

Travel and Tourism Marketing

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. The Gray Line bus company offers bus tours in various cities throughout the United States. Gray Line is included in which of the following components of the travel and tourism industry:
 - A. Wholesale distribution
 - B. Hospitality
 - C. Travel mart
 - D. Ground transportation
2. Limited liability is a characteristic of what form of business ownership?
 - A. Partnership
 - B. Corporation
 - C. Sole proprietorship
 - D. Joint proprietorship
3. During the employee selection process, federal regulations that pertain to the workplace forbid tour companies from requiring job applicants to take
 - A. ability tests.
 - B. personality tests.
 - C. medical exams.
 - D. written exams.
4. What channel of staff communication are travel agency managers usually unable to control?
 - A. Grapevine
 - B. Downward
 - C. Formal
 - D. Objective
5. What type of agenda items should the manager of a car-rental company plan to discuss first during a staff meeting?
 - A. Old business
 - B. Controversial
 - C. Routine
 - D. Priority
6. Employees of a car-rental company that is located in the downtown area of a large city are most likely to be asked to give customers directions to the city's
 - A. day-care facilities.
 - B. neighborhood schools.
 - C. suburban areas.
 - D. local attractions.
7. If a client is making a trip to an unfamiliar nation, a travel advisor should orient the client to the locale by
 - A. offering to take the client on a familiarization trip.
 - B. describing the nation's culture, laws, and physical environment.
 - C. sharing trivia about the nation, such as its primary crop.
 - D. keynoting the nation's largest industries.
8. Channels of distribution are necessary for the sale of goods and services to ultimate
 - A. retailers.
 - B. wholesalers.
 - C. consumers.
 - D. sales agents.
9. A business that has the capability of monitoring the location of delivery trucks to determine if shipments are on time is using the technology of
 - A. satellite tracking.
 - B. artificial intelligence.
 - C. data interchange.
 - D. electronic imaging.
10. Cruise companies usually coordinate the distribution of their products with the marketing activity of
 - A. controlling.
 - B. management.
 - C. directing.
 - D. promotion.
11. Tour planners regularly meet with channel members to discuss problems and improve performance in order to develop
 - A. long-term partnerships.
 - B. cost-effective inventories.
 - C. transportation systems.
 - D. routine buying procedures.
12. Transportation companies help marketers to provide _____ utility.
 - A. credit
 - B. place
 - C. form
 - D. possession

13. When customers buy the exact amount of goods that producers are selling at a specific price, the _____ price exists.
- A. unit
 - B. market
 - C. equilibrium
 - D. production
14. The two main divisions of the trade industry are
- A. producers and retailers.
 - B. manufacturers and wholesalers.
 - C. wholesalers and retailers.
 - D. wholesalers and producers.
15. The term "monopoly" describes a situation in which there is
- A. a large number of producers that sell different products.
 - B. uncontrolled ownership of businesses.
 - C. rivalry between businesses that offer similar products.
 - D. only one supplier of a certain good or service.
16. The overall objective of workers who form labor unions is to
- A. promote better working conditions.
 - B. obtain reasonable working hours.
 - C. strengthen their bargaining power.
 - D. obtain fair wages.
17. During the peak phase of the business cycle, travel and tour businesses often
- A. lay off workers.
 - B. earn less profit.
 - C. raise their prices.
 - D. lower their prices.
18. What can Lee do to show his clients that they are important to the travel agency?
- A. Speak loudly so that clients can easily hear your responses.
 - B. Stare at clients so they know you are listening.
 - C. Request a supervisor's assistance in resolving problems.
 - D. Use the clients' names in conversations.
19. Which of the following is an example of a airline behaving unethically when it communicates information to customers:
- A. Refusing to publicize confidential data
 - B. Regularly sending e-mails to customers
 - C. Deliberately trying to confuse customers
 - D. Providing detailed data in chart form
20. Which of the following is an appropriate action to take when dealing with difficult customers:
- A. Minimize your listening.
 - B. Maximize your talking.
 - C. Raise your voice.
 - D. Maintain eye contact.
21. In order to interpret business policies to customers, an airline ticket agent must
- A. get permission from management.
 - B. understand the business's policies.
 - C. feel good about the policies.
 - D. help to set the business's policies.
22. What should travel agents tell their clients about cruise ship gratuities?
- A. It is traditional to tip anyone who provides service at the time such service is given, including the ship's officers.
 - B. Gratuities are included in the cruise fare; therefore, it is not necessary to tip servers or cabin stewards.
 - C. Passengers should tip 15% - 20% of the cost of the meal, just as they do in restaurants, and it is optional to tip cabin stewards.
 - D. Passengers should tip dining-room stewards and cabin stewards a certain amount per day, which can be prepaid for the client's convenience.

23. What is the best way to resolve a dispute with an airline passenger whose assigned seat has been accidentally given to another passenger?
- A. Offer the passenger several alternatives
 - B. Agree that the airline is irresponsible
 - C. Blame the problem on the reservations agent
 - D. Give the passenger a complimentary beverage
24. Why do travel and tourism businesses extend credit to their customers?
- A. To take advantage of the convenience
 - B. To purchase necessary supplies
 - C. To save money
 - D. To be competitive
25. The preparation of income statements and balance sheets is usually the responsibility of a travel agency's _____ department.
- A. marketing
 - B. purchasing
 - C. accounting
 - D. human resources
26. Is sales tax included on an invoice when it is prepared for a cruise ship gift shop that is purchasing the goods to resell to its passengers?
- A. No, the consumer pays the sales tax.
 - B. Yes, the business pays the sales tax.
 - C. No, the manufacturer pays the sales tax.
 - D. Yes, the business claims the sales tax as a tax deduction.
27. Should a tour operator's sales forecasters gather information about its competitors' activities?
- A. No, forecasters should study the market and the economy.
 - B. Yes, competitors' activities have a negative effect.
 - C. Yes, competitors' activities may affect the forecast.
 - D. No, the competition is an external factor beyond the business's control.
28. A manager of a department within a travel agency uses an operating budget as a basis for _____ the department.
- A. organizing the personnel in
 - B. evaluating the efficiency of
 - C. supervising the staff within
 - D. preparing project deadlines for
29. If a business's profit-and-loss statement shows sales of \$50,000, operating expenses of \$10,000, and cost of goods sold \$30,000, the remaining \$10,000 is the business's _____.
- A. net margin.
 - B. net profit.
 - C. gross profit.
 - D. gross expenses.
30. One procedure that the Fleetwood Rent-A-Car Company uses to determine its future hiring needs involves analyzing _____.
- A. sales volume.
 - B. merit pay.
 - C. job security.
 - D. formal training.
31. Which of the following is an inappropriate question to ask a prospective airline reservation coordinator during a job interview:
- A. What are your political beliefs?
 - B. What are your typical work habits?
 - C. What are your short-term career goals?
 - D. What is one technique you use to manage time?
32. Which of the following is a technique that can be used to catch the new employees' attention when beginning a job orientation:
- A. Having all equipment in working order
 - B. Reviewing the agenda with program speakers
 - C. Greeting the new employees
 - D. Telling a story about the company

33. If tour guide managers find that their solutions to employees complaints are ineffective, what should they do?
- A. Give the solutions additional time.
 - B. Ask employees to work harder.
 - C. Reject the solutions and start over.
 - D. Restate the consequences for failure to comply.
34. Why does a cruise ship need to calculate how long it takes to clean a cabin each day if all cabins must be cleaned by a certain time?
- A. To establish a staffing guide
 - B. To purchase sheets and towels
 - C. To schedule staff vacations
 - D. To keep track of attendance
35. One of the advantages of obtaining and using marketing information is because it helps travel agency managers to
- A. prepare documents and reports.
 - B. predict and control risks.
 - C. train and direct employees.
 - D. review and understand regulations.
36. What are general considerations that tour operators must evaluate when assessing their ongoing marketing-information needs?
- A. Sample size and measurement
 - B. Variables and statistical range
 - C. Data relevancy and application
 - D. Production standards and mode
37. In the travel and tourism industry, some businesses use the information from sales representatives to make decisions. One type of report that details a sales representative's planned sales calls and routes for an upcoming week or month is a(n) _____ report.
- A. quota
 - B. territory
 - C. call
 - D. activity
38. What is the overall purpose of evaluating the results of a marketing-research project?
- A. To select the next marketing-research project
 - B. To decide which recommendation to implement
 - C. To determine whether it benefited the business
 - D. To compare the methods of data collection
39. The Tanner Tour Company has set a goal to increase profitability by 15% within the next two years. To achieve that goal, the company has decided to open a branch office in another city. This strategy is the corporation's
- A. plan of action.
 - B. marketing mix.
 - C. type of risk.
 - D. financial plan.
40. Airlines can focus their marketing efforts by dividing the total market for their products into
- A. demographics.
 - B. mass markets.
 - C. market segments.
 - D. potential consumers.
41. What type of information do taxi companies include in their marketing plans?
- A. Billing methods
 - B. Pricing strategies
 - C. Payroll systems
 - D. Accounting procedures
42. Which of the following is an internal strength that a travel agency might identify during a SWOT analysis:
- A. Extensive regulation
 - B. Financial resources
 - C. Increased expenses
 - D. Limited competition
43. What type of marketing information do many cruise ships collect in order to measure the level of customer satisfaction?
- A. Number and type of complaints
 - B. Variety of advertisements
 - C. Quantity and value of sales
 - D. Performance of equipment

44. Which of the following is a way a travel agency might change its place strategy:
- A. Increasing availability
 - B. Revising service policies
 - C. Reacting to market prices
 - D. Placing new advertisements
45. What do tour companies often do with the information obtained as a result of conducting a marketing audit?
- A. Organize current inventory
 - B. Develop pricing strategy
 - C. Gather advertising data
 - D. Plan corrective action
46. A person who promotes Walt Disney theme parks is marketing a(n)
- A. cause.
 - B. service.
 - C. lifestyle.
 - D. intermediary.
47. An example of a nondurable good is a
- A. television.
 - B. can of soda.
 - C. pillow.
 - D. bus tour.
48. After the popularity of a cruise destination dropped, the Fun Time Cruise Lines needed a new cruise destination to promote that would help to improve its image. Which of the following marketing functions would come up with the new cruise destination:
- A. Promotion
 - B. Distribution
 - C. Selling
 - D. Product/Service management
49. Panic buttons, video systems, and cash-control devices are all
- A. types of electronic games.
 - B. customer interactive systems.
 - C. new inventory trends.
 - D. antirobbery systems.
50. Emergency procedures that involve escape and evacuation because of fire or natural disasters usually include plans for identifying
- A. hazardous materials.
 - B. relatives of passengers.
 - C. travelers with disabilities.
 - D. suspicious activities.
51. A travel agent planning a tour for a family that wants transportation, lodging, meals, and car rental included for one price should schedule a(n) _____ tour.
- A. fly/drive
 - B. escorted
 - C. hosted
 - D. package
52. To prevent accidents from happening in the aisles of a travel agency, employees should
- A. warn clients to be careful.
 - B. be sure that there is proper lighting.
 - C. install lighted signs.
 - D. keep the aisles clear.
53. Which of the following examples demonstrates a good security practice for cruise ship gift shop employees to follow:
- A. Jane verifies her opening change fund several times a day.
 - B. Noelle chats with customers while ringing up sales.
 - C. Kelsey keeps her purse on a shelf underneath the register.
 - D. Tom checks the amount and date on all personal checks.
54. In the travel and tourism industry, which of the following production activities issues work orders telling employees their specific job assignments:
- A. Dispatching
 - B. Routing
 - C. Scheduling
 - D. Follow-up
55. Which of the following is an example of a common operating expense:
- A. Revenue
 - B. Investment
 - C. Compensation
 - D. Capital

56. Which of the following is a way that a convention center's employees can manage their work in order to help control business expenses:
- A. By disregarding procedures
 - B. By prolonging tasks
 - C. By waiting for assignments
 - D. By meeting deadlines
57. A theme park that is clean and well maintained is likely to
- A. attract and retain customers.
 - B. appeal to many suppliers.
 - C. have an insurance division.
 - D. have high sales expenses.
58. Which of the following actions is least likely to help you achieve a goal:
- A. Keeping a written record of your progress
 - B. Setting a time limit for achieving the goal
 - C. Asking your friends if the goal is worthwhile
 - D. Developing a plan of things to do
59. What should people ignore when they are polishing and refining their ideas in order to make them work?
- A. Logical questions
 - B. Personal suggestions
 - C. Negative comments
 - D. Industry feedback
60. Which of the following audiences do exhibitors at trade shows want to reach:
- A. Suppliers
 - B. Vendors
 - C. Sellers
 - D. Buyers
61. When does a snow skiing resort located in a mountainous region of the northern hemisphere most likely experience its highest occupancy rates?
- A. In late autumn
 - B. Weekends in June and July
 - C. The colder winter months
 - D. During hurricane season
62. The low prices charged by discount businesses help to project their specific
- A. bias.
 - B. trend.
 - C. image.
 - D. worth.
63. Competing airlines that agree to coordinate the discounts and credit terms that they offer their customers are
- A. unit pricing.
 - B. price planning.
 - C. target pricing.
 - D. price fixing.
64. Airlines recognize the existence of different demand curves for different customer groups. Airlines can meet these various demands by
- A. providing additional luggage space, as needed, for business travelers.
 - B. advertising to encourage passengers to fly during nonpeak times.
 - C. supplying and pricing airline tickets based on route, time period, and class of service.
 - D. offering cash-back savings to vacation travelers.
65. Which of the following is an example of a group that might have responsibility for product planning:
- A. Research crews
 - B. Venture teams
 - C. Financial panels
 - D. Survey compilers
66. A business that generates an idea for a new product that goes along with an existing product is creating a _____ product.
- A. generic
 - B. strategic
 - C. complementary
 - D. diversified
67. Which of the following prohibits businesses from harassing their slow-pay credit customers:
- A. Federal Trade Commission Act
 - B. Equal Credit Opportunity Act
 - C. Fair Debt Collection Act
 - D. Consumer Credit Protection Act

68. When a travel agency makes changes in the type and amount of services it offers, it is making strategy changes in its
- A. product item.
 - B. product line.
 - C. product mix.
 - D. promotional mix.
69. Determine if this statement is true or false: Promotion is the only element of the marketing mix that is considered when positioning a travel product.
- A. True, promotion is the least expensive way to position a travel product.
 - B. False, all elements of the marketing mix should complement the intended position.
 - C. True, promotion influences the consumers directly.
 - D. False, the travel product is the most important element of the mix considered in positioning.
70. A brand extension is an example of a
- A. brand promise.
 - B. brand strategy.
 - C. family brand.
 - D. corporate brand.
71. A cruise line's passenger services are intended to create
- A. goodwill and passenger satisfaction.
 - B. passenger satisfaction and increased inventories.
 - C. goodwill and decreased markup.
 - D. increased inventories and decreased markup.
72. The benefit to a cruise ship of placing comment cards in all passenger cabins to determine how satisfied guests are with the ship's facilities and services is the
- A. control of how the cards are handled.
 - B. quality of data collected.
 - C. typical response rate.
 - D. quantity of data collected.
73. Airlines develop specific positioning strategies for their products because they want to
- A. appeal to unknown markets.
 - B. determine advertising needs.
 - C. increase employee productivity.
 - D. create a particular image.
74. Which of the following is one of the main areas of concern when evaluating the effectiveness of a tour:
- A. Background of tour participants
 - B. Amount of deposit required
 - C. Type of travel company
 - D. Performance of tour director
75. In the travel and tourism industry, effective communication between buyers and sellers is
- A. impossible to achieve.
 - B. not essential to promotion.
 - C. an important function of promotion.
 - D. the responsibility of buyers.
76. Which of the following is the basic purpose of a travel agency's promotional mix:
- A. To list the travel agency's products
 - B. To provide all travel product information
 - C. To influence clients to purchase
 - D. To reduce competitors' sales
77. Which of the following examples is most likely to stimulate ethical controversy in terms of promotion:
- A. An airline works with a hotel chain to develop a national sweepstakes promotion.
 - B. A television station runs several beer commercials during prime-time viewing hours.
 - C. A travel agency places advertisements in newspapers announcing a new cruise package.
 - D. A radio station broadcasts public-service announcements that inform the public about health issues.
78. When a government develops and enforces laws relating to deceptive advertisements, it is regulating the travel and tourism industry's _____ activities.
- A. promotional
 - B. distribution
 - C. financial
 - D. research

79. What advertising medium is particularly good at reaching selective local audiences at low costs?
- A. Direct mail
 - B. Television
 - C. Newspaper
 - D. Radio
80. The primary cost factors that travel agencies must consider when developing a direct advertising campaign include list acquisition, delivery, and
- A. inventory.
 - B. production.
 - C. research.
 - D. follow-up.
81. Why is it important for airlines to coordinate news releases with other promotional activities?
- A. To evaluate advertising
 - B. To achieve their goals
 - C. To develop a budget
 - D. To obtain sales incentives
82. Airlines often implement frequency marketing programs as a way to
- A. identify sales referrals.
 - B. advocate community service.
 - C. build customer loyalty.
 - D. justify the promotional budget.
83. Identifying the target market often is one of the first steps a cruise line takes in order to develop a
- A. receiving process.
 - B. distribution channel.
 - C. promotional plan.
 - D. production schedule.
84. Methods for post-testing advertisements to evaluate their effectiveness often include which of the following:
- A. Observation and handling objections
 - B. Cold canvassing and blind prospecting
 - C. Focus groups and recall testing
 - D. Test-marketing and random sampling
85. Selling policies concerned with pricing, product availability, and discounts are categorized as _____ policies.
- A. service
 - B. selling-activity
 - C. delivery
 - D. terms-of-sale
86. Technological advancements have made it possible for salespeople in the travel and tourism industry to learn and practice selling techniques at their own pace by using
- A. interactive training software.
 - B. videoconferencing applications.
 - C. database software programs.
 - D. customized training specialists.
87. A travel agency can obtain free product information about specific tour products through the tour operators'
- A. marketing research.
 - B. sales representatives.
 - C. focus groups.
 - D. employee training programs.
88. A travel agent explains to customers that they are booked on a direct flight from Miami to Boston which means that they will
- A. not stop along the way.
 - B. change planes.
 - C. fly first class.
 - D. make one or more stops.
89. A travel consultant can most often obtain accurate information about a tour's benefits and features by
- A. talking with clients who have taken the tour.
 - B. surfing the Internet for tour testimonials.
 - C. assessing service and cancellation information.
 - D. conducting a focus group that includes competitors.
90. Which of the following is a reason why people might select a certain travel agency:
- A. Agency is a sole proprietorship.
 - B. Agency is a travel wholesaler.
 - C. Agency offers services online.
 - D. Agency has a low commission rate.

91. What does a travel agent need to find out early in the conversation in order to determine a client's travel preferences?
- A. Possibility of upgrading
 - B. Dollar amount of budget
 - C. Desired length of trip
 - D. Barriers to selling
92. Why is it important for a tour operator to walk through a tour site before adding the site to a tour itinerary?
- A. To determine length of time needed to tour the site
 - B. To calculate the total cost of visiting the site
 - C. To arrange for overnight accommodations in the area
 - D. To locate suitable dining facilities nearby
93. When a small bus-tour group arrives at a lodging facility, what is a step in the process of checking in the guests?
- A. Assigning a room
 - B. Issuing a receipt
 - C. Cashing a check
 - D. Posting charges
94. Purchasers of traveler's checks sign them at two different times. The first time is at the time of purchase, and the second time is when the
- A. customers reach their destination.
 - B. checks are cashed.
 - C. checks are discarded.
 - D. customers leave on a trip.
95. A tour wholesaler is arranging a travel package for a university alumni group that is going to the Rose Bowl. What type of package is it?
- A. All-inclusive
 - B. Event
 - C. Incentive
 - D. Convention
96. While on a guided tour of Washington D.C., Pete purchases a souvenir in a museum gift shop. If the sales tax rate is 4% and the subtotal of a bill is \$65.46, what is the total amount of the sales check?
- A. \$68.08
 - B. \$64.50
 - C. \$65.46
 - D. \$61.46
97. When processing the final payment for a client's cruise tickets, a travel agent should complete a(n)
- A. exchange form.
 - B. tour order.
 - C. boarding pass.
 - D. surcharge report.
98. Which of the following functions is a travel agency sales manager demonstrating when s/he is motivating the behavior of the sales staff for the purpose of reaching specific goals:
- A. Training
 - B. Planning
 - C. Staffing
 - D. Leading
99. While working at Fly-Away Airlines, Ken's manager, Linda, tells other members of the department that Ken is receiving a six percent salary increase. Linda is exhibiting unethical behavior because she is
- A. refusing to be objective.
 - B. expressing favoritism toward Ken.
 - C. misusing company funds.
 - D. revealing confidential information.
100. Which of the following is an example of a technological trend that would affect business:
- A. The enforcement of safety rules
 - B. The expanded use of computers
 - C. The rising median age of the population
 - D. The support of business with subsidies