

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. The federal courts are part of the U.S.
 - A. legislative body.
 - B. executive branch.
 - C. judicial system.
 - D. presidential cabinet.
2. Which of the following types of business organizations reduces or limits the risk of its stockholders:
 - A. Partnership
 - B. Sole proprietorship
 - C. Franchise
 - D. Corporation
3. Which of the following is an aspect of channel management that impacts customer service:
 - A. Timeliness
 - B. Taxes
 - C. Protectionism
 - D. Advertising
4. Which of the following is a marketing function that can be performed by channel intermediaries:
 - A. Promoting products
 - B. Monitoring union activities
 - C. Training employees
 - D. Recruiting workers
5. What effect does the technology of digital money have on the distribution function?
 - A. Increases productivity
 - B. Improves cash flow
 - C. Creates virtual reality
 - D. Manages information
6. Which example best reflects a potential ethical issue among distribution channel members?
 - A. The manager of a wholesale business awards a supply contract to his/her spouse's company.
 - B. A logistics manager negotiates with a shipping company for lower carrier fees.
 - C. Warehouse personnel request permission to purchase company inventory for personal use.
 - D. A food distributor dispenses product samples to a potential customer.
7. Which of the following is a marketing activity that a business should coordinate with distribution in order to successfully sell its product:
 - A. Competition
 - B. Orientation
 - C. Production
 - D. Promotion
8. Jackie's coach is in the middle of explaining a basketball drill, and Jackie interrupts to ask a question. If she had let her coach finish, her question would have been answered. Which of the following steps for following directions did Jackie ignore:
 - A. Make eye contact.
 - B. Know when to speak.
 - C. Eliminate distractions.
 - D. Take notes.
9. A personal opinion that prevents a person from being a fair and impartial listener is
 - A. bias.
 - B. feedback.
 - C. emotion.
 - D. conviction.
10. At work, Bob is assigned to be on a team of five people that will create a new product. Which action can Bob take to participate in the team in a useful way?
 - A. Find out what other people in the group know about the product
 - B. Encourage the team to avoid setting ground rules
 - C. Keep the group on track by stopping others from offering unusual ideas
 - D. Walk around the room during discussions to keep energy in the group
11. An appropriate guideline for writing a sales-oriented business letter is that
 - A. the opening should avoid mentioning any problems.
 - B. it should criticize the competition.
 - C. the closing should emphasize price.
 - D. it should encourage the reader to take action.

12. Which of the following might a manager send to corporate management on a regular basis to briefly summarize the work accomplished:
- A. Personal letter
 - B. Project proposal
 - C. Weekly activity report
 - D. Reservation record
13. Which of the following types of communication would be exchanged by two business managers who are on the same level of authority:
- A. Horizontal
 - B. Downward
 - C. Vertical
 - D. Upward
14. A business recently mailed 20-percent discount coupons to all its loyal customers. Which technique for building positive customer relations does this illustrate?
- A. Display courtesy.
 - B. Be thankful.
 - C. Keep your promises.
 - D. Be helpful.
15. How should the business employee handle a situation in which the customer has little to say?
- A. Ask questions that can't be answered "yes" or "no"
 - B. Wait until the customer is ready to "open up"
 - C. Put the customer at ease by doing all the talking
 - D. Try to close as soon as possible
16. The ultimate goal of all economic activity is
- A. production.
 - B. consumption.
 - C. exchange.
 - D. distribution.
17. What might businesses do if they expect prices to increase substantially in the future?
- A. Encourage consumers to buy
 - B. Increase production now
 - C. Ship more products to stores
 - D. Keep products off the market
18. Usually during an economic recession the prices of goods and services will rise very high while the value of money decreases. At the same time, many workers receive an increase in their nominal wages. These workers will be willing to pay the rising prices because their wages are rising by the same amount. This is a good example of the effects of _____ prices.
- A. objective
 - B. competitive
 - C. unfair
 - D. relative
19. Who owns a good if the good is used in performing a service for a customer?
- A. The customer who buys the service
 - B. The business performing the service
 - C. The producer of the good
 - D. The supplier of the good to the business
20. Which of the following is vital to the successful operation of a private enterprise system:
- A. Distribution
 - B. Mechanization
 - C. Production
 - D. Competition
21. One of the reasons that countries measure GDP is to
- A. determine the quality of the goods and services they produce.
 - B. investigate the types of goods and services they produce.
 - C. compare their findings to other countries around the world.
 - D. calculate the distribution of wealth within their nations.
22. Which of the following indicates a high level of self-esteem:
- A. Seeing an advertisement for a job and feeling that you could handle it
 - B. Believing that you should always put others ahead of yourself
 - C. Making a mistake and thinking that you are good at making mistakes
 - D. Imagining how you would feel if you had already graduated

23. A customer asked, "What ties would you suggest with this shirt?" The salesperson responded, "Let me show you some that would look wonderful with it." The salesperson is demonstrating
- A. interest and enthusiasm.
 - B. a negative attitude.
 - C. boredom and indifference.
 - D. extensive product knowledge.
24. Because personal traits tend to influence one another, they are said to be
- A. independent.
 - B. interdependent.
 - C. unique.
 - D. common.
25. When you accept criticism and use it in a constructive manner, it becomes
- A. more frequent.
 - B. very valuable.
 - C. anticipated.
 - D. desirable.
26. Businesspeople who respect the unique customs and habits of their foreign customers are exhibiting
- A. cultural sensitivity.
 - B. stereotypical behavior.
 - C. communication skills.
 - D. language differences.
27. A purpose of effective communication in marketing is to
- A. make encoding unnecessary.
 - B. identify a specific market.
 - C. persuade consumers to buy.
 - D. reduce the need for promotion.
28. Which of the following types of behavior tries to improve the general quality of relationships:
- A. Aggressive
 - B. Negative
 - C. Assertive
 - D. Independent
29. Which of the following bonds does a country's government issue:
- A. Treasury
 - B. Corporate
 - C. Estate
 - D. Common
30. What type of credit is commonly used to purchase large, expensive items such as cars?
- A. Regular
 - B. Installment
 - C. Budget
 - D. Revolving
31. Eric wants to buy a new house, and to do so he needs good credit. He has made all his rent, car, and credit card payments on time, so he should have a good credit score. Before he goes to purchase the house, he checks his credit report and finds that he has a low credit score because one of the agencies mishandled his report. This example shows the importance of
- A. validating credit history.
 - B. buying a house.
 - C. paying rent on time.
 - D. good credit.
32. Developing an efficient system to locate, gather, process, and use information for marketing decisions is one way that businesses can reduce
- A. taxes.
 - B. debts.
 - C. sales.
 - D. risks.
33. Sears offers its own credit card and accepts other cards as well. The amount of money that Sears' customers owe to the business belongs in its _____ records.
- A. sales revenue
 - B. trade credit
 - C. accounts receivable
 - D. liabilities
34. The bottom line on a business's income statement indicates
- A. net worth.
 - B. gross revenue.
 - C. net income.
 - D. total costs.

35. Why do businesses develop operating budgets?
- A. To organize the overall finances
 - B. To monitor the managers' salaries
 - C. To calculate inventory levels
 - D. To estimate replacement costs
36. One way that businesses often use current employees during the process of orienting new employees is as
- A. trainers.
 - B. interviewers.
 - C. managers.
 - D. evaluators.
37. What factor does a business consider when it needs to make decisions about when to develop new products or when to change prices?
- A. Selling procedures
 - B. Promotional research
 - C. Advertising data
 - D. Marketing information
38. Businesses that need information about industry activities may have a separate section of the marketing-information management system whose only responsibility is to
- A. reduce business risk.
 - B. monitor the competition.
 - C. improve stock control.
 - D. expand promotional activities.
39. Which of the following is an example of an unethical method of collecting marketing information:
- A. Contacting customers in a single geographic area
 - B. Surveying a limited group of similar respondents to represent a broader universe
 - C. Calling a wide variety of consumers at home with survey questions
 - D. Interviewing randomly selected participants
40. One benefit to a business of using computerized databases to sort and organize information about customers' purchases, brand preferences, and dollar amounts spent is that the business can use this information to
- A. prepare financial reports.
 - B. customize its marketing efforts.
 - C. develop inventory control plans.
 - D. maintain sales strategies.
41. What kind of marketing research is being carried out when a business has someone count the cars in the shopping mall's parking lot?
- A. Formal
 - B. Informal
 - C. Causal
 - D. Internal
42. Which of the following is an example of a primary marketing research technique:
- A. Customer survey
 - B. Census data
 - C. Trade-journal article
 - D. External reports
43. The PQR Company has experienced a drop in sales for three consecutive quarters. This is an example of defining the marketing-research
- A. decision.
 - B. risk.
 - C. opportunity.
 - D. problem.
44. When marketers sampled 100 15-year-old girls, they found that they all were 5 feet 2 inches tall. What type of sampling error contributed to this finding?
- A. Non-response
 - B. Interviewer bias
 - C. Chance
 - D. The way the question was asked
45. What is one way that many businesses use the marketing information contained in sales reports?
- A. To improve the effectiveness of salespeople
 - B. To qualify potential new customers
 - C. To monitor expense accounts
 - D. To develop negotiating techniques
46. The focus group is an example of what type of method that researchers use to collect data?
- A. Observation
 - B. Interview
 - C. Sampling
 - D. Technical

47. Which of the following data-processing methods is done quickly and does not require businesses to manually handle raw data:
- A. Voice networking
 - B. Computer keyboarding
 - C. Cyber-opting
 - D. Optical scanning
48. A customer survey indicates that six out of ten survey respondents rate service levels at level four on a rating scale ranging from one to five. This is an example of statistical data reported by
- A. module.
 - B. median.
 - C. mean.
 - D. mode.
49. Researchers consider the wording of questions and the order of the questions when evaluating
- A. questionnaire design.
 - B. formatting issues.
 - C. completion deadlines.
 - D. possible incentives.
50. A business manager who is calculating the costs of products is performing the marketing function of
- A. accounting.
 - B. financing.
 - C. pricing.
 - D. product/service management.
51. Who is responsible for carrying out the tactics to achieve a business's marketing strategies?
- A. Executives
 - B. Customers
 - C. Employees
 - D. Stockholders
52. Marzetti's Musical Instruments has determined that it will focus its marketing efforts on senior high-school students. Marzetti's is engaged in _____ marketing.
- A. risky
 - B. target
 - C. mass
 - D. industrial
53. Which of the following is considered a reliable source of external information that could be used in quantitative sales forecasting:
- A. Predictions voiced by company executives
 - B. Industry forecasts published by trade associations
 - C. Statements of customer satisfaction with products
 - D. Viewpoints of customer-service personnel
54. Which of the following is the most efficient tool for gathering external information that businesses need:
- A. Textbooks
 - B. Library
 - C. Software
 - D. Internet
55. When using an online search engine to obtain business information, employees should enter _____ in the search engine's _____ field.
- A. vague terms, reply
 - B. key words, query
 - C. general phrases, answer
 - D. ordinary slang, subject
56. What software program would a local car dealer use to organize and sort customer information in order to mail postcards to customers to remind them when it is time for routine maintenance?
- A. Word processing
 - B. Database
 - C. Spreadsheet
 - D. Desktop publishing
57. Since Maria's business has grown significantly over the past year, she feels that it is time to transfer her handwritten records into a software program. Maria is changing to which style of record keeping?
- A. Common
 - B. Manual
 - C. Computerized
 - D. Scientific
58. Which of the following is *not* an example of demographic data:
- A. Education
 - B. Employment status
 - C. Need for convenience
 - D. Religious affiliation

59. What do businesses often analyze when making decisions about how to improve the company?
- A. Privacy factors
 - B. Training methods
 - C. Information skills
 - D. Statistical findings
60. To reduce the risk of injury in the workplace, the government requires businesses to follow
- A. organizational health policies.
 - B. privacy laws.
 - C. conservation ordinances.
 - D. safety regulations.
61. What kind of dangerous situation might result if a new employee operates specialized equipment without having received prior training on how to properly use that equipment?
- A. Mental stress
 - B. Safety hazard
 - C. Physical fatigue
 - D. Personal tension
62. When managing projects, which of the following is an important activity:
- A. Following directions
 - B. Changing objectives
 - C. Tracking deadlines
 - D. Obeying orders
63. What do businesses need to maintain in order to produce goods and services for customers?
- A. Inventory of supplies
 - B. List of vendors
 - C. Schedule of accounts
 - D. Copies of invoices
64. Popping Good Popcorn has been in business for more than 30 years, producing popcorn that is sold at county fairs and local supermarkets. What can Popping Good do to remain competitive without spending an excessive amount of money?
- A. Update the product
 - B. Produce more popcorn
 - C. Design new products
 - D. Change production method
65. When is it more efficient for a company to replace a piece of equipment than to repair it?
- A. Maintenance staff is qualified to make repairs.
 - B. Length of downtime is shorter for repair.
 - C. Repair parts are easy to obtain.
 - D. Cost of replacement is less than repair.
66. Lack of exercise, sleep, and adequate relaxation are factors that are likely to have a direct effect on an individual's ability to
- A. learn of new opportunities.
 - B. enter training programs.
 - C. socialize with coworkers.
 - D. perform job expectations.
67. After an employee collects the necessary facts, what is the next step that an employee should take to solve a problem?
- A. Analyze the information
 - B. Define the problem
 - C. Act on assumptions
 - D. Make a decision
68. In order to manage your time effectively, all of the things that you want to accomplish should first be
- A. identified.
 - B. classified.
 - C. scheduled.
 - D. prioritized.
69. Jane enjoys working with people, is interested in television and advertising, has excellent grades in English and speech, and is very creative. What occupational area would she be better suited to pursue?
- A. Health and fitness
 - B. Business and office
 - C. Personal services
 - D. Communications and media
70. When signing the sections of an employment application that require a signature, applicants should avoid using a(n)
- A. nickname.
 - B. initial.
 - C. surname.
 - D. title.

71. Which promotional medium would be most appropriate for a low profit-margin product?
- A. Radio
 - B. Television
 - C. Magazine
 - D. Spectacular
72. Business competitors who discuss their costs and the amount of markup on their products may be involved in
- A. price fixing.
 - B. variable pricing.
 - C. price lining.
 - D. flexible pricing.
73. A company is most likely to lower product pricing when the overall economy is experiencing a period of
- A. recovery.
 - B. prosperity.
 - C. recession.
 - D. deflation.
74. Why is the quality level of a product an important product/service management decision?
- A. It identifies a product's brand.
 - B. It reflects the image of the business.
 - C. It protects consumers.
 - D. It refers to the way the product works.
75. Which of the following is a characteristic of the growth stage of a product's life cycle:
- A. Promotional budgets are low.
 - B. Prices are raised.
 - C. Fads are adopted.
 - D. Competitors enter the market.
76. What is one way that businesses are using the information that they are able to obtain due to the advances in Internet technology?
- A. To develop production systems
 - B. To interview potential employees
 - C. To compile customer databases
 - D. To prepare operating policies
77. Which of the following is an example of deceptive and unethical product labeling:
- A. Advertising "100% juice" and emphasizing a picture of a fruit other than the one that is the main ingredient
 - B. Listing ingredients in the order of most to least
 - C. Including the manufacturer's name and address
 - D. Including in the list of nutritional information the names of vitamins contained in the product and their percentages
78. A group of employees meeting to review a business's sales records for the purpose of identifying product opportunities is an example of
- A. experimenting.
 - B. brainstorming.
 - C. negotiating.
 - D. questioning.
79. A customer buys a CD player and receives a printed warranty card stating the action the company will take if the CD player does not work properly. This is an example of a(n) _____ warranty.
- A. implied
 - B. full
 - C. limited
 - D. express
80. What act covers hazardous substances, flammable fabrics, and refrigerator safety?
- A. Fair Packaging and Labeling Act
 - B. Federal Trade Commission Act
 - C. Consumer Product Safety Act
 - D. Federal Food, Drug, and Cosmetic Act
81. If a specific consumer market wants an item that is easy to assemble and operate, a business might position the item on the basis of product
- A. quality.
 - B. price.
 - C. value.
 - D. benefits.
82. Stakeholders, employees, customers, and the media are important considerations when a business defines its
- A. advertising program.
 - B. product image.
 - C. corporate brand.
 - D. financial assets.

83. An important role of promotion is to
- A. set prices.
 - B. bypass salespeople.
 - C. presell products.
 - D. guide management.
84. When planning the promotional mix, a business should consider which of the following target market factors:
- A. The stage of the product's life cycle
 - B. The type of product
 - C. The type and number of consumers and their location
 - D. The company history
85. An advertisement that portrays teenaged boys as lazy and middle-aged men as hard working is an example of
- A. harassment.
 - B. discriminating.
 - C. sexism.
 - D. stereotyping.
86. The AJR Company hired a marketing firm to develop an online blog to create "buzz" about the company's new product; however, it did not advise the public that bloggers were paid to promote the product. This is an example of an unethical activity called
- A. sponsorship advertising.
 - B. placement marketing.
 - C. stealth marketing.
 - D. endorsement advertising.
87. A business that is found guilty of deceptive advertising is often required to place _____ advertising.
- A. informative
 - B. comparative
 - C. corrective
 - D. affirmative
88. Which of the following has increased due to the trend toward reducing the length of television ads:
- A. The impact of the messages
 - B. The clutter in the media
 - C. Audience selectivity
 - D. Audience interest in ad content
89. Which of the following often is a benefit to businesses of positive word-of-mouth communication:
- A. Decreased advertising costs
 - B. Increased sales
 - C. Increased product mix
 - D. Decreased operating expense
90. The reason for using certain communications channels, such as coupons, in sales promotion is to
- A. create long-term demand.
 - B. generate an immediate response.
 - C. persuade customers to remain loyal.
 - D. advertise a new product.
91. Small businesses often decide to participate in trade shows because the shows provide an opportunity for businesses to contact more potential customers than through the use of
- A. direct selling.
 - B. relationship building.
 - C. cause marketing.
 - D. local retailing.
92. What is an external factor that affects the type of promotional plan that a business develops?
- A. Vendor list
 - B. Delivery system
 - C. Local media
 - D. Target market
93. A local business that wanted to promote a sale of national brands should coordinate the effort with the
- A. discounts offered by one radio station.
 - B. specials offered at the mall.
 - C. other similar businesses in the area.
 - D. manufacturers' promotional campaigns.
94. The sales presentation of a salesperson who has spent time learning about the business's products and its customers will probably be a(n) _____ communication.
- A. spontaneous
 - B. planned
 - C. canned
 - D. impersonal

95. Which of the following is one way that salespeople can go a step further in providing quality customer service:
- A. Use advertising
 - B. Provide feedback
 - C. Be aggressive
 - D. Keep in touch
96. Which of the following is a reason why some businesses prefer to have unwritten selling policies:
- A. Consistency
 - B. Flexibility
 - C. Conformity
 - D. Regimentation
97. Computer technology has impacted the selling function by making it possible for businesses to
- A. eliminate inventory.
 - B. save money.
 - C. sell online.
 - D. increase staff.
98. Suzanne prefers to buy a certain type of dress shoes for work. These shoes provide her feet with comfort and protection. She is buying these shoes for their
- A. qualities.
 - B. benefits.
 - C. features.
 - D. characteristics.
99. According to Maslow's Hierarchy of Needs, people are first motivated to buy to satisfy _____ needs.
- A. esteem
 - B. security
 - C. self-actualization
 - D. physiological
100. A common problem of first-level supervisors is that they
- A. are unfamiliar with the work they supervise.
 - B. are unable to do long-range planning.
 - C. want to move up to mid-level.
 - D. lack training in management techniques.