employee's job responsibilities.

SOURCE: PD:255 Ascertain employee's role in meeting organizational goals

SOURCE: Ryba, K. (2021, February 23). *How to align individual, team, and organizational goals for success*. Retrieved September 15, 2021, from <https://www.quantumworkplace.com/future-of-work/how-to-align-organizational-goals>

61. D

Marketing research. Marketing researchers are in charge of figuring out what customers need and want and why customers do what they do. Marketing research jobs focus on marketing activities that involve determining information needs; designing data collection processes; collecting data; analyzing data; presenting data; organizing focus groups, product tests, and surveys; and using data for marketing planning. Customer service, sales, and public relations professionals do not organize focus groups, product tests, and surveys.

SOURCE: PD:024 Explain employment opportunities in marketing

SOURCE: LAP-PD-024—Career Opportunities in Marketing

62. D

Unethical and illegal. Deceptive pricing practices such as bait-and-switch are designed to attract the price-conscious consumer. Not offering a reasonable amount of the advertised product is an example of a business taking unfair advantage of the customer's willingness to buy and violates the guidelines of the Federal Trade Commission. These tactics are illegal as well as unethical.

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

SOURCE: McCormick, M. (2017, May 30). *Are your prices ethical?* Retrieved October 21, 2021, from <https://blog.blackcurve.com/are-your-prices-ethical>

63. A

Socially irresponsible. It is socially irresponsible to price a lifesaving product so that the people who need it cannot afford it. In some jurisdictions, it is considered price gouging, which is illegal. This action is not economically justifiable, charitable, or conscientious.

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

SOURCE: Heyward, C. (2020, November 18). *The growing importance of social responsibility in business*. Retrieved September 21, 2021, from <https://www.forbes.com/sites/forbesbusinesscouncil/2020/11/18/the-growing-importance-of-social-responsibility-in-business/?sh=2d0f2452283b>

64. C

Simulate the impact of pricing changes. Analytic applications enable marketers to input different variables and analyze their outcomes. By analyzing these “what if” situations or simulations, marketers can make sound pricing decisions that align with their objectives. Price-execution applications automate pricing processes and generate price lists. Price-optimization applications help marketers identify favorable pricing strategies.

SOURCE: PI:016 Explain the use of technology in the pricing function

SOURCE: Campbell, P. (2019, July 22). *Pricing analytics: Definition, metrics, and why you need it*. Retrieved September 16, 2021, from <https://www.profitwell.com/recur/all/pricing-analytics>

65. C

Supply and demand. When the supply of a product is less than the demand, marketers often increase the selling price. Production costs, competition, and product life cycle are not factors that caused the selling price to increase in this situation.

SOURCE: PI:002 Explain factors affecting pricing decisions

SOURCE: LAP-PI-003—Make Cents (Factors Affecting Selling Price)

66. D

Packaging. Packaging is placing the product in a protective wrap or container before it is offered for sale. It is an area of product management that has increased in importance as the number of items available to consumers has increased. The package must be eye-catching to attract purchasers. It must also protect the product, create a product image ranging from economy to luxury, and identify the product brand. Good packaging helps increase sales. Labeling provides information about the product and attracts customers but does not protect the product. Idea generation is the process of thinking up or creating new plans, schemes, and thoughts. Concept testing is exploring the concept, or idea, for a product in order to obtain feedback.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

67. A

The market is saturated. Many products go into decline because the market is saturated. This means that almost all of the product's potential customers have been reached, and the only opportunity for increased sales comes with population growth or a shift in market share. If a product were to be outlawed by the government, it would happen earlier in the product life cycle. Customer tastes shift, and superior products become available. These are both common reasons that older products go into decline.

SOURCE: PM:024 Identify the impact of product life cycles on marketing decisions

SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)

68. A

Maturity. The maturity stage is the product life cycle stage in which sales peak and then increase at a slower rate or start to decline. The growth stage is the stage in which sales rise rapidly, whereas the decline stage is the stage in which sales decrease and profits begin to erode. The introduction stage is the stage in which the product first appears in the marketplace.

SOURCE: PM:024 Identify the impact of product life cycles on marketing decisions

SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)

69. C

Planned obsolescence. By developing new styles and models, marketers encourage consumers to think that the product they have is outdated. This, then, encourages customers to buy the new style or model of the product. This has become a big ethical issue because consumers are trashing perfectly usable goods and filling up landfills with poisonous chemicals. Institutional advertisements focus on promoting attitudes and beliefs as opposed to selling products. Industrial sales are those that occur among businesses. Packaging is not involved in the scenario.

SOURCE: PM:040 Explain business ethics in product/service management

SOURCE: Kenton, W. (2019, June 4). *Planned obsolescence*. Retrieved September 16, 2021, from https://www.investopedia.com/terms/p/planned_obsolescence.asp

70. A

Creative idea for an ad. Advertising agencies often provide both tangible and intangible products. Intangible products are those that are not capable of being detected through the senses, such as a creative idea for an ad. The idea might be the theme that the agency is recommending for an overall advertising campaign such as the "Just Do It" promotion for Nike. Once an agency develops the idea, which is intangible, it usually develops tangible products to support the idea. These tangible products might be point-of-purchase displays, banners for retail stores, or promotional sales literature.

SOURCE: PM:091 Explain the concept of "product" in marketing communications

SOURCE: Walker, A. (2018, August 2). *How do you market an intangible product?* Retrieved October 21, 2021, from <https://www.inbounddesignpartners.com/blog/how-do-you-market-an-intangible-product>

71. C

Programmed. Since Gwen likes to use structured, organized techniques to develop new ideas, she is likely to prefer programmed thinking ideation methods. Programmed thinking is a process used to solve problems and generate ideas in logical, analytical, organized ways. Lateral thinking is very different from programmed thinking. Lateral thinking is a process used to solve problems and generate ideas in purposely illogical ways. Philosophical thinking and artistic thinking are not usually referred to as ideation methods.

SOURCE: PM:127 Identify methods/techniques to generate a product idea

SOURCE: LAP-PM-127—Unleash Your Mind (Techniques for Generating Product Ideas)

72. D

Encourage participation. Brainstorming is a creative-thinking technique that involves identifying as many ideas as possible during a certain time frame. Businesses often use the brainstorming technique to generate ideas for new or improved products. The facilitator helps keep the members of the group brainstorming session on track. This person keeps order, encourages participation, fosters a creative environment, and documents the ideas for further review. The facilitator should not evaluate the ideas or initiate debate during a brainstorming session. These actions may hinder the creative-thinking process and discourage group members from participating. The primary purpose of a facilitator is to lead the discussion, not improve relationships.

SOURCE: PM:128 Generate product ideas

SOURCE: Robin Powered. (2021). *How to facilitate a brainstorming session that gets great results*. Retrieved September 16, 2021, from <https://robinpowered.com/blog/how-to-facilitate-a-brainstorming-session-that-gets-great-results>

73. B

Standards. Standards are specifications or statements that are used as a basis for comparing or judging goods or services. The most common types of product standards include quantity standards, quality standards, time standards, and cost standards. Grades are ratings assigned to products that tell to what extent standards were met. The company is not setting sales standards. Costs are just one common type of product standard.

SOURCE: PM:019 Describe the uses of grades and standards in marketing

SOURCE: LAP-PM-008—Raise the Bar (Grades and Standards)

74. D

Provide detailed written instructions. To protect customers, businesses must advise customers about how to use their products safely. Complex products that require assembly or that have multiple functions should provide detailed written instructions to help the customer assemble or use the product correctly. When the product is assembled or used correctly, there is less risk of injury to the product user and less risk associated with product damage. Offering a service guarantee, implementing a return policy, and using recyclable packaging are not actions that will help reduce the risk of personal injuries and product damage.

SOURCE: PM:017 Identify consumer protection provisions of appropriate agencies

SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

75. C

A government agency that regulates advertising. Since promotional materials are a form of advertising, a government agency that regulates advertising is most likely to have laws in place to protect the consumer. Product safety agencies help ensure the safety of products by setting safety standards and requiring manufacturers to test products and provide safety warnings. Highway safety agencies regulate the safety of automobiles by investigating safety defects and recalling vehicles with safety problems. Agencies regulating financial products work to make financial products safe for consumers by educating them and by supervising banks and financial service providers.

SOURCE: PM:017 Identify consumer protection provisions of appropriate agencies

SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

76. B

Associating an artificial sweetener with sugar. Positioning is a product mix strategy in which a business creates a certain image or impression of a product in the minds of consumers. One strategy businesses might use to position their products is by associating the good or service with a particular product category. Sugar, artificial sweeteners, and certain herbs are items that people use to sweeten foods and beverages to enhance their taste. Emphasizing a warranty is using a product benefit to position the car. A business that focuses on value is using price to position its products. When a resort communicates information about its luxury services, it is using quality to position its product.

SOURCE: PM:042 Describe factors used by marketers to position products/services

SOURCE: LAP-PM-042—Getting Piece of Mind (Factors Used To Position Products/Services)

77. C

Preference. Brands usually pass through successive stages of brand loyalty, which is customers' allegiance to a particular brand. Brand preference is when consumers prefer to purchase a certain brand based on their positive experience with the brand. However, if that brand is not available, the consumer will purchase another brand. Brand recognition is when consumers become aware of a brand and know a bit about it. And when consumers insist on "their" brand and will not accept a substitute, the brand has reached brand insistence. Only that particular brand will satisfy a customer for a given purpose. A brand mark is a distinctive symbol, design, sound, or group of letters that is seen or heard but cannot be spoken.

SOURCE: PM:021 Explain the nature of product/service branding

SOURCE: LAP-PM-021—It's a Brand, Brand, Brand World! (Nature of Product Branding)

78. C

Offering small service gestures that don't cost a lot of money. Small, inexpensive service gestures, such as a free email newsletter, amount to big impressions about what a business has to offer without costing much money. It is unreasonable to expect small businesses to not charge customers for a portion of customer service because they would quickly go under. Computers can handle customer service more quickly than a manual method, thereby increasing customer satisfaction. Establishing a customer service department is not practical for many small businesses, because it involves a large investment in human labor, money, and store space.

SOURCE: PM:013 Explain the role of customer service in positioning/image

SOURCE: LAP-PM-913—Customer Service Supersized (The Role of Customer Service in Positioning/Image)

79. C

Private. A private brand is owned by the intermediary (retailer, wholesaler, or other distributor) that sells the brand rather than the manufacturer. Private brands are sometimes called private labels, store brands, or distributor brands. Corporate brands are all the combined customer impressions and experiences associated with a particular company. Value and business brands are not terms typically used to refer to private brands.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: LAP-PM-206—Corporate Identity (Nature of Corporate Branding)

80. D

Products. A corporate brand is all the combined customer impressions and experiences associated with a particular company. Positioning involves creating the desired image or impression in the minds of consumers. Many factors affect positioning decisions. An important factor to consider is the type of products that the company offers. For example, a service business offers intangible activities, so it might position itself by emphasizing its employees' knowledge and expertise. On the other hand, a manufacturer offers tangible goods, so it might consider the quality of the materials that it uses to produce the goods. Trade characters and trademarks are branding elements that companies use to reinforce brand awareness. Buyers are employees who purchase merchandise and/or supplies for their employers. A company's positioning goals influence the type of merchandise that the buyers purchase.

SOURCE: PM:207 Describe factors used by businesses to position corporate brands

SOURCE: Lake, L. (2019, November 20). *How to develop your brand strategy*. Retrieved September 16, 2021, from <https://www.thebalancesmb.com/how-to-develop-your-brand-strategy-2295187>

81. B

Customer touchpoint. A customer touchpoint is any encounter in which a business and a customer engage. In this example, Marcy's live chat with a service representative would be considered a customer touchpoint to VaccuFresh—not a marketing strategy, customer analysis, or advertising success.

SOURCE: PM:277 Identify customer touch points

SOURCE: Walters, J. (2020). *What a customer touchpoint is (and why you should care)*. Retrieved September 16, 2021, from <https://experienceinvestigators.com/customer-touchpoint/>

82. A

Promotion. Promotion is personal if it involves contact between people, and it is nonpersonal if other means of communicating the message are used. Message channels are the media used by sellers to promote goods, e.g., radio, television. Demand is the quantity of a good or service that buyers are ready to buy at a given price at a particular time. Cultural trends are the direction of changes in people's beliefs, behavior patterns, and attitudes.

SOURCE: PR:001 Explain the role of promotion as a marketing function

SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

83. B

Geographical location of the market. A company would advertise nationally to deliver a promotional message to customers who are widely scattered. Neither radio nor magazines would bring customers into face-to-face contact. A product with technical aspects would require personal selling. If the company's promotional funds were limited, it could not afford national advertising.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

84. D

An author appears on a talk show to discuss their new book. Publicity is a nonpersonal form of promotion that is not paid for by the company or individual that benefits from or is harmed by it. A radio announcer delivering a paid nonpersonal message is an example of advertising. Free samples and a fashion show are examples of sales promotion activities designed to stimulate consumer purchases.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

85. B

A television station runs several beer commercials during prime-time viewing hours. Prime-time viewing hours on television are considered time slots that are geared to families. As a result, offensive, violent, and sexual content are often limited at these times. Some might find promoting beer to families and/or minors during this time unethical. The examples consisting of a sweepstakes promotion, advertisement placements, and public service announcements do not provide enough information to determine if unethical behavior has been exhibited.

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

SOURCE: Management Study Guide. (2021). *Ethics in advertising*. Retrieved September 21, 2021, from <https://www.managementstudyguide.com/advertising-ethics.htm>

86. A

Advertising goods even though there isn't enough stock to meet expected demand. Advertising for goods or services when a company knows it will not have enough inventory to meet expected demand is unethical and deceptive. Representing goods and services accurately and truthfully and requiring salespeople to adhere to company ethics policies are both examples of ethical sales practices.

Publishing a job listing even though the position will be filled by a current employee may be unethical and deceptive, but it's not an example of a sales practice.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: FindLaw. (2016, June 20). *Details on state deceptive trade practices*. Retrieved September 28, 2021, from <https://statelaws.findlaw.com/consumer-laws/details-on-state-deceptive-trade-practices.html>

87. B

Program sponsorships. Program sponsorship is broadcast advertising in which one advertiser sponsors an entire show, including its production costs, without sharing commercial time. Spot announcements are presented between shows and originate from the local station rather than the network. Promotional media consist of any channels of communication used by businesses for delivering advertising messages to target groups of consumers. Participation shows involve the purchase of commercial time by several different advertisers within the same program.

SOURCE: PR:007 Explain types of advertising media

SOURCE: LAP-PR-003—Ad-quipping Your Business (Types of Advertising Media)

88. C

Amplified word-of-mouth. Amplified word-of-mouth marketing occurs when a marketer launches a campaign to accelerate or encourage existing word-of-mouth marketing. Organic word-of-mouth marketing is natural promotion and publicity for a business provided by customers who tell others of their satisfaction with the business. Cause marketing involves cooperation with a nonprofit organization and benefits both parties. Opt-in email marketing takes place when a company sends electronic promotional messages with a recipient's permission, allowing the recipient to request removal from the subscriber list at any time.

SOURCE: PR:247 Describe word-of-mouth channels used to communicate with targeted audiences

SOURCE: Sonntag, J. (2020, October 14). *Word-of-mouth marketing: How to create an impactful strategy*. Retrieved October 21, 2021, from <https://www.act.com/blog/gb/word-of-mouth-marketing-strategy/>

89. B

Point-of-sale marketing. Point-of-sale marketing is marketing that occurs at the location where products are sold to the final consumer. A display of candy bars in the checkout aisle is an example of point-of-sale marketing. A free-standing insert is a piece of paper that is placed in a newspaper or magazine, usually containing marketing materials such as coupons. A sweepstakes is a type of contest in which prizes are awarded to winners. Trade-in promotions allow customers to trade a used product for cash or gift cards.

SOURCE: PR:249 Identify communications channels used in sales promotion

SOURCE: Marketing-Schools.org. (2020, November 25). *Point-of-sale marketing*. Retrieved September 16, 2021, from <https://www.marketing-schools.org/types-of-marketing/point-of-sale-marketing.html>

90. D

Sales promotions typically have a limited time frame, whereas advertising is ongoing. Sales promotions are generally short-term in nature and are intended to sell as many products as possible within a specific time frame. Advertising, on the other hand, is a long-term activity that takes place in various places and at various times to communicate a desired message. Advertising can be subtle and indirect, whereas promotions are generally to the point and clear. While similar, advertising and sales promotions are not the same thing.

SOURCE: PR:249 Identify communications channels used in sales promotion

SOURCE: Quain, S. (2019, March 7). *Difference between advertising and sales promotions*. Retrieved October 21, 2021, from <https://smallbusiness.chron.com/difference-between-advertising-sales-promotions-3377.html>

91. A

Product in an appropriate setting. There are many ways that illustrations in advertisements can be used to attract attention and create desire for products. One way is to use illustrations that focus on the product in an appropriate setting. A photograph of tents in a forest shows the product in a setting in which it would normally be used. Illustrations showing the positive results of using the product are focusing on the benefits of using the product. Illustrations showing someone actually using the product are focusing on the product in use. Illustrations showing specific details or features rather than the product as a whole are focusing on the product's details and features.

SOURCE: PR:014 Explain the components of advertisements

SOURCE: EyeEm. (n.d.). *How to use images effectively in your brand marketing and design*. Retrieved September 16, 2021, from <https://www.eyem.com/blog/99-designs-use-images-effectively-brand-marketing-design>

92. C

White space. White space is essential because it separates images on the page, keeps the page from looking cluttered and messy, and makes the advertisement clearer. White space could help the furniture store's ad look less busy. More fonts would probably make the ad look busier and would not necessarily help the readers know where to focus. Logos and graphics would not necessarily help the ad be less busy.

SOURCE: PR:251 Explain the importance of coordinating elements in advertisements

SOURCE: Denver Digital. (2020, March 13). *The importance of white space in advertising*. Retrieved October 21, 2021, from <https://denverdigital.com/blog/2020/04/10/the-importance-of-white-space-in-advertising/>

93. B

Crisis management. Crisis management is a public relations strategy that involves the ongoing managing, planning, and coordinating of resources to handle undesirable situations or circumstances. Market segmentation is the process of dividing a total market into smaller, specific groups. Territory development refers to the expansion of a selling area. Talent acquisition is the process of finding and hiring employees.

SOURCE: PR:252 Identify types of public-relations activities

SOURCE: Lamb, C.W., Hair, J.H., Jr., & McDaniel, C. (2019). *MKTG* (12th ed.) [Lesson 16-5a]. Boston, MA: Cengage Learning, Inc.

94. A

Media. A business's public relations department is responsible for establishing and maintaining good relations between the business and the public. The public often consists of external audiences such as customers, local businesses, the media, and local residents. The public also consists of internal audiences such as employees, managers, shareholders, and boards of directors. An important aspect of the public relations function is communicating information about the business to the public. An effective way of communicating to many of the business's audiences and obtaining publicity is through the media—television, radio, newspapers, etc. By sending press releases or holding press conferences, the business can obtain publicity about its new products, community service projects, expansion plans, etc.

SOURCE: PR:253 Discuss internal and external audiences for public-relations activities

SOURCE: Wolf, L. (2021, January 18). *Press releases and their purpose*. Retrieved September 21, 2021, from <https://www.thebalancesmb.com/what-is-a-press-release-3515529>

95. D

Customer service. You may think that if you offer a product with the best price and the best quality, you'll beat all the competition. Unfortunately, price and quality can be easily matched among competitors. Customer service is where the real competition among businesses begins. This example demonstrates the importance of excellent customer service, not product quality, price matching, or employee discipline.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

96. A

Talk to your supervisor regarding the situation. Selling policies are general rules established to guide the selling effort, and they need to be a bit flexible so an occasional exception can be made. In this situation, being flexible may help you satisfy your largest customer and keep their business. By stating that you did not set the policy, you are not offering the client assistance at all. Spending time selling the client something else does not resolve the current problem. Enforcing the current policy offers no type of solution or assistance to the client.

SOURCE: SE:932 Explain company selling policies

SOURCE: LAP-SE-932—Sell Right (Selling Policies)

97. B

Stick with the facts during a sales presentation. An ethical salesperson tries to stick to the facts during sales presentations instead of misleading customers or badmouthing competitors. Ethical salespeople don't make decisions based on what works best right now; instead, they make decisions based on what's right. Ethical salespeople also don't manipulate potential customers or fudge expense reports.

SOURCE: SE:106 Explain legal and ethical considerations in selling

SOURCE: LAP-SE-106—Keep It Real—In Sales (Legal and Ethical Considerations in Selling)

98. B

Obvious. Obvious or apparent benefits are advantages that need little explanation by the salesperson. The customer already knows, or can easily recognize, the benefit. A speaker system that is waterproof has the obvious benefit of being able to get wet, and salespeople do not necessarily need to inform customers of this benefit. Unique or exclusive benefits are advantages that are available only from your good, service, or business. Krista's waterproof speakers are probably not the only speakers that are waterproof, so this example does not demonstrate an exclusive benefit. Hidden benefits are advantages that cannot be seen or understood without the assistance of a salesperson. In this example, the benefit of waterproof speakers is clear and easily understood. "Unfamiliar" is not a term generally used to describe types of product benefits.

SOURCE: SE:109 Analyze product information to identify product features and benefits

SOURCE: LAP-SE-109—Find Features, Boost Benefits (Feature-Benefit Selling)

99. B

Discovering customer needs. The second phase of the selling process involves discovering customer needs and wants. When customers do not know precisely what they are looking for, a salesperson must be prepared to discover their needs. Assessing customer needs is important because it often reduces the amount of selling time required. Establishing relationships with customers is the first phase of the selling process and may include creating a good impression of the business. Prescribing possible solutions is the third phase of the selling process and takes place after salespeople have discovered customer needs.

SOURCE: SE:048 Explain the selling process

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

100. A

Post-purchase. It is common for customers to question their purchasing decisions after they purchase goods. Most consumers do not second-guess their decisions before the need for a product is identified or during the pre-purchase or during-purchase stages, because they have not yet purchased any goods.

SOURCE: SE:359 Discuss motivational theories that impact buying behavior

SOURCE: Scott, T. (2021). *Buyer's remorse: Understanding this seemingly irrational behavior*.

Retrieved September 21, 2021, from <https://www.bidsketch.com/blog/sales/buyers-remorse/>