

Marketing Cluster Exam

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. One business promising to do something for another business in return for receiving compensation is an example of a
 - A. partnership.
 - B. benefit.
 - C. contract.
 - D. guarantee.
2. Which of the following is an activity covered by environmental regulations that affects businesses:
 - A. Counseling substance abusers
 - B. Identifying natural resources
 - C. Adapting to worker safety
 - D. Disposing of hazardous waste
3. Retailers perform an important channel activity by negotiating with consumers on issues such as
 - A. delivery.
 - B. risk-taking.
 - C. promotion.
 - D. manufacturing.
4. Major brands of soft drinks are produced and distributed through local and regional bottling companies that then sell the soft drinks to retail supermarkets where consumers can purchase them. The channel of distribution these soft-drink companies use is
 - A. indirect.
 - B. wholesale.
 - C. retail.
 - D. direct.
5. Which of the following is a technological tool that connects businesses with their suppliers and customers:
 - A. Firewall
 - B. Extranet
 - C. Filter
 - D. Intranet
6. A business taking back its used products and recycling or properly disposing of those products is an example of the ethical practice of _____ distribution.
 - A. closed
 - B. internal
 - C. joint
 - D. reverse
7. As a result of effectively coordinating distribution with other marketing activities, a business is often able to provide
 - A. free delivery.
 - B. attractive product displays.
 - C. good customer service.
 - D. flexible credit terms.
8. Which of the following is a form of verbal communication between individuals:
 - A. Facial expression
 - B. Body posture
 - C. Listening
 - D. Eye contact
9. Betty Clark asks Dave Jones to handle her calls while she is away from her desk. If Betty's telephone rings, Dave should answer it by saying
 - A. "May I help you?"
 - B. "Dave Jones' desk."
 - C. "Hello."
 - D. "Betty Clark's desk."
10. Which of the following steps should be completed first when preparing a written communication:
 - A. Editing the communication to make sure it is clear
 - B. Determining the major purpose of the communication
 - C. Organizing the information to be presented in the communication
 - D. Selecting the details that should be included in the communication
11. When writing routine informational messages, businesspeople should present the information in a(n) _____ way.
 - A. technical
 - B. straightforward
 - C. persuasive
 - D. attention-getting

12. What should you include in a persuasive message to support your statements?
 - A. Personal opinion
 - B. Educated guess
 - C. Simple language
 - D. Logical evidence
13. The owner of Bob's Bargains has prepared a one-page report to inform the staff about current sales volume. This is an example of a(n) _____ report.
 - A. analytical
 - B. complex
 - C. activity
 - D. informal
14. What type of customer would say, "Your vegetables are never fresh"?
 - A. Leave-me-alone
 - B. Suspicious
 - C. Complaining
 - D. Slow/Methodical
15. The goal of determining a sampling plan is to identify an accurate segment of the
 - A. mass audience.
 - B. business community.
 - C. target population.
 - D. general market.
16. The amount of a product that producers are willing to make is most affected by
 - A. place utility.
 - B. product utility.
 - C. consumer demand.
 - D. producer demand.
17. What is the business activity that provides information as to whether a business can afford to hire more employees?
 - A. Financial analysis
 - B. Strategic management
 - C. Marketing
 - D. Production
18. All of the potential losses to which a business is exposed are called
 - A. business risks.
 - B. property damage.
 - C. embezzlement.
 - D. shipment losses.
19. Which of the following is not a reason that regulatory laws are passed:
 - A. To control what businesses are allowed to do
 - B. To increase sales for businesses
 - C. To require businesses to meet certain standards
 - D. To prohibit certain kinds of business activities
20. The three categories of membership in a craft/trade union are
 - A. novice, journeyman, and owner.
 - B. novice, laborer, and supervisor.
 - C. apprentice, journeyman, and owner.
 - D. apprentice, journeyman, and master.
21. Which of the following is a reason why many corporations locate their factories and businesses in foreign countries:
 - A. Low labor costs in their home countries
 - B. Unfavorable monetary policies
 - C. Lack of cooperative trade agreements
 - D. Reduced transportation costs
22. Which of the following accurately reflects the relationship between traditional intelligence and emotional intelligence:
 - A. Only traditional intelligence can be measured accurately with a written test.
 - B. Emotional intelligence cannot be increased, but traditional intelligence can be.
 - C. Neither traditional nor emotional intelligence promote a person's career success.
 - D. A high level of traditional intelligence results in a high level of emotional intelligence.
23. Self-esteem is essential to one's well-being because it shows that you
 - A. can maintain a fearful, unsure, dependent nature.
 - B. are empowered to brag about accomplishments.
 - C. can assist in becoming apologetic and defensive.
 - D. understand your own needs.

24. Your interest and enthusiasm can help to create a sense of _____ within your work group.
- A. cooperation
 - B. disagreement
 - C. security
 - D. conflict
25. People who receive a great deal of negative feedback may develop
- A. optimism.
 - B. enthusiasm.
 - C. depression.
 - D. self-importance.
26. Which of the following is a verbal technique for behaving in an assertive manner:
- A. Maintaining appropriate eye contact
 - B. Beginning conversations with other people
 - C. Planning exactly what you will say
 - D. Asking questions about areas of confusion
27. When it comes to taking responsibility for something that goes wrong, an effective leader should
- A. change his/her leadership style.
 - B. place blame for the problem on others.
 - C. require others to figure out a way to fix the problem.
 - D. work to prevent the problem from happening again.
28. Which of the following coaching characteristics means that you are willing to admit your mistakes:
- A. Humility
 - B. Dependability
 - C. Patience
 - D. Approachability
29. Which of the following is a type of credit card that can be used to make purchases from a variety of participating businesses:
- A. Petroleum
 - B. Retail
 - C. Hotel
 - D. Bank
30. Emily has decided to use all of her savings to buy a new car instead of a used one. What are the opportunity costs of that decision?
- A. The money she saves by not having to constantly repair a used car
 - B. The reliability and luxury of a new car compared to a used one
 - C. The benefits she could have received by using the additional cost of a new car another way
 - D. The benefits she could have received by using public transportation instead
31. To make sure he develops a realistic personal budget, Marcel should always
- A. verify his past credit rating.
 - B. pay his bills on time.
 - C. track and record his expenses.
 - D. consult with a bookkeeper.
32. Which of the following is an economic risk that a manager is likely to encounter in marketing:
- A. Incompetence
 - B. Perishability
 - C. Weather
 - D. Competition
33. One way that many businesses use technology in accounting is to process
- A. product warranties.
 - B. insurance policies.
 - C. credit applications.
 - D. risk factors.
34. Which of the following is an example of a situation in which a business might decide it needed to decrease expenses after comparing the categories in its profit-and-loss statement:
- A. Revenues are rising.
 - B. Salaries are lower.
 - C. Cash flow is steady.
 - D. Sales are the same.
35. Which of the following is a key component of managing working capital:
- A. Financing
 - B. Cash conversion cycle
 - C. Capital budgeting
 - D. Capital structure

36. Labor-union negotiations are part of which HR management activity?
- A. Compensation and benefits
 - B. Employee relations
 - C. Training and development
 - D. Staffing
37. One of the advantages of obtaining and using marketing information is because it helps business managers to
- A. prepare documents and reports.
 - B. predict and control risks.
 - C. train and direct employees.
 - D. review and understand regulations.
38. The Big Company has questioned customers about their needs for a specific product the company may decide to produce. What kind of marketing information is this company collecting?
- A. Economic
 - B. Secondary
 - C. Primary
 - D. Systematic
39. Which of the following is an important ethical issue involved with the collection and use of marketing information:
- A. Standardization
 - B. Confidentiality
 - C. Adaptability
 - D. Commercialization
40. Businesses can retrieve external marketing data by accessing
- A. inventory management records.
 - B. computer-generated sales reports.
 - C. accounts receivable summaries.
 - D. web-based information services.
41. The Henry Smith Company wants to select a representative group of consumers to survey. What part of marketing research is it doing?
- A. Sampling
 - B. Observation
 - C. Analyzing
 - D. Experimentation
42. What research approach do businesses often use to test new product ideas?
- A. Questioning
 - B. Technological
 - C. Recording
 - D. Experimental
43. When customers complain, what is the general rule that business personnel follow in order to assure that customers receive fair and consistent treatment?
- A. Customer complaint plan
 - B. Store procedure
 - C. Customer service plan
 - D. Store policy
44. A marketing manager is seeking information about the company's three biggest competitors. What is an excellent source of information that may include such data as new products, sales and revenue goals, changes in the organization, and current hiring needs?
- A. Local newspaper
 - B. Department of Commerce
 - C. Competitors' web sites
 - D. Better Business Bureau
45. What do businesses often do with the marketing information they collect from consumer questionnaires?
- A. Enter it into a computer for analysis
 - B. Assign a numeric value to the responses
 - C. Arrange the names in alphabetical order
 - D. Organize it according to the date received
46. Which of the following is an example of range:
- A. Consumers buy between three and seven CDs per month.
 - B. Consumers buy an average of five CDs per month.
 - C. Most consumers buy four CDs per month.
 - D. Half of all consumers buy more than five CDs per month.
47. A good marketing-research brief provides background information about the company, describes the problem at hand, and states the
- A. researcher's mission statement.
 - B. financial needs.
 - C. research objectives.
 - D. report findings.

48. Which of the following is a possible weakness associated with a secondary-data source:
- A. Reasonable purchase price
 - B. Recent industry approval
 - C. Inconsistent collection method
 - D. Internet accessibility
49. When researchers think it is necessary to find out how employees interact with customers, they might decide that it is appropriate to use the _____ research method.
- A. observation
 - B. interview
 - C. personal
 - D. experimental
50. Jordan just began his new job as a financial analyst. Processes and procedures at his new company are a little bit different from the last place he worked, so his first week will be spent learning the ropes. This is an example of which positive action companies should take:
- A. Protect business's reputation
 - B. Use rational and emotional motivation to convince customers to buy
 - C. Provide proper training for employees
 - D. Communicate honestly within and outside business
51. Java Coffee House, located in the trendy Olde Towne area, advertises that it is an upscale place for single, young professionals to meet. Java is targeting a market based on _____ segmentation.
- A. geographic
 - B. psychographic
 - C. behavioral
 - D. demographic
52. Which of the following is a possible external threat that a business might identify as a result of conducting a situational analysis during the marketing-planning process:
- A. Downturn in the economy
 - B. Change in pricing structure
 - C. Contract with a new supplier
 - D. Decrease in operating expense
53. A manufacturer expects product sales to decrease during the coming year. How does this information affect the production of goods?
- A. Production should increase.
 - B. Production should remain the same.
 - C. Production should decrease.
 - D. Production should not be affected.
54. What do most businesses use to store information for future use?
- A. CD-ROMs
 - B. Display screens
 - C. Scanners
 - D. Computer systems
55. Which of the following is an example of a type of information a business **must** manage:
- A. Government spending
 - B. Accounting records
 - C. Employees' personal bills
 - D. Competitors' payrolls
56. One of the reasons that businesses destroy some of their records is because the records are
- A. not required by law.
 - B. several years old.
 - C. kept in storage.
 - D. no longer needed.
57. Most businesses maintain records about what customers are buying and how much they are spending in order to
- A. offer quality service.
 - B. plan an inventory count.
 - C. analyze the information.
 - D. develop a quality environment.
58. Which of the following is an example of a current trend in business:
- A. Developing market research
 - B. Expanding economic growth
 - C. Protecting consumer privacy
 - D. Promoting private enterprise
59. As a result of conducting an environmental scan, a business might find that the rate of unemployment is slowly increasing, which is an example of a(n) _____ factor.
- A. political
 - B. geographic
 - C. economic
 - D. cultural

60. The most important reason why workplace accidents which do not result in injuries should be reported to supervisors is because
- A. this is required by state law.
 - B. the next accident could result in an injury.
 - C. the report prevents future liability.
 - D. this is an OSHA requirement.
61. Why is it important to define your project precisely?
- A. So you can involve other people
 - B. So you can create something tangible
 - C. So you can achieve your objectives
 - D. So you can spend less money
62. An important benefit of project management is that it allows the manager to
- A. identify and correct problems.
 - B. have power and authority.
 - C. make all of the decisions.
 - D. work with interesting people.
63. One of the advantages to an auto-parts store of placing a standing order with a vendor for a certain quantity of a product to be delivered once a week is that the store might be able to
- A. negotiate a long-term price.
 - B. keep track of the inventory.
 - C. attract more customers.
 - D. obtain attractive displays.
64. Abbra-Kadabra Company examined its expenses for electricity for the past six months and found the average electric bill to be \$2,300 per month, with a high of \$2,375 and a low of \$2,250 during that period. This type of an expense would be classified as a _____ cost.
- A. variable
 - B. fixed
 - C. semivariable
 - D. nonoperating
65. The importance to the business of employees' regularly performing housekeeping duties is to
- A. keep employees occupied.
 - B. present a favorable business image.
 - C. pass insurance inspections.
 - D. reduce the need for maintenance.
66. Which of the following does not represent a guideline for proper business dress:
- A. Clothing should present a harmonious appearance.
 - B. Clothing should be fashionable, not faddish.
 - C. It is best to wear "loud" colors in clothing.
 - D. Articles of clothing should be proportionate in size to one another.
67. What is likely to be the result if you fail to set goals?
- A. You will waste a lot of time and effort.
 - B. You will have a high level of self-esteem.
 - C. You will focus your efforts in one direction.
 - D. You will be better able to measure your progress.
68. Laura has made a list of the things she most enjoys doing and the way she likes to spend her time. This list will help Laura to
- A. improve her study habits.
 - B. identify an appropriate career.
 - C. measure her work skills.
 - D. increase her level of ability.
69. Which of the following guidelines should be followed when writing any letter of application:
- A. Provide a brief explanation of your qualifications for a job.
 - B. Submit a neatly typed photocopy to the employer.
 - C. Use humor to interest the reader in your qualifications.
 - D. Stress your educational achievements.
70. Kwacky Kwackers needs a new package design for its crackers. What marketing professional would be responsible for creating the new package?
- A. Advertising
 - B. Marketing research
 - C. Product management
 - D. Distribution/Warehousing

71. What technological advancement has allowed consumers to collect the most information for price-comparison shopping?
- A. Catalog
 - B. Newspaper
 - C. Internet
 - D. Telephone
72. Which of the following is an example of all of the local companies in the same business being involved in the illegal activity of price fixing:
- A. Selling one product below cost
 - B. Charging different customers different prices for the same product
 - C. Agreeing on the price of a certain product
 - D. Putting pressure on customers to buy an expensive product
73. Which of the following is a factor that often causes an increase in the selling price of goods and services:
- A. Economic growth
 - B. High unemployment
 - C. Elastic demand
 - D. Abundant supply
74. 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
75. During which stage of a product life cycle do sales and profit usually increase even though competition is intense?
- A. Universal
 - B. Introduction
 - C. Maturity
 - D. Existing
76. Which of the following is an advantage to businesses that use computer databases to manage their inventory:
- A. Decreases order accuracy
 - B. Decreases product usage
 - C. Increases demand
 - D. Increases efficiency
77. "Your money back if not satisfied" is an example of a
- A. warranty.
 - B. guarantee.
 - C. recourse.
 - D. strategy.
78. Franklin Juice Company produced and aired television commercials that stated that drinking its new beverage daily would prevent the common cold and headaches. What federal agency would charge the company for providing false, misleading, and deceptive advertising?
- A. Consumer Product Safety Commission
 - B. Food and Drug Administration
 - C. Consumer Affairs Department
 - D. Federal Trade Commission
79. Why would a business remove or delete product items or lines from its product mix?
- A. To avoid legal liabilities
 - B. To offer customers complementary products
 - C. To increase market risk
 - D. To appeal to a new market
80. Which of the following situations is an example of the mixed product bundling strategy:
- A. A manufacturer offers its distributors lower prices for a specific item that is purchased in large quantities.
 - B. Cable television and Internet fees cost consumers less when the services are purchased together rather than if they are purchased individually.
 - C. A supermarket chain gives its customers coupons and packaged samples of a new cereal product it is now stocking.
 - D. Laundry detergent is boxed with a label stating that the customer is receiving twenty percent more soap for the same price.

81. The way that a business positions its goods and services affects how its customers _____ the products.
- A. outsource
 - B. perceive
 - C. use
 - D. trade
82. Which of the following is an example of a corporate brand:
- A. Procter and Gamble
 - B. Tide detergent
 - C. Charmin bath tissue
 - D. Oil of Olay
83. Promotion benefits customers by making them
- A. buy products they don't need.
 - B. less informed.
 - C. feel entertained.
 - D. more informed.
84. Which of the following is an example of a public-relations promotion:
- A. Smithson's Bank promotes that it has added Saturday banking hours.
 - B. The American Beef Association encourages consumers to eat beef.
 - C. LensCrafters offers free sunglasses with the purchase of contacts.
 - D. Firestone promotes its efforts to exchange tires on Ford Explorers.
85. Which of the following would not be considered sales promotion:
- A. Window display
 - B. Newspaper ad
 - C. Fashion show
 - D. Demonstration
86. Promotional messages that continuously portray senior citizens as sick, helpless people is an example of an ethical issue related to
- A. sexism.
 - B. puffery.
 - C. stereotyping.
 - D. fraud.
87. Which of the following technological tools has made it possible for a business to send personalized promotional messages in a cost-efficient manner:
- A. Electronic mail
 - B. Encryption card
 - C. Interactive banner
 - D. Exclusive kiosk
88. Word-of-mouth communication between satisfied customers and others that promotes a business is a type of
- A. advertising.
 - B. marketing.
 - C. retailing.
 - D. prospecting.
89. Sweepstakes and contests are examples of communications channels often used in
- A. sales promotions.
 - B. advertising campaigns.
 - C. publicity programs.
 - D. media commercials.
90. If the headline of a print advertisement identifies a problem, then the copy that follows should provide
- A. reactions.
 - B. descriptions.
 - C. examples.
 - D. solutions.
91. Which of the following is a public-relations activity that involves dealing with government officials:
- A. Lobbying
 - B. Advising
 - C. Counseling
 - D. Writing
92. Participating in trade shows to communicate with target audiences often is an important part of a business's
- A. sponsorship strategy.
 - B. advertising campaign.
 - C. direct sales effort.
 - D. promotional program.

93. A manufacturer mails free cereal samples to consumers and provides businesses with colorful materials for in-store displays of the product. This is an example of which of the following:
- A. Coordination of promotional activities
 - B. Use of cooperative advertising
 - C. Use of institutional advertising
 - D. Selection of channels of distribution
94. Brittany knows her products inside and out. She knows all their features and is able to explain them in terms of benefits for specific customers. Which characteristic of a successful salesperson does Brittany display?
- A. Product knowledge
 - B. Self-motivation
 - C. Self-confidence
 - D. Ethics
95. Jack has been the owner/operator of a suburban business for 20 years. Many of his customers have done business with Jack since the beginning. This fact indicates that Jack has been successful in
- A. selecting marketing strategies.
 - B. offering good service.
 - C. promoting his business.
 - D. building a clientele.
96. A high level of ethics will compel you to behave in a _____ way.
- A. suspicious
 - B. law-abiding
 - C. truthful
 - D. questionable
97. Which of the following allows the Gateway Insurance Group to match its agents with policyholders by aligning its agents with market potential:
- A. Mapping software
 - B. Outbound telemarketing
 - C. Database software
 - D. Inbound telemarketing
98. "Fat-free" is stamped on the label of a bottle of salad dressing. This type of product information refers to the product's
- A. grade.
 - B. size.
 - C. content.
 - D. quality.
99. What is the best method for a salesperson to use in determining which features and benefits of a product are important to individual customers?
- A. Ask appropriate questions and listen to each customer
 - B. Distribute surveys to past buyers and evaluate their responses
 - C. Provide brochures and feature-benefit literature to prospects
 - D. Explain the product's hidden benefits and evaluate customer response
100. A plant manager or a department head would be an example of which level of management?
- A. Middle
 - B. Operating
 - C. Top
 - D. Supervisory

KEY

Test Number 1028

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1. C

Contract. Contracts are agreements among two or more parties stating that one party is to do something in return for something provided by another party. If one business promises to do something for another business in return for receiving compensation, the two businesses have a contract. Then, the businesses are obligated to fulfill their part of the contract. In most cases, contracts benefit both parties, although promising to do something in return for receiving compensation is not necessarily a benefit. A partnership is a form of business ownership in which the business is owned by two or more persons. A guarantee is a promise to the consumer that a product's purchase price will be refunded if the product is not satisfactory.

SOURCE: BL:002

SOURCE: Beatty, J. F., & Samuelson, S. S. (2008). *Essentials of business law* (3rd ed.) [pp. 211-219]. Mason, OH: Thomson/South-Western.

2. D

Disposing of hazardous waste. The federal government created the Environmental Protection Agency (EPA) in an effort to control and reduce pollution. The EPA enforces various laws and rules, some of which involve the way that businesses dispose of hazardous materials such as medical and nuclear waste. Businesses are required to follow EPA regulations which often are costly to carry out. If businesses fail to dispose of hazardous waste properly, they may be forced to pay expensive fines. Counseling substance abusers, adapting to worker safety, and identifying natural resources are not business activities covered by environmental regulations.

SOURCE: BL:073

SOURCE: Everard, K.E., & Burrow, J.L. (2001). *Business principles and management* (11th ed.) [pp. 42-43]. Cincinnati: South-Western.

3. A

Delivery. Retailers perform an important channel activity by negotiating with customers on issues such as delivery, installation, and price. Consumers are not involved in risk-taking, promotion, or manufacturing.

SOURCE: CM:001

SOURCE: CM LAP 2—Chart Your Channels (Channel Management)

4. A

Indirect. Distribution that takes place through one or more channel members, such as supermarkets, is indirect. The soft-drink company must sell its product directly to consumers if it takes a direct channel of distribution. Wholesale and retail operations are channel members, not channels of distribution.

SOURCE: CM:003

SOURCE: CM LAP 1—Channel It (Channels of Distribution)

5. B

Extranet. Extranet refers to a computer network that connects certain businesses, and allows them to collaborate and exchange information. Extranet technology allows the members of a distribution channel to efficiently communicate. Businesses often use extranet technologies to monitor inventory, place orders, and track shipments. A firewall is a computer security instrument. A filter is a computer software program that screens and categorizes information. Intranet refers to the computer network that allows employees to collaborate and exchange information within the business.

SOURCE: CM:004

SOURCE: Grewal, D., & Levy, M. (2008). *Marketing* (pp. 416-417). Woodland Hills, CA: McGraw-Hill Irwin.

6. D

Reverse. Reverse distribution involves customers returning used products to the manufacturer. This process allows businesses to retrieve products such as automobiles, refrigerators, and glass bottles in order to reuse them, recycle them, or properly dispose of them. Reverse distribution is considered ethical because it helps to save natural resources and protect the environment. Taking back used products and recycling or disposing of them is not an example of internal, joint, or closed distribution.

SOURCE: CM:006

SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 439-440]. Mason, OH: Thomson/South-Western.

7. C

Good customer service. Distribution is one of the marketing functions that must work with the other marketing activities to get goods and services from producers to consumers. The goal of marketing is to satisfy consumer wants and needs while achieving company goals. Businesses cannot satisfy those needs and provide quality customer service unless all the marketing activities work together. For example, businesses are only able to serve customers when they have the advertised items on hand and at the right price. Not all businesses need or use product displays, provide free delivery, or offer flexible credit terms.

SOURCE: CM:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 367). New York: Glencoe/McGraw-Hill.

8. C

Listening. Listening involves not only hearing what the speaker is saying but making appropriate verbal responses. It is an essential part of verbal communication. Facial expressions, eye contact, and body posture are examples of nonverbal communications.

SOURCE: CO:147

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 178-182). New York: Glencoe/McGraw-Hill.

9. D

"Betty Clark's desk." This answer will assure the caller that s/he has reached the right number even though a different voice has answered. None of the other alternatives would provide the caller with useful information.

SOURCE: CO:114

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3rd ed.) [pp. 85-89]. Mason, OH: Thomson South-Western.

10. B

Determining the major purpose of the communication. In order to write effective communications, the writer must first determine what specific purpose (or purposes) the communication should serve. The communication is then prepared in order to accomplish those specific goals. The writer determines what details should be included and edits the communication to make sure that it is clear.

SOURCE: CO:016

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3rd ed.) [pp. 10, 15]. Mason, OH: Thomson South-Western.

11. B

Straightforward. Writing information messages is a routine business activity. Throughout the day, businesspeople write messages to transmit various types of information to other people in the company or to other businesses. This type of routine information should be written in a straightforward way so that it is easy for others to understand. Routine information should not be presented in a technical way because it may be difficult for others to understand. Informational messages do not need to be persuasive or attention-getting because they are merely passing on necessary information.

SOURCE: CO:039

SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 57-58]. Boston: McGraw-Hill/Irwin.

12. D

Logical evidence. Statements in a persuasive message should be supported with logical evidence. It is not effective to ask customers to do something without providing supporting information. Facts and statistics are types of logical evidence that have a positive impact on customers and help to support your message. Logical evidence is much more effective than an educated guess or a personal opinion because guesses and opinions may be inaccurate. Using simple language is a writing technique that does not necessarily support your statements.

SOURCE: CO:031

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3rd ed.) [pp. 335-336]. Mason, OH: Thomson South-Western.

13. D

Informal. A short report that presents facts without analysis is considered an informal report. A formal report is more complex, has several different parts, and provides an analysis of the facts in the report. An activity report is an account of sales calls or other business activities carried out by staff.

SOURCE: CO:094

SOURCE: Bovée, C. L., & Thill, J. V. (2008). *Business communication today* (9th ed.) [p. 402].
Upper Saddle River, NJ: Pearson Prentice Hall.

14. C

Complaining. These customers believe that everything is going wrong for them and that everyone is either taking advantage of them or not really trying to help. Leave-me-alone customers prefer or pretend to prefer to be left alone to find what they want. Suspicious customers question everything and may want facts and proof before being convinced to buy. Slow/Methodical customers are those who require a lot of time to make a purchase because of shyness or difficulty in making a choice or buying decision.

SOURCE: CR:009

SOURCE: CR LAP 3—Making Mad Glad (Handling Difficult Customers)

15. C

Target population. The target population is usually very large, such as all of the people who live in North America. Therefore, it is often impossible to survey the target population. As a result, researchers identify a sample of the target population, which is an accurate segment of the entire population. By surveying the sample, researchers can obtain a fairly accurate representation of the target population. The business community, the mass audience, and the general market might be the target population depending on the research and the specific research problem.

SOURCE: IM:285

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 614-615).
New York: Glencoe/McGraw-Hill.

16. C

Consumer demand. For whatever reason consumer demand changes, producers respond by changing supply. To balance supply with demand is one of the fundamental goals of the free market economic system. Product utility refers to the usefulness of a product. Place utility is usefulness created by making sure that goods or services are made available at the place where they are needed or wanted by consumers. Both product utility and place utility affect demand.

SOURCE: EC:005

SOURCE: EC LAP 11—It's the Law (Supply and Demand)

17. A

Financial analysis. This is the process of planning, maintaining, monitoring, controlling, and reporting the use of financial resources. The information in financial records is used to measure and report the financial condition of a business, and would indicate if there were funds available to hire more employees. Strategic management is the process of planning, controlling, and organizing an organization or department. Marketing is the process of creating, communicating, and delivering value to customers and managing customer relationships in ways that benefit the organizations and its stakeholders. Production is the process or activity of producing goods and services wanted by consumers.

SOURCE: EC:071

SOURCE: EC LAP 19—Strictly Business (Business Activities)

18. A

Business risks. Such risks can jeopardize the future life of a business. Property damage, embezzlement, and shipment losses are types of risks which businesses encounter and against which they must protect themselves.

SOURCE: EC:011

SOURCE: EC LAP 3—Lose, Win, or Draw (Business Risk)

19. B

To increase sales for businesses. Regulatory laws are passed to regulate business by prohibiting certain business activities, controlling others, and requiring businesses to meet government standards. They are not intended to promote sales.

SOURCE: EC:008

SOURCE: EC LAP 16—Regulate and Protect (Government and Business)

20. D

Apprentice, journeyman, and master. Apprentices are novice workers who are just beginning in the occupation. Journeymen are skilled craftsmen who have taken courses in their occupational area, passed a state exam, and been licensed. Masters are skilled, experienced craftsmen or tradesmen who have worked as journeymen and who are team leaders for other employees in the same occupation.

Owners and supervisors usually are not union members.

SOURCE: EC:015

SOURCE: AllExperts.com (n.d.). *Master craftsman*. Retrieved October 5, 2009, from http://en.allexperts.com/e/m/ma/master_craftsman.htm

21. D

Reduced transportation costs. Many corporations locate their factories and businesses in foreign countries in order to be close to their market. This, in turn, reduces transportation costs. It is less expensive for companies to ship their goods regionally, rather than internationally. Low labor costs in their home countries, lack of cooperative trade agreements, and unfavorable monetary policies are reasons why corporations would keep their operations at home rather than locating them abroad.

SOURCE: EC:016

SOURCE: EC LAP 4—Beyond US (International Trade)

22. A

Only traditional intelligence can be measured accurately with a written test. Although traditional intelligence can be reliably measured with a written test, tests for emotional intelligence involve self-assessment, and therefore are not so accurate. It is true that emotional intelligence can be learned, and that traditional intelligence is a characteristic at birth. Emotional intelligence is used along with traditional intelligence to describe the skills and abilities that are needed for career success. Finally, levels of intelligence, either emotional or traditional, are independent abilities. In other words, a person can have high emotional intelligence but average to below average IQ.

SOURCE: EI:001

SOURCE: EI LAP 6—EQ and You (Emotional Intelligence)

23. D

Understand your own needs. When you have self-esteem, you have a healthy appreciation for yourself, your best qualities, and your finest achievements. Self-esteem acts as a pipeline through which all your aspirations and goals can pass into real, achievable results. It means you accept and care about the person you are no matter what mistakes you've made. When you brag about your accomplishments, you lack true self-esteem. You should give yourself credit for what you do—not apologize and become defensive when you have done a good job. When you fail, you become fearful, unsure, and dependent. When you learn by your failures, you can be a success.

SOURCE: EI:016

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 197). New York: Glencoe/McGraw-Hill.

24. A

Cooperation. Having interest and enthusiasm can help you to persuade others to help you, to work with you, or to cooperate with you in many different kinds of circumstances. Interest and enthusiasm are contagious and may help to reduce conflict and disagreements. Interest and enthusiasm do not affect security, which is freedom from danger, risk, or injury.

SOURCE: EI:020

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 198). New York: Glencoe/McGraw-Hill.

25. C
Depression. Depression is a serious disorder in which the sufferer sees no way out of his/her problems and often feels hopeless. It can result from too much negative feedback such as constant criticism. Positive effects, such as enthusiasm, result from praise and other positive feedback. Optimism is a positive attitude toward life that could help an individual withstand criticism and avoid depression. Self-importance may result when people are overly impressed with the positive feedback they receive.
SOURCE: EI:003
SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)
26. B
Beginning conversations with other people. The topics of discussion are much less important than your assuming responsibility for initiating the exchanges. A more assertive manner may be fostered by speaking spontaneously, rather than planning what is to be said, and asking questions when confronted with things not fully understood. Maintaining appropriate eye contact is a nonverbal assertiveness technique.
SOURCE: EI:008
SOURCE: EI LAP 18—Assert Yourself (Assertiveness)
27. D
Work to prevent the problem from happening again. Taking responsibility means more than taking the blame for something that goes wrong. It also means taking ownership of a problem, making sure it is fixed, and taking steps to prevent it from happening again. Although it is important for an effective leader to be willing to learn and make changes, s/he does not necessarily need to change his/her leadership style.
SOURCE: EI:009
SOURCE: QS LAP 027—Follow Me!
28. A
Humility. Humility is a coaching characteristic that includes a willingness to admit your mistakes. A humble attitude earns the respect and trust of those being coached. Dependability means being the type of person others can count on. Patience means that you don't get frustrated or give up on your coachee. Approachability means that you have the type of attitude and demeanor that says, "You can always talk to me. I'm here to help."
SOURCE: EI:041
SOURCE: QS LAP 7—Bring Out the Best
29. D
Bank. Bank credit cards can be used at any business that is affiliated with the system. This gives cardholders a wide range of businesses from which to choose. Retail, hotel, and petroleum cards are issued by individual companies and may be used only at their facilities.
SOURCE: FI:002
SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (pp. 684-687). Woodland Hills, CA: Glencoe/McGraw-Hill.
30. C
The benefits she could have received by using the additional cost of a new car another way. Opportunity costs are the benefits that are lost when you decide to choose one alternative over another. In this case, Emily could have used the money she spent on getting a new car on something else. Her opportunity costs are not the reliability and luxury of a new car—those are benefits. Emily chose a new car over a used car, and wasn't considering public transportation, so the money saved by taking public transportation is not an opportunity cost. The money saved by not having to constantly repair a used car is a benefit of buying a new car, not an opportunity cost.
SOURCE: FI:065
SOURCE: QS LAP 31—Set Yourself Up (Setting Financial Goals)

31. C

Track and record his expenses. Realistic personal budgets involve two important considerations—income (money Marcel receives) and expenses (money Marcel spends). It is important for Marcel to track his expenses because he needs to make sure that he has enough income to pay for his bills (e.g., rent, utilities, car). To track his spending, Marcel should record his expenses in a central location so he can see bill amounts and bill due dates. Recording and keeping receipts is also important for tax reporting purposes and for tax auditing situations. Developing a realistic budget does not always involve verifying a past credit rating or consulting with a bookkeeper. Marcel should develop a budget that will support his ability to pay his bills on time.

SOURCE: FI:066

SOURCE: PersonalBudgeting.com. (n.d.). *Budgeting 101*. Retrieved October 5, 2009, from <http://www.personalbudgeting.com/tips/tips.html>

32. D

Competition. Competition can be an economic risk because it affects the production, distribution, and consumption of goods and services. A competitor selling similar goods at lower prices may force other businesses to reduce their prices or change their products. Foreign competitors can also be an economic risk to domestic companies if they sell their goods for less than similar goods that are made in this country. Perishability and weather are natural risks. Incompetence is a human risk.

SOURCE: FI:084

SOURCE: BA LAP 2—Risk Management

33. C

Credit applications. Certain types of computer software programs are designed to analyze credit applications and make decisions about granting credit to customers. This technology impacts accounting in several ways. First, it reduces personnel costs and also cuts down on the number of bad debts by eliminating the human factor in making credit decisions. It speeds up the approval process so customers can have access to credit. Businesses do not use technology in accounting to process insurance policies, product warranties, or risk factors.

SOURCE: FI:352

SOURCE: Diabay, L.R., & Burrow, J.L. (2008). *Business finance* (pp. 269-271). Mason, OH: South-Western Cengage Learning.

34. D

Sales are the same. Businesses compare the categories in their profit-and-loss statements in order to make decisions about spending. By analyzing the profit-and-loss statement, a business can find out if sales are keeping up with expenses or if it is spending more in order to make the same amount of money. If a business finds that its sales are the same and have not increased over a period of time, the business might decide to decrease expenses in order to increase profit. Most businesses try to maintain a steady cash flow, which is the movement of funds into and out of a business. If revenues are rising and salaries are lower, a business probably would not need to decrease expenses.

SOURCE: FI:094

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

35. B

Cash conversion cycle. The cash conversion cycle is a key component of managing working capital. It refers to how long a business's money is "tied up" between purchasing raw materials and receiving cash from sales. Financing is funding a business activity or project through debt, equity, or venture capital. Capital budgeting is determining which projects a business should invest in. Capital structure refers to a business's mix of financing.

SOURCE: FI:354

SOURCE: FI LAP 7—Money Matters (Role of Finance)

36. B

Employee relations. Labor-union relations and negotiations are part of the HR management activity of employee relations. Staffing involves making sure human resources needs are filled. Training and development involves making sure employees are productive and knowledgeable. Compensation and benefits involves making sure employees get paid.

SOURCE: HR:410

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

37. B

Predict and control risks. Marketing information is all of the marketing-related data available from inside and outside the business. It includes information about past situations and what is happening now. By obtaining and using marketing information, business managers can predict the risks that might occur in the future and take steps to control those risks. For example, if current marketing information indicates that one product is losing popularity, a business can modify the product or repackage it to be more appealing. As a result, the business might avoid losing customers, which is a future risk. Managers often use marketing information to prepare documents and reports, but that is not an advantage of obtaining and using the information. Business managers do not obtain and use marketing information to train and direct employees, or to review and understand regulations.

SOURCE: IM:012

SOURCE: Zikmund, W., & d'Amico, M. (2001). *Marketing: Creating and keeping customers in an e-commerce world* (7th ed.) [p. 124]. Mason, OH: South-Western.

38. C

Primary. Primary data are facts collected for use in one particular situation. They are gathered in a systematic manner to solve a problem, explore an opportunity, or for any purpose useful to the business. Some ways in which primary data are gathered include questioning salespeople, customers, or competitors or hiring a marketing-research company to obtain the data. Secondary data are facts already collected for some other purpose. Economic data are facts collected regarding the economy as a whole. These data may be primary or secondary in nature.

SOURCE: IM:001

SOURCE: IM LAP 2—Get the Facts Straight (Marketing-Information Management)

39. B

Confidentiality. Confidentiality involves preventing the unauthorized disclosure of information. In the process of collecting marketing information, researchers often obtain private and personal information that is unethical to use or share with others without permission. Researchers need to respect client and respondent confidentiality by making sure that the information they collect and use remains confidential unless they receive explicit approval to reveal it to others. Standardization involves always performing a task in the same way. Adaptability is the ability to adjust to changing conditions. Commercialization is the point at which a product goes into full-scale production, the marketing plan is put into place, service and sales training are done, and the product's life cycle begins.

SOURCE: IM:025

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 88-91]. Mason, OH: South-Western Cengage Learning.

40. D

Web-based information services. External marketing data is information from outside the business. The Internet is a technological tool that allows a business to retrieve external marketing information quickly. Web-based information services, such as online libraries, provide a wide range of information for marketers. Sales reports, accounts receivable summaries, and inventory records are examples of internal sources of marketing information.

SOURCE: IM:183

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 174-181]. Mason, OH: South-Western Cengage Learning.

41. A

Sampling. The process of choosing a representative group of consumers to survey is sampling. It is usually impossible to study everyone, so researchers must use sampling. Observation gathers data, experimentation tests cause and effect, and analyzing interprets the data. They are all important to marketing research but are not part of sampling.

SOURCE: IM:010

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

42. D

Experimental. This technique is expensive because it involves setting up the research situation, such as developing a new product and then testing it on groups of consumers to determine their response. An example of the experimental research approach is quick-serve restaurants testing a new sandwich in certain markets. Technological is not a research approach. Recording means to keep track or to keep a record of something. Questioning is a variation of the survey research approach.

SOURCE: IM:284

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 616). New York: Glencoe/McGraw-Hill.

43. D

Store policy. When a business has policies for its employees to follow in handling complaints, the customers are more likely to receive the same treatment. Procedures are the step-by-step processes that personnel follow in performing specific tasks. Customer service plan and customer complaint plan are not terms that businesses commonly use.

SOURCE: CR:010

SOURCE: Levy, M., & Weitz, B. A. (2007). *Retailing management* (6th ed.) [pp. 250-251]. Boston: McGraw-Hill/Irwin.

44. C

Competitors' web sites. Web sites provide volumes of information designed to attract customers, partners, and suppliers; but they are also available to competitors. Information available includes new products, sales and revenue figures, hiring needs, organizational changes, company philosophy, and goals. The Better Business Bureau and Department of Commerce do not provide this information on individual companies. The local newspaper may provide some information on local competition but not to the extent available on web sites.

SOURCE: IM:184

SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (pp. 612-613). Woodland Hills, CA: Glencoe/McGraw-Hill.

45. A

Enter it into a computer for analysis. After a business collects marketing information from consumer questionnaires, it processes the information to make it useful. Many businesses enter the data into a computer that is able to tabulate, evaluate, or analyze the information according to specific criteria. Simply gathering information from questionnaires will not be helpful unless the business analyzes it to determine what it means and how it can be used. A business assigns a numeric value to the responses in a questionnaire before distributing the questionnaire to consumers. Businesses usually do not organize the information according to the date received, or arrange in alphabetical order the names of consumers who complete the questionnaire.

SOURCE: IM:062

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 528-530]. Mason, OH: South-Western Cengage Learning.

46. A
Consumers buy between three and seven CDs per month. Range is the distance between the smallest and largest value in a set of responses. In the example, three was the smallest number of CDs purchased and seven was the largest number. The distance between three and seven is the range. Range is often used to describe the relation between numbers, such as the variation between the number of CDs purchased. Mean is the average, such as consumers buying an average of five CDs per month. Mode is the most common response, such as most consumers buy four CDs per month. Median is the exact middle, such as half of all consumers buying more than five CDs per month.
SOURCE: IM:191
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 445-446]. Mason, OH: South-Western Cengage Learning.
47. C
Research objectives. A business provides a researcher with a market-research brief. The brief helps the researcher determine the best way to obtain the needed information. The brief summarizes the business's background, provides a statement about the problem or issue at hand (the purpose of the study), and provides the research objectives. This helps the researcher understand what the business wants to know before beginning the research process. A good marketing-research brief does not always state the business's financial needs, nor does it state the researcher's mission statement. The report findings are the research results.
SOURCE: IM:290
SOURCE: B2B International. (n.d.). *The art of the brief*. Retrieved October 5, 2009, from <http://www.b2binternational.com/article17.html>
48. C
Inconsistent collection method. Secondary data are information that have been collected for purposes other than the project at hand. Marketers collect secondary data from a variety of sources, such as business web sites, research companies, trade associations, and industry journals. Although secondary-data sources can be inexpensive and provide current information, researchers must be careful to examine the way in which the source collected information. If the source publishes statistical data it has collected in an inconsistent or subjective way, the data may be skewed or exhibit bias. Industry approval, reasonable prices, and Internet accessibility are advantages associated with secondary-data sources.
SOURCE: IM:294
SOURCE: Shao, A. (2002). *Marketing research: An aid to decision making* (2nd ed.) [pp. 134, 136-137]. Mason, OH: South-Western.
49. A
Observation. The observation research method is often appropriate to use when researchers want to find out how employees interact with customers. By watching the interaction, researchers can study the behavior of both the employees and the customers to determine if employees are behaving correctly. The observation method provides information about what people do which may be helpful in analyzing how employees treat customers. Interviewing employees will not necessarily provide useful information about how they interact with customers. Personal is not a research method. The experimental research method often involves testing new product ideas.
SOURCE: IM:296
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 616). New York: Glencoe/McGraw-Hill.
50. C
Provide proper training for employees. By providing training for Jordan during his first week on the job, his company is taking an important positive action. Providing training for employees is not the same as using rational and emotional motivation to convince customers to buy, protecting the business's reputation, or communicating honestly within and outside the business.
SOURCE: MK:019
SOURCE: MK LAP 3—Just Do It...Right (Company Actions and Results)

51. D
Demographic. Demographic is the division of a market based on its physical and social characteristics. These characteristics include income, age, gender, educational level, and life stage. Java Coffee is marketing to single, young people who are presumably well educated and have money to spend on entertainment. Geographic is the division of a market based on where consumers are located. Psychographic is the division of a market based on consumers' lifestyles and personalities. Behavioral is the division of a market based on consumers' response to a product.
SOURCE: MP:003
SOURCE: IM LAP 9—Have We Met?
52. A
Downturn in the economy. A situational analysis involves examining and interpreting the environmental factors that affect a business. As a result of considering external environmental factors, a business often is able to identify potential threats in the marketplace such as increasing competition or a downturn in the economy. Once a business identifies the specific threats, it takes steps to turn them into opportunities. For example, if the economy is beginning to slow down, a business might revise its products or offer additional credit plans to appeal to a wider market. A change in pricing structure, a contract with a new supplier, and a decrease in operating expense are internal factors.
SOURCE: MP:008
SOURCE: Zikmund, W., & d'Amico, M. (2001). *Marketing: Creating and keeping customers in an e-commerce world* (7th ed.) [pp. 41-42]. Mason, OH: South-Western.
53. C
Production should decrease. Businesses need to forecast the amount of products they can expect to sell in order to plan the most efficient production of those products. In this case, anticipated decreases in sales should be matched by decreased production in order to meet the shift in demand. Increasing production or keeping it at the same level will create too much inventory. The business might have to reduce its prices in order to sell the inventory.
SOURCE: MP:013
SOURCE: Bovée, C. L., Thill, J. V., & Mescon, M. H. (2007). *Excellence in business* (3rd ed.) [pp. 297-298]. Upper Saddle River, NJ: Pearson Prentice Hall.
54. D
Computer systems. Computer systems consist of the hardware and software components that enable computers to function. One of their purposes is to store information for future use. Scanners are input devices that can read text or illustrations on paper and translate the information into a form the computer can use. The scanner, itself, does not store information, but enables computers to store it. Display screens, or monitors, display the characters being keyed into the computer; they are not storage devices. CD-ROMs are written during their manufacturing process; they cannot be used to store business information since they are Read Only devices.
SOURCE: NF:081
SOURCE: *Anatomy of a digital computer*. (n.d.). October 5, 2009, from <http://www.nos.org/srsec330/330L1.pdf>
55. B
Accounting records. Businesses must manage many different types of information, including accounting records. A business would not have information about employees' personal bills or competitors' payrolls. A business may or may not manage information about government spending, depending on its effect on the business or industry.
SOURCE: NF:110
SOURCE: NF LAP 3—In the Know (Nature of Information Management)

56. D

No longer needed. If a record isn't used for a long period of time and is no longer necessary, it is often destroyed. Businesses usually are unable to keep every record and systematically review and destroy those that are not vital to the operation. The fact that the record is no longer needed determines if it is destroyed, not its age or storage location. Many records are not required by law, but businesses keep them as long as they are needed.

SOURCE: NF:001

SOURCE: NF LAP 1—Record It (Business Records)

57. C

Analyze the information. Most businesses maintain customer records that contain information about what customers are buying, when they are buying, and how much they are spending. By analyzing this information, businesses are able to plan future sales and obtain the products that will appeal to customers and encourage them to buy. Without this type of information, businesses might have no idea what customers will want to buy in the future, or how much they will be willing to spend. Businesses do not maintain records about what customers are buying and how much they are spending in order to plan an inventory count, offer quality service, or develop a quality environment.

SOURCE: NF:002

SOURCE: Burrow, J.L. (2006). *Marketing* (2nd ed.) [pp. 120-121]. Mason, OH: South-Western.

58. C

Protecting consumer privacy. Businesses are becoming more concerned with ways of protecting consumer privacy because of the new technology that makes it easy to gather and disseminate personal information. The rapid growth of electronic commerce, which enables consumers to purchase products online, also enables businesses to collect information about credit cards, personal preferences, and buying habits that many consumers prefer to keep private. In response to a growing concern on the part of consumers, businesses are trying to develop techniques that will protect consumer privacy—not only online—but also from other types of abuses. Economic expansion and marketing research are fundamental business activities rather than current trends. Private enterprise is an economic system in which individuals and groups, rather than government, own or control the means of production.

SOURCE: NF:013

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 94-95]. Mason, OH: South-Western Cengage Learning.

59. C

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

SOURCE: NF:015

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 30-32, 84-86). New York: Glencoe/McGraw-Hill.

60. B

The next accident could result in an injury. The fact that one accident does not result in an injury does not ensure that the next accident will have the same results. An accident that does not cause an injury should be reported to a supervisor so that the circumstances causing the accident can be corrected if possible. This may save someone else from injury. Government regulations vary from state to state and for different industries. Reporting a noninjurious accident does not prevent future liability.

SOURCE: OP:009

SOURCE: Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 406-410). Tinley Park, IL: Goodheart-Willcox.

61. C

So you can achieve your objectives. Knowing exactly what it is you want to do (precise project definition) helps you achieve your objectives. It does not help you create something tangible, though your project may involve tangible items or a tangible outcome. It does not help you involve other people, though you may want or need to do that. And, unfortunately, it does not help you spend less money because—by detailing what you want to do—you might discover that your project will be more expensive than you realize.

SOURCE: OP:001

SOURCE: QS LAP 28—From Here to Done

62. A

Identify and correct problems. An important benefit of project management is that it allows the manager to identify problems and make corrections. By monitoring the project, it is usually possible to detect problems early and save the project from failure. When the manager notices that the project is not going as planned or is encountering difficulties, there is time to take action to correct the problem. Benefits of project management do not include allowing the manager to make all of the decisions, have power and authority, or work with interesting people.

SOURCE: OP:002

SOURCE: QS LAP 18—Make It Happen

63. A

Negotiate a long-term price. One of the advantages of placing a standing order is that the auto-parts store might be able to negotiate a long-term price for the product. In many cases, the vendor will guarantee the price if the store agrees to buy a certain quantity every week for a length of time. This is a cost-effective way for stores to order products that are in regular demand because they can lock in a price and be assured that a consistent supply of products is available. Some vendors supply attractive point-of-purchase displays, but usually for seasonal or unusual products rather than products that need to be delivered every week. Stores need to keep track of the inventory regardless of the type of ordering system they use. Stores do not place standing orders to attract more customers, but to satisfy estimated demand for products.

SOURCE: OP:016

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 468-470]. South-Western Cengage Learning.

64. C

Semivariable. Semivariable costs are expenses that change very little and are not affected by sales volume as much as variable costs. Fixed costs are going to remain the same no matter how many units of a product are produced or marketed. Variable costs vary according to changes in sales volume or sales revenue and can also change in proportion to the number of items produced. Nonoperating costs are costs to the company for goods for which they resell or raw materials that are used to produce goods or services to be sold.

SOURCE: OP:024

SOURCE: Answers.com. (n.d.). *Semi variable cost*. Retrieved October 5, 2009, from <http://www.answers.com/topic/semi-variable-cost-1#>

65. B

Present a favorable business image. The cleanliness and neatness of a business contributes to a favorable image. Keeping employees busy is not a valid reason to perform housekeeping functions. Insurance companies do not inspect businesses on a regular basis. Maintenance involves upkeep and repairs rather than housekeeping.

SOURCE: OP:032

SOURCE: Stutts, A. T., & Wortman, J. F. (2006). *Hotel and lodging management: An introduction* (2nd ed.) [pp. 88, 99-101]. Hoboken, NJ: John Wiley & Sons.

66. C
It is best to wear "loud" colors in clothing. Colors should be well balanced and enhance to your personal coloring. Be extremely careful with "loud" colors in clothing. The alternatives represent guidelines for proper business dress.
SOURCE: PD:002
SOURCE: PD LAP 5—Brand ME! (Personal Appearance)
67. A
You will waste a lot of time and effort. Without goals, you may put out a lot of time and effort without getting ahead. Many people are unsuccessful simply because they haven't set goals for themselves. Setting goals focuses your efforts in one direction, gives you a way to measure your progress, and contributes to a high level of self-esteem.
SOURCE: PD:018
SOURCE: PD LAP 16—Go For the Goal (Goal Setting)
68. B
Identify an appropriate career. In order to find out which career would be most appropriate for you, you first need to know yourself. This involves identifying the things that interest you, as well as assessing your skills, aptitudes, and other traits. Assessing your interests will not help you to increase your level of ability. It also will not help in measuring work skills or improving study habits.
SOURCE: PD:013
SOURCE: Wallace, H.R. & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [pp. 475-476]. Mason, OH: South-Western Cengage Learning.
69. A
Provide a brief explanation of your qualifications for a job. A letter of application should be considered an opportunity to convince the reader that you have the qualifications that match the job opening. Your "sales pitch" should be briefly presented, saving the details for the job interview. You should avoid the use of humor in application letters since you are writing about an important, serious topic. Educational achievements should be stressed in relation to the job opening if you have little or no work experience to discuss. The employer should receive a neatly typed, original letter of application.
SOURCE: PD:030
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 125-126). New York: Glencoe/McGraw-Hill.
70. C
Product management. Product managers create, test, and decide how a product will be packaged. They direct and coordinate all aspects of the product. Advertisers develop messages and images to catch customers' attention, inform them of products, and persuade them to buy. They use a variety of media to communicate with customers. Some of these media are the Internet, radio, television, newspapers, magazines, billboards, and catalogs. Marketing researchers are responsible for determining what customers need and want and why customers do what they do. Distribution/Warehousing careers are responsible for physically linking products with consumers by transporting and storing products.
SOURCE: PD:024
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 660-664). New York: Glencoe/McGraw-Hill.
71. C
Internet. More than a new way to take orders and deliver merchandise, the Internet has proven valuable to consumers as a source of information and a new way to compare prices and products. The Internet provides customers with more information about more products in less time than they can obtain from making telephone calls or by reading the newspaper or a catalog.
SOURCE: PI:016
SOURCE: Czinkota, M.R., & Kotabe, M. (2001). *Marketing management* (2nd ed.) [p. 305]. Mason, OH: South-Western Publishing Co.

72. C

Agreeing on the price of a certain product. Price fixing is an illegal business agreement in which businesses agree on prices of their goods or services, resulting in little choice for the consumer. An example of price fixing is all of the local companies in the same business agreeing on the price to charge for a certain product. Customers will pay the same price regardless of the company because all of the companies are charging the same price. Charging different customers different prices for the same product is price discrimination. Selling one product below cost is loss-leader pricing. Putting pressure on customers to buy an expensive product is high-pressure selling.

SOURCE: PI:017

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [p. 460]. Woodland Hills, CA: Glencoe/McGraw-Hill.

73. A

Economic growth. In times of economic growth, both individuals and business increase their spending, which increases demand. When demand is higher than producers can meet, prices go up. During times of economic growth, people have more money to spend and are willing to pay higher prices to purchase the goods and services that they want and need. As a result, the selling price often increases. High unemployment, elastic demand, and an abundant supply are factors that often cause a decrease in the selling price of goods and services.

SOURCE: PI:002

SOURCE: Soloman, M. R., Marshall, G. W., & Stuart, E. W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 350-351]. Upper Saddle River, NJ: Pearson Prentice Hall.

74. 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 in order 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 to 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

SOURCE: PM LAP 17—Rapping Up Products (Nature of Product/Service Management)

75. C

Maturity. Maturity is the stage in the product life cycle in which sales peak and profits increase. However, many businesses are competing for those sales because the product is popular and in demand.

Businesses expect to make money selling products in the maturity stage, but they realize that they will need to be competitive. During the introduction phase of a product, a business is more likely to lose money than to make it. Universal and existing are not stages of a product life cycle.

SOURCE: PM:024

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 644-645). New York: Glencoe/McGraw-Hill.

76. D

Increases efficiency. A database stores all of a business's records and information in a central location. A business uses computer databases to store sales records, financial information, inventory status information, etc. By storing the information in a networked computer system, employees can quickly obtain the same information at the same time, which can increase the business's efficiency. Using a computer database does not decrease product usage, increase (consumer) demand, or decrease order accuracy.

SOURCE: PM:039

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 451-453]. Boston: McGraw-Hill/Irwin.

77. B

Guarantee. A guarantee is a promise made by the seller to the consumer that the seller will refund the consumer's purchase price if the product does not perform as expected. A warranty is a promise made by the seller to the consumer that the seller will repair or replace a product that does not perform as expected. Recourse is someone or something to which one can turn for help. A strategy is a plan of action for achieving goals or objectives.

SOURCE: PM:020

SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (pp. 674-677). Woodland Hills, CA: Glencoe/McGraw-Hill.

78. D

Federal Trade Commission. The regulatory agency established by the federal government and given the authority to enforce consumer-protection laws is the Federal Trade Commission. This agency has the most influence on marketing activities. The FTC is responsible for holding Franklin Juice Company responsible for its advertising and holding the company accountable. The Food and Drug Administration is the federal agency that holds producers responsible for any injury that the business's products may cause. The Consumer Affairs Department is a division of local government that assists consumers in handling problems. The Consumer Product Safety Commission is the regulatory agency established by the federal government to enforce product safety laws.

SOURCE: PM:017

SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (pp. 126, 129-130). Woodland Hills, CA: Glencoe/McGraw-Hill.

79. A

To avoid legal liabilities. Product liability has become a major problem for many companies. Rather than risk a lawsuit, a company will remove the product from its product mix. The use of an expansion strategy will enable companies to appeal to a new market and to offer customers complementary products. Increasing market risk is a disadvantage associated with the contraction strategy.

SOURCE: PM:003

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

80. B

Cable television and Internet fees cost consumers less when the services are purchased together rather than if they are purchased individually. Mixed product bundling is the practice of packaging different products together. Businesses often price the packages so that customers pay less for bundled items than they do if they purchase each item separately. Telecommunication companies often engage in product bundling practices by pricing packages for their services (e.g., Internet, cable, installation) for a lower amount than if the customer purchased each service individually. When a manufacturer gives its distributors lower prices for purchasing large quantities of a single item, it is called a discount. Coupons and cereal samples are examples of sales promotion. Laundry detergent that is not packaged with other items is not considered an example of product bundling.

SOURCE: PM:041

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 661). New York: Glencoe/McGraw-Hill.

81. B

Perceive. Product positioning is the customer's image or impression of a product as compared to that of competitive products. A product's image influences how a customer views or perceives the product. Outsource refers to the practice of acquiring assistance from outside organizations or consultants to obtain goods or services to accomplish business objectives. Positioning does not necessarily affect how a person uses a product. In many cases, there is only one purpose or way to use a product, regardless of the way that it is positioned in the marketplace. Trade is defined as the process of exchanging one good/service for another.

SOURCE: PM:042

SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 246-247]. Mason, OH: Thomson/South-Western.

82. A
Procter and Gamble. A corporate brand is the combined impressions, images, or experiences associated with a company or parent entity. Procter and Gamble is a corporate brand with which many consumers are familiar. Tide detergent, Charmin bath tissue, and Oil of Olay are Procter and Gamble products.
SOURCE: PM:206
SOURCE: Dhruv, G., & Levy, M. (2008). *Marketing* (p. 284). New York: McGraw-Hill/Irwin.
83. D
More informed. Promotion benefits customers by making them more informed. Informed customers are in a better position to choose between or among products and make buying decisions that will best satisfy their needs. The goal of promotion is not necessarily to entertain customers, although many promotions may do so. Customers don't benefit from buying products they don't need.
SOURCE: PR:001
SOURCE: PR LAP 2—Razzle Dazzle (Nature of Promotion)
84. D
Firestone promotes its efforts to exchange tires on Ford Explorers. Public-relations promotions are created to deal with controversial issues that are in the public's best interest and are also somehow related to the company. In this case, Firestone was trying to overcome a negative image. LensCrafters' and the American Beef Association's promotions are product promotions. Smithson's Bank is an example of patronage promotion which promotes a firm's prestige or its features.
SOURCE: PR:002
SOURCE: PR LAP 4—Know Your Options (Types of Promotion)
85. B
Newspaper ad. A newspaper ad is an example of advertising-any paid form of nonpersonal presentation of goods, services, or ideas. Window displays, fashion shows, and demonstrations are examples of sales promotion. Sales promotion consists of activities other than advertising, personal selling, and publicity that stimulate consumer purchases.
SOURCE: PR:003
SOURCE: PR LAP 1—Promotional Mix
86. C
Stereotyping. A stereotype is a set image or an assumption about a person or thing. When an advertiser stereotypes a person or group of people, there is an assumption that the entire group always behaves in a certain way, which isn't always true. Therefore, stereotyping is often viewed as treating people in an unfair manner, and can evoke ethical issues. Puffery is the practice of using exaggerated expressions to describe a product or its features (e.g., "the best"). Sexism involves stereotyping people on the basis of gender. Libel is defined as a written or published statement that portrays an entity in an unfavorable way.
SOURCE: PR:099
SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (p. 216). Mason, OH: South-Western.
87. A
Electronic mail. Electronic mail (e-mail) refers to the electronic transmission of messages across computer networks. Businesses often use electronic mail to send promotional messages to customers or potential customers in a cost-efficient manner. Encryption card, interactive banner, and exclusive kiosk are not technological terms that are commonly used to describe a means of sending promotional messages.
SOURCE: PR:100
SOURCE: Zikmund, W., & d'Amico, M. (2001). *Marketing: Creating and keeping customers in an e-commerce world* (7th ed.) [p. 505]. Mason, OH: South-Western.

88. A

Advertising. Word-of-mouth communication is promotion and publicity for a business provided by customers who tell others of their satisfaction with the business. It is a type of advertising because it spreads the word about the business to other audiences and potential customers. Many businesses encourage word-of-mouth advertising because it is an effective way to promote the business. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relations in ways that benefit the organization and its stakeholders. Retailing involves buying consumer goods or services and selling them to the ultimate consumer. Prospecting is the act of identifying any person or organization with the potential to buy a product and compiling that information in an organized manner for future use.

SOURCE: PR:247

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (pp. 441-443). Mason, OH: South-Western.

89. A

Sales promotions. Sales promotion involves promotional activities other than advertising, personal selling, and publicity that stimulate customer purchases. Sweepstakes and contests are examples of communications channels, the means used to provide information to others, that are often used in sales promotions. Sweepstakes and contests attract a lot of attention and are effective ways to provide information about products. Sweepstakes and contests are used in sales promotions rather than in advertising campaigns and publicity programs. They may be advertised through commercials on various media.

SOURCE: PR:249

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (pp. 393-395). Mason, OH: South-Western.

90. D

Solutions. All the elements of a print ad must be coordinated to produce the effect desired for the advertisement as a whole. If the headline identifies a problem, the copy should tell how the product will solve the problem. By solving the problem raised in the headline, the copy completes the intended message of the advertisement. Providing examples, descriptions, or reactions does not coordinate the copy with the headline.

SOURCE: PR:014

SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (pp. 425-433). Woodland Hills, CA: Glencoe/McGraw-Hill.

91. A

Lobbying. Many large businesses and industry organizations that are affected by government rules and regulations often use the public-relations activity of lobbying to deal with government officials. Lobbying involves monitoring pending legislation, working with lawmakers to explain the industry's position, and encouraging the passage of legislation that is favorable to the industry. The goal of lobbying is to establish good relations with government to benefit the business or industry. Advising and counseling are public-relations activities that involve working with management of the business. Writing is usually the responsibility of copywriters.

SOURCE: PR:252

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (p. 456). Mason, OH: South-Western.

92. D

Promotional program. A promotional program is a framework for the promotional activities of a business. Participating in trade shows is a promotional activity because it involves a business displaying and/or demonstrating its products to build sales leads and interest. The goal is to communicate information to the target audience to encourage those consumers to buy. Trade shows are an effective promotional tool because the consumers who attend are the most likely prospects for a business's goods and services. An advertising campaign is a series of advertisements planned around a central theme. Direct sales involve calling on customers. A sponsorship is a partnership in which a company pays a fee to affiliate itself with a team, league, or event.

SOURCE: PR:254

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (p. 404). Mason, OH: South-Western.

93. A

Coordination of promotional activities. Promotional activities are coordinated when two or more different types of activities, such as samples and displays, are combined. Cooperative advertising involves funds provided to businesses by producers to help pay for the businesses' advertising. Institutional advertising promotes the image of the business in order to create goodwill. Selecting channels of distribution involves deciding what paths or routes goods and services will take from the producer to the consumer.

SOURCE: PR:076

SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2006). *Marketing essentials* (pp. 18-20). Woodland Hills, CA: Glencoe/McGraw-Hill.

94. A

Product knowledge. Brittany displays product knowledge by knowing her products inside and out and being able to explain their features in terms of benefits for specific customers. Self-motivation, self-confidence, and ethics are all characteristics of successful salespeople, but they are not displayed by Brittany in this situation.

SOURCE: SE:017

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

95. D

Building a clientele. A clientele is a body of customers upon which an organization can rely for considerable repeat business. The fact that Jack's customers have stayed with him for 20 years indicates that he has built a clientele. Jack may have built his clientele by offering good service, promoting his business, and selecting effective marketing strategies, but no evidence of that is given.

SOURCE: SE:828

SOURCE: SE LAP 115—Keep Them Loyal (Building Clientele)

96. C

Truthful. A high level of ethics will compel you to behave in a truthful way, whether or not legal issues are involved. With a high level of ethical behavior, you will not behave in a sneaky, suspicious, or questionable manner. You will conduct yourself honestly, even when people aren't looking. This may or may not mean that you will obey the laws governing you.

SOURCE: SE:106

SOURCE: SE LAP 129—Keep It Real—In Sales (Selling Ethics)

97. A

Mapping software. This software is used in territory management and enables managers to align territories and get an instant visual display of the effects. Outbound telemarketing allows companies to build extensive databases of current as well as potential customers. Database software is used to create records of customers and related information for future use by the business. Inbound telemarketing occurs when customers call a toll-free number to place an order, file a complaint, or ask a question.

SOURCE: SE:107

SOURCE: Diabay, L.R., Burrow, J.L., & Kleindl, B. (2009). *Intro to business* (7th ed.) [p. 205]. Mason, OH: South-Western Cengage Learning.

98. C

Content. The label of products is often a good source of product information. Government regulations require that the content of food products be included on the label or package. The fat-free claim must be backed up by a list of specific ingredients that verifies the absence of fat. Quality and grade are indicated by seals of approval or government grades. An indication of size could be stated as "16 fl. oz."

SOURCE: SE:062

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 664-667). New York: Glencoe/McGraw-Hill.

99. A

Ask appropriate questions and listen to each customer. Since each customer has different needs and wants, the salesperson needs to ask questions about how the customer will use the product and determine what is important to the customer (e.g., style, service, durability). Once the information is obtained by the salesperson, s/he can determine the most appropriate product for the customer. Surveys completed by past customers will not always indicate the needs and wants of current customers. Brochures and literature are generally distributed to undecided buyers and are used as a follow-up tool. Hidden benefits are generally explained after the salesperson has determined the customer's initial needs and wants in terms of product features and benefits.

SOURCE: SE:109

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

100. A

Middle. This level of management is responsible for the daily functioning of the business. It also serves as a liaison between top-level and supervisory management. Top management develops broad company plans, while supervisory, or operating, management is the management level that implements management plans through direct supervision of workers.

SOURCE: SM:001

SOURCE: BA LAP 6—Manage This!