

Competency-Based  
Competitive Events  
\*Written Exam\*

Test Number 985  
Booklet Number \_\_\_\_\_

# Marketing Management

**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.

This comprehensive exam was developed by the MarkED Resource Center. Items have been randomly selected from the MarkED Resource Center's Test-Item Bank and represent a variety of instructional areas. Competencies for this exam are at the prerequisite, career-sustaining, marketing specialist, marketing supervisor, and manager levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.

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1. "In order to form my business, I used all of my savings, borrowed from the bank, and I'm personally liable for all of the debts." This is an example of which of the following forms of business ownership:
  - A. Cooperative
  - B. Partnership
  - C. Corporation
  - D. Sole proprietorship
2. Trade regulations have a significant effect on the way that companies do business
  - A. with competitors.
  - B. with creditors.
  - C. in local communities.
  - D. in other countries.
3. A large chain often transports shipments of goods from one location to another by using its own
  - A. trucks.
  - B. planes.
  - C. cars.
  - D. rail carriers.
4. What effect does the technology of digital money have on the distribution function?
  - A. Improves cash flow
  - B. Increases productivity
  - C. Creates virtual reality
  - D. Manages information
5. Which of the following is a reason why requiring manufacturers to pay slotting allowances might be considered unethical:
  - A. Restricts the amount of available commission
  - B. Promotes cooperation in distribution channels
  - C. Eliminates competition from the grey market
  - D. Creates an unequal opportunity to distribute products
6. Which two groups in the soft goods industry have experienced decades of conflict in their relationship in the channel of distribution?
  - A. Manufacturers and suppliers
  - B. Suppliers and customers
  - C. Customers and retailers
  - D. Manufacturers and retailers
7. What are the primary factors that a fresh produce supplier needs to consider when selecting a transportation carrier?
  - A. Technological advancements and time
  - B. Transit time and reliability
  - C. Understocks and shipping costs
  - D. Shipping costs and form utility
8. One factor that a producer considers when measuring the performance of its intermediaries is
  - A. raw materials.
  - B. manufacturing costs.
  - C. stock turnover.
  - D. prime-lending rates.
9. Which of the following is not a tool that people use when participating in discussions:
  - A. Sharing a personal experience
  - B. Pointing out missing information
  - C. Building on someone else's comment
  - D. Helping the group summarize what's been said
10. Before preparing a complex written report to management, you should first determine exactly
  - A. what effects the report might have.
  - B. how long the report will be.
  - C. what management needs or wants to know.
  - D. how you will be rewarded.
11. Which of the following is a benefit of providing employees with clear and precise instructions for completing job tasks:
  - A. Reduces output
  - B. Saves time
  - C. Stops rumors
  - D. Improves feedback
12. What type of issues should a manager schedule to discuss early in a staff meeting?
  - A. Standard
  - B. Procedural
  - C. Controversial
  - D. Routine

13. Employees' explaining the proper way to use a particular product to a customer who is interested in buying the item is an example of handling a customer
- A. inquiry.
  - B. complaint.
  - C. objection.
  - D. protest.
14. Rich works the cash register at a retail store. The store is unusually busy today, and Rich's line has grown long. A woman at the back of the line remarks loudly, "This is absolutely ridiculous!" This is an example of a(n) \_\_\_\_\_ customer.
- A. argumentative
  - B. domineering/superior
  - C. impatient
  - D. leave-me-alone
15. A business that begins selling winter holiday decorations in late autumn is creating \_\_\_\_\_ utility.
- A. time
  - B. place
  - C. form
  - D. possession
16. As prices increase, the quantity supplied will generally
- A. vary.
  - B. decrease.
  - C. stay the same.
  - D. increase.
17. Service businesses that use goods in order to perform their services usually do not transfer \_\_\_\_\_ those goods to customers.
- A. benefits from
  - B. usefulness of
  - C. ownership of
  - D. information about
18. Although private enterprise is a productive economic system, a problem it has not been able to eliminate is
- A. poverty.
  - B. competition.
  - C. freedom.
  - D. profit.
19. Jim is a chef. This is an example of specialization by
- A. depth.
  - B. stage of production.
  - C. task.
  - D. trade or profession.
20. When consumer spending is high, the economy usually is in a(n)
- A. inflationary period.
  - B. depression.
  - C. growth stage.
  - D. recession.
21. The government can restrict the flow of money by
- A. increasing purchases.
  - B. lowering interest rates.
  - C. raising taxes.
  - D. increasing employment.
22. Besides having a clear understanding of what you want from negotiation, it is important to also know
- A. how long negotiation is expected to take.
  - B. what the other person wants.
  - C. how many people you will be negotiating with.
  - D. who will be required to implement the outcome of the negotiation.
23. Which of the following is not a true statement about leadership:
- A. Anyone can be a leader.
  - B. Leadership can be studied and practiced.
  - C. Leaders are typically good managers.
  - D. Leaders are born, not made.
24. What type of situation requires a person to immediately adapt to new circumstances without preparation?
- A. Emergency
  - B. Welcomed
  - C. Anticipated
  - D. Transitional

25. When managers recognize employees for their efforts and contributions, the recognition should be  
A. written. C. personalized.  
B. verbal. D. private.
26. Human relations can best be described as the study of the ways people  
A. form and express opinions. C. handle communication.  
B. form and conduct relationships. D. develop personal styles.
27. An advantage of developing strong political relationships within an organization is that it creates  
A. acceptance. C. opposition.  
B. reciprocity. D. compromise.
28. The type of financing businesses use most frequently for the purchase of resale goods is  
A. trade credit. C. long-term credit.  
B. a credit union. D. a trade association.
29. One reason for establishing investment goals and objectives is to  
A. maintain good credit. C. avoid a tax liability.  
B. build financial worth. D. evaluate cash flow.
30. What components must "balance" in a balance sheet?  
A. Assets plus liabilities should equal net profit.  
B. Income plus expenses should equal owner's equity.  
C. Assets minus liabilities should equal owner's equity.  
D. Income minus expenses should equal owners' equity.
31. Calculate a business's cash receipts if it has \$12,450 in sales, earns \$78 in interest, collects \$625 in sales tax, and owns \$5,700 worth of equipment.  
A. \$17,150 C. \$18,853  
B. \$13,153 D. \$12,528
32. The "Let's Go Nuts" coffee shop brings in \$68,000 in sales during the year. Its cost of goods sold totals \$42,000, and its operating expenses are \$27,000 for the same year. What is the net income or net loss for the coffee shop?  
A. \$41,000 net loss C. \$1,000 net loss  
B. \$26,000 net income D. \$1,000 net income
33. Calculate the total that a travel agent will invoice a customer for a trip based on the following information: \$187.50 airfare plus 6% tax, and three nights' hotel accommodations at \$93 per night plus 12% tax.  
A. \$488.91 C. \$511.23  
B. \$494.49 D. \$522.48
34. When developing an operating budget, a business estimates total expenses and sales for a period of time in order to predict  
A. cash flow. C. net worth.  
B. gross profit. D. market price.
35. A business that plans to expand operations might use its profit-and-loss statement as the basis for  
A. paying a dividend. C. obtaining a loan.  
B. increasing salaries. D. offering discounts.
36. One procedure for determining future hiring needs involves analyzing  
A. formal training. C. job security.  
B. merit pay. D. sales volume.

37. What would be the most effective way to terminate an employee who is consistently tardy, frequently in conflict with other employees, and does not always follow company rules and regulations?
- A. Do not schedule the employee to work until the behavior improves.
  - B. Document all infractions and personally explain the reasons for dismissal.
  - C. Ask the employee if there is some particular reason for the behavior.
  - D. Threaten the employee with dismissal in the near future.
38. As a supervisor for a large business, you are to conduct an orientation for new hourly employees. Which of the following would you include in your orientation:
- A. Work station training
  - B. A pre-employment test
  - C. Tour of facility
  - D. Appraisal of performance
39. What is the most common type of employee training?
- A. On-the-job training
  - B. Group training
  - C. Job rotation
  - D. Workshops and seminars
40. Most often, informal recognition or praise by managers renews an employee's \_\_\_\_\_ in the workplace.
- A. motivation
  - B. distraction
  - C. flexibility
  - D. apathy
41. What approach to managing people is intended to discourage further violations of company rules after infractions have already occurred?
- A. Termination-at-will
  - B. Corrective
  - C. Preventive
  - D. Open-door management
42. What is one way that businesses use marketing information?
- A. To purchase brands
  - B. To monitor customers
  - C. To change promotions
  - D. To handle objections
43. In which of the following ways can a producer take advantage of information about an expanding market:
- A. By laying off employees
  - B. By deleting current product lines
  - C. By increasing production
  - D. By buying risk protection insurance
44. Which of the following is an example of secondary data that a business can access from the Internet:
- A. E-mail surveys
  - B. Confidential customer profiles
  - C. Online library
  - D. Customer software programs
45. When developing a marketing-information management system, businesses consider which employees will have access to the system because it often contains
- A. general statistics.
  - B. confidential information.
  - C. marketing data.
  - D. professional objectives.
46. What do many businesses use to organize marketing information into a format that enables the businesses to analyze various relationships?
- A. Indexes
  - B. Clusters
  - C. Matrices
  - D. Databases
47. Which one of the following is not an example of advertising research:
- A. Cosmopolitan collecting information about its subscribers by sending a survey
  - B. IBM obtaining data on broadcast advertising from the Arbitron Ratings Company
  - C. Kellogg's sending a small sample box of cereal in the mail
  - D. Daimler Chrysler using a consumer panel to evaluate its ads for a new automobile
48. Which of the following is an example of a durable good:
- A. Haircut
  - B. CD player
  - C. Shampoo
  - D. Pizza

49. A business that produces high-quality products advertises them at a high price in national magazines and sells them at discount stores. Which part of the business's marketing mix is inappropriate?
- A. Product
  - B. Price
  - C. Place
  - D. Promotion
50. The Executive Image is considering expanding its line of laptop computers. Which segmentation method should management use to find out why their customers buy laptop computers?
- A. Geographic
  - B. Behavioral
  - C. Demographic
  - D. Psychographic
51. Businesses identify market segments by dividing consumers into groups that have
- A. similar characteristics.
  - B. financial needs.
  - C. inconsistent values.
  - D. unusual interests.
52. An important aspect of marketing planning involves a(n)
- A. sales forecast.
  - B. internal assessment.
  - C. time measurement.
  - D. creative process.
53. Which of the following is a factor in the internal environment that a business should consider when conducting a situational analysis:
- A. Local populations
  - B. Advertising regulations
  - C. Industry trends
  - D. Pricing strategies
54. Which of the following marketing strategies focuses on opportunities that are a good match with the business's strengths:
- A. W-T
  - B. S-T
  - C. W-O
  - D. S-O
55. Why is it important for businesses to analyze the competition on a regular basis?
- A. To determine ways to compete
  - B. To eliminate competitors
  - C. To understand laws regulating competition
  - D. To compete on an ethical basis
56. Deciding that the business will work to obtain 25% of the market share by the year 2007 is an example of a business setting a(n)
- A. sales quota.
  - B. marketing objective.
  - C. purchasing schedule.
  - D. inventory goal.
57. Before developing a business plan, entrepreneurs or potential business owners should
- A. implement the marketing plan.
  - B. obtain financial support.
  - C. gather past sales reports.
  - D. collect necessary information.
58. Businesses evaluate the performance of their marketing plans by comparing the results with the original marketing
- A. alternatives.
  - B. strategies.
  - C. priorities.
  - D. objectives.
59. Which of the following are characteristics of a good marketing audit:
- A. Periodic and biased
  - B. Comprehensive and systematic
  - C. Independent and simple
  - D. Confidential and subjective
60. Learning to lift objects properly is most likely to prevent injury to your
- A. back.
  - B. legs.
  - C. arms.
  - D. knees.

61. Business employees should follow set policies for accepting personal checks and credit cards in order to prevent
- A. internal theft.
  - B. price-ticket switching.
  - C. point-of-sale fraud.
  - D. recordkeeping fraud.
62. In which of the following situations should a business plan to allocate more than the estimated time for employees to complete a project:
- A. Employees usually work at their own pace.
  - B. Many of the employees are nearing retirement.
  - C. The project requires guidance from management.
  - D. Several projects are being done at the same time.
63. Which of the following is necessary to the actual production of goods and services:
- A. Capital resources
  - B. Consumers
  - C. Utility
  - D. Fiscal control
64. The sportswear department ran out of shirt boxes, and the salespeople began using large dress boxes for all purchases. The supervisor could have prevented this situation by
- A. monitoring the inventory of supplies.
  - B. eliminating the use of boxes.
  - C. buying large quantities of boxes.
  - D. informing the store manager.
65. A business's full-time warehouse employee resigned and the business decided to hire two part-time employees to each work four hours a day, five days a week. Calculate the savings to the business for a four-week period if the full-time employee earned \$650 a week and the part-time employees will be paid \$12.50 an hour.
- A. \$550
  - B. \$600
  - C. \$500
  - D. \$650
66. Housekeeping responsibilities in a business include making sure that the
- A. records are properly kept.
  - B. employees come to work on time.
  - C. safety rules are obeyed.
  - D. customer area is orderly.
67. Which of the following is an example of a flexible 40-hour weekly schedule in which employees are required to be on the job from 10:00 a.m. to 2:00 p.m., Monday through Friday:
- A. Jim works 7:00 a.m. to 3:00 p.m.
  - B. Bob works 11:00 a.m. to 7:00 p.m.
  - C. Sue works 7:00 a.m. to 12:00 and 2:30 p.m. to 5:30 p.m.
  - D. Mary works 11:00 a.m. to 3:00 and 4:00 p.m. to 8:00 p.m.
68. Which of the following would be most likely to help an individual to reach a personal goal:
- A. Estimating the cost of achieving the goal
  - B. Having a specific plan of action
  - C. Stating the goal in general terms
  - D. Setting the goal at a very high level
69. As Jack is filling a customer's order, a new shipment arrives. He stops what he is doing to check the new items. When the customer arrives to pick up the order, s/he is upset to find that it has not been filled. Which of the following time-management steps did Jack fail to use:
- A. Prioritizing activities
  - B. Identifying objectives
  - C. Reviewing and updating plans
  - D. Preparing a weekly master list
70. When a job applicant sends a job interview follow-up letter, the most important message it gives the business's interviewer is that the job applicant
- A. has a lot of free time.
  - B. is trying to impress the interviewer.
  - C. is genuinely interested in the business.
  - D. has a nice personality.
71. Which of the following often determines trade association dues:
- A. Business location
  - B. Number of employees
  - C. Business ownership
  - D. Age of business

72. Which of the following technological tools helps a businessperson quickly determine the total amount of money that a customer owes for an order:
- A. Neo-transmitters
  - B. Graphic design software
  - C. Computer chips
  - D. Handheld calculator
73. If sales of a particular product increase, and producers make more of the product, a business selling the product is likely to \_\_\_\_\_ of the product.
- A. lower the price
  - B. discontinue the sale
  - C. raise the price
  - D. buy more
74. The primary products of such businesses as banks and insurance companies are
- A. tangible goods.
  - B. pure services.
  - C. concept goods.
  - D. private brands.
75. Which of the following is a technologically advanced method that allows businesses to produce products that are specialized for a very few customers:
- A. Automatic production
  - B. Mass customization
  - C. Computerized robotics
  - D. Intermittent conversion
76. Identifying new product opportunities usually requires a person to be
- A. decisive.
  - B. emotional.
  - C. aware.
  - D. indifferent.
77. Which of the following skills is necessary when generating product ideas:
- A. Creative-thinking
  - B. Empathy
  - C. Mind-mapping
  - D. Ethics
78. Which of the following is an internal method that a company uses to facilitate ongoing product and market opportunity recognition:
- A. Vendor surveys
  - B. Customer interviews
  - C. Task force meetings
  - D. Association membership
79. The tag attached to a microwave oven states that the manufacturer is responsible for any defects in the product and will replace or repair the product if faulty. This statement is an example of a
- A. guaranty.
  - B. guarantee.
  - C. warrant.
  - D. warranty.
80. RingoMaster Pharmaceuticals produced a new cough syrup for children that tasted like sweet strawberries. The label placed on the bottle of the product was colorful and attractive. The product container had an easy-to-open twist cap with no child-proof features. Even though the product was successful and received great responses from consumers, a product analysis from a major network criticized the firm for neglecting to prevent poisoning with its packaging. What consumer protection law applies to this situation?
- A. Consumer Product Safety Act
  - B. Fair Packaging and Labeling Act
  - C. Magnuson-Moss Warranty Act
  - D. Federal Food, Drug, and Cosmetic Act
81. Which of the following is an example of a product item:
- A. Health and beauty aids
  - B. An assortment of frozen foods
  - C. Men's apparel
  - D. Cheeseburgers
82. A business that identifies products to sell that fill customer needs is making a \_\_\_\_\_ decision.
- A. line extension
  - B. product mix
  - C. customer service
  - D. quality control



83. Which of the following can be classified as profit services that a business may offer customers:
- A. Playrooms, information desks, and ample parking
  - B. Exhibits, sponsorships, and lectures
  - C. Fashion shows, gift wrapping, and layaway
  - D. Restaurants, rentals, and insurance
84. What elements of the marketing mix are being used when a business positions a product by using high price as a sign of quality?
- A. Price and promotion
  - B. Price and product
  - C. Price only
  - D. Price and place
85. How do companies make brand promises to their customers?
- A. They provide customers with a sworn statement.
  - B. They meet or exceed customer expectations on a consistent basis.
  - C. Salespeople verbally make brand promises to each customer.
  - D. They fulfill special requests for customers.
86. A brand should be developed in a way that will capitalize on the small business's
- A. productivity.
  - B. strengths.
  - C. weaknesses.
  - D. liabilities.
87. Consumers may be hesitant to believe information in ads for a good or service because advertising
- A. is intended to be misleading.
  - B. is necessarily biased.
  - C. raises the price of the product.
  - D. is directed toward a mass audience.
88. A famous woman was killed in a traffic accident while not wearing a seat belt. Marketers plan to use her image in a road safety, seat belt campaign. What is one ethical issue that the marketers should consider?
- A. Will the campaign imply that she was responsible for her own death?
  - B. Will the public forget the circumstances of the accident?
  - C. Will everyone know about the accident?
  - D. Will it be difficult to find appropriate pictures for the campaign?
89. What is one way that businesses are using technology to promote their products?
- A. Electronic scheduling
  - B. Web-site advertising
  - C. Digital processing
  - D. Online-media planning
90. A local, exclusive business is having a sale. Which of the following advertising media would be most effective in promoting the sale to the business's clientele:
- A. Broadcast
  - B. Direct mail
  - C. Magazine
  - D. Out-of-home
91. What is the purpose of the following headline for a brand of cream cheese: "If you have 10 minutes to kill, you can make a cheesecake to die for"?
- A. To inform readers about the product
  - B. To arouse the curiosity of customers
  - C. To induce readers to take action
  - D. To provide continuity to a series of ads in a campaign
92. When selecting products to be promoted, a business should make sure that it can support the promotion with sufficient
- A. time.
  - B. employees.
  - C. stock.
  - D. money.
93. A selling technique that salespeople need to develop to be effective is the ability to
- A. use technical terms.
  - B. handle customer objections.
  - C. manage time.
  - D. be motivated to work.

94. Why would a business develop policies to limit the amount of money that salespeople could spend taking customers to lunch or dinner?
- A. To increase salaries
  - B. To expand entertainment
  - C. To control expenses
  - D. To improve advertising
95. An advantage to businesses of using mapping software to create sales territories is that the software allows the businesses to
- A. view geographic characteristics.
  - B. assign specific salespeople.
  - C. experiment based on various criteria.
  - D. develop travel routes.
96. Which of the following is a reason why it is important for salespeople to obtain selling information from company promotional material:
- A. To prepare attractive visual displays
  - B. To organize the arrangement of inventory
  - C. To assist buyers in deciding what to order
  - D. To help customers make good buying decisions
97. When salespeople explain the benefits of a product, they are answering which of the following questions for customers:
- A. What is the warranty?
  - B. What is it?
  - C. What is the price?
  - D. What's in it for me?
98. What is an environmental factor that sales managers consider when developing selling policies?
- A. Sales quotas
  - B. Market demand
  - C. Staff personalities
  - D. Compensation system
99. A business has an opportunity to buy out one of its competitors, and a management meeting is scheduled to discuss this possibility. Which of the following management levels would be represented at the meeting:
- A. All levels
  - B. Mid-level
  - C. Top-level
  - D. First-line
100. Which of the following statements is true regarding business plans:
- A. A corporation is the only legal form of business ownership that should develop a business plan.
  - B. The operating plan details information regarding the business's services.
  - C. Lending institutions do not usually require loan applicants to submit a business plan.
  - D. Owners often use business plans as a tool to help them achieve their objectives.