



## SAMPLE EXAM

### MARKETING CAREER CLUSTER

## THE MARKETING CAREER CLUSTER EXAM IS USED FOR THE FOLLOWING EVENTS:

APPAREL AND ACCESSORIES MARKETING SERIES **AAM**

AUTOMOTIVE SERVICES MARKETING SERIES **ASM**

BUSINESS SERVICES MARKETING SERIES **BSM**

BUYING AND MERCHANDISING TEAM DECISION MAKING **BTDM**

FOOD MARKETING SERIES **FMS**

INTEGRATED MARKETING CAMPAIGN-EVENT **IMCE**

INTEGRATED MARKETING CAMPAIGN-PRODUCT **IMCP**

INTEGRATED MARKETING CAMPAIGN-SERVICE **IMCS**

MARKETING COMMUNICATIONS SERIES **MCS**

MARKETING MANAGEMENT TEAM DECISION MAKING **MTDM**

PROFESSIONAL SELLING **PSE**

RETAIL MERCHANDISING SERIES **RMS**

SPORTS AND ENTERTAINMENT MARKETING SERIES **SEM**

SPORTS AND ENTERTAINMENT MARKETING TEAM DECISION MAKING **STDM**

These test questions were developed by the MBA Research Center. Items have been randomly selected from the MBA Research Center's Test-Item Bank and represent a variety of instructional areas. Performance indicators for these test questions are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided.

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1. An effective way to create a desire for others to agree with your ideas is by
  - A. identifying concerns.
  - B. gathering information.
  - C. stating your case.
  - D. explaining benefits.
2. Many supermarkets advertise that they sell only top-grade food products to let customers know that the foods they buy are
  - A. costly to buy.
  - B. safe to eat.
  - C. low in calories.
  - D. high in protein.
3. What are the primary advantages of using descriptive statistics?
  - A. You are able to make charts easily and create unbound reports faster.
  - B. It allows you to summarize data and make comparisons across units.
  - C. The data are not described in numerical form and can be transferred easily.
  - D. You can reach conclusions that extend beyond what the data shows.
4. Jack broke his left leg in a snowboarding accident and won't be able to work for three months. What type of insurance will help Jack cover his living expenses while he is recovering from his accident?
  - A. Disability
  - B. Term-life
  - C. Liability
  - D. Health
5. Rate of use, benefits derived, and loyalty response are types of \_\_\_\_\_ segmentation.
  - A. demographic
  - B. geographic
  - C. psychographic
  - D. behavioral
6. Which of the following statements about a company's customer records is true:
  - A. Records should include anyone who might become a customer.
  - B. Records must be updated and checked often.
  - C. Duplicate records are unavoidable and expected.
  - D. Records should be easily accessible to everyone in the company.
7. Useful marketing information often helps businesses to
  - A. decrease sales.
  - B. develop ethics.
  - C. solve problems.
  - D. prevent competition.

8. A business requires employees to display “wet floor” signs when necessary as part of its \_\_\_\_\_ policies.
- A. discrimination/harassment
  - B. internet
  - C. health and safety
  - D. dress code
9. Which of the following is an example of vertical conflict within a distribution channel:
- A. A producer uses a short distribution channel to move its perishable goods.
  - B. A manufacturer wants to distribute its products through all available channels in a certain area.
  - C. A large electronics retailer offers a popular item at an extremely low price to attract customers.
  - D. A retail chain develops a private brand to compete with the national brands that it sells.
10. When work tasks are broken down into smaller specialized tasks, productivity outputs are
- A. increased because workers become bored from lack of work variety.
  - B. decreased because great amounts of training are required.
  - C. increased because workers become highly skilled at individual tasks.
  - D. decreased because highly skilled workers demand higher pay.
11. What might a business lose if an advertisement attracted new customers, but they were greeted by a discourteous employee?
- A. Negative impression
  - B. Repeat business
  - C. Service problems
  - D. Frequent complaints
12. Which of the following is a primary advantage of conducting a focus group to obtain marketing information:
- A. Limited preparation
  - B. Moderator objectivity
  - C. Cost effectiveness
  - D. Discussion relevance
13. Broadcast advertising is an example of \_\_\_\_\_ media.
- A. out-of-home
  - B. promotional
  - C. direct mail
  - D. transit
14. Which of the following is a true statement regarding leadership and ethics:
- A. Leaders are not always ethical, but ethical people are always leaders.
  - B. Leaders are never ethical, and ethical people are never leaders.
  - C. Ethical people are not always leaders, but leaders are always ethical.
  - D. Ethical people are not always leaders, and leaders are not always ethical.

15. In an ambiguous situation, what is the first thing you should do to learn more?
- A. Focus on creativity.
  - B. Try to get out of the situation.
  - C. Practice mindfulness.
  - D. Ask questions.
16. The desire for an item that has monetary value is a(n) \_\_\_\_\_ want.
- A. noneconomic
  - B. unlimited
  - C. economic
  - D. intangible
17. What is the relationship between the elements of the marketing mix and marketing strategies?
- A. Development of effective marketing strategies requires consideration of the marketing mix elements.
  - B. The marketing mix elements enable marketers to change marketing strategies frequently.
  - C. Marketing strategies cannot be developed until the marketing mix elements are developed and implemented.
  - D. The marketing mix elements enable marketers to avoid changing marketing strategies.
18. People tend to follow the crowd because they
- A. reject the status quo.
  - B. like to take risks.
  - C. want to stand out from others.
  - D. want to be accepted by their peers.
19. In an attempt to attract potential business investors, Alex exaggerated his business's anticipated year-one income. This is an example of
- A. nepotism.
  - B. puffery.
  - C. sustainability.
  - D. ethicality.
20. A company wants to collect information from various sources to determine if it should consider expanding to international markets. What research method should the company use if it does not want to spend a lot of time or money to obtain the information?
- A. Experimental
  - B. Causal
  - C. Interview
  - D. Exploratory
21. What is an example of an unethical pricing practice?
- A. A business prices a new product line to reflect high quality and status.
  - B. A firm sets a business objective to increase its profit margins over the next 5 years.
  - C. A business increases its prices when the cost of the materials to make the products increases.
  - D. A company prices its products low in an attempt to drive its competitors out of business.

22. Promotion of products is a form of
- A. media.
  - B. management.
  - C. preselling.
  - D. public relations.
23. Kara orders a dress for her school dance on Saturday. If the dress doesn't arrive until the next Monday, it has no \_\_\_\_\_ utility.
- A. form
  - B. time
  - C. possession
  - D. place
24. A primary responsibility of a federal regulatory agency is issuing radio and TV licenses to qualified applicants. What type of authority does the agency have?
- A. Control of rates
  - B. Control of incorporation
  - C. Control of supply
  - D. Control of conduct
25. Public-relations promotions can help businesses to handle controversial situations by
- A. emphasizing product features.
  - B. promoting a brand.
  - C. influencing consumers' attitudes.
  - D. stimulating product demand.
26. What type of property is a business protecting when it registers its trademark?
- A. Intellectual
  - B. Tangible
  - C. Administrative
  - D. Statutory
27. More businesses are installing and using kiosks to promote their goods and services because this form of technology is
- A. interactive.
  - B. portable.
  - C. seasonable.
  - D. generic.
28. Many people who have initiative are also adaptable, which means that they are
- A. rigid.
  - B. stubborn.
  - C. reliable.
  - D. flexible.

29. What is a benefit to a tour operator who makes business decisions by analyzing statistical information?
- A. Lower demand
  - B. Improved performance
  - C. Lower outputs
  - D. Increased competition
30. After working 40 years at a small publisher, Sylvia is getting ready to retire. She is not worried about having money in retirement, because she will receive income from her
- A. 457 plan.
  - B. financial plan.
  - C. pension.
  - D. embezzlement.
31. In product/service management, a major disadvantage of rapid technological changes is the
- A. rate at which existing products become obsolete.
  - B. increase in customer satisfaction and profitability.
  - C. increase of customer product awareness.
  - D. number of new products entering the market.
32. Which of the following would be an instruction that promotes responsible behavior by employees:
- A. Know your job tasks and perform them well.
  - B. Try to hide your serious mistakes.
  - C. You can ignore the company's unwritten rules.
  - D. Try to avoid asking questions.
33. Devin is a cashier at the local pizza palace. When ringing up a customer's bill, Devin accidentally charged the customer \$169.90 for a large pizza instead of \$16.99. Which would be a good way for Devin to maintain his self-control?
- A. Apologize for his mistake.
  - B. Say that it's the cash register's fault.
  - C. Pretend like nothing is wrong.
  - D. Accuse the manager of insufficient training.
34. Keeping track of what's selling may help you
- A. support a cause.
  - B. project a certain image.
  - C. avoid doing inventory.
  - D. spot product trends.
35. How would the introduction of a highly anticipated new product likely affect a business's sales forecast?
- A. Predicted sales would vary based on geographic location.
  - B. Predicted sales would be high.
  - C. It would be impossible to predict sales.
  - D. Predicted sales would be extremely low.

36. What is an advantage to businesses that use product-bundling strategies?
- A. Businesses usually reduce their suggestion selling and advertising efforts.
  - B. Businesses tend to spend less time training their employees about the products.
  - C. It usually reduces the need for the business to follow up with customers.
  - D. It often reduces customers' comparison-shopping activities.
37. Wholesalers and retailers who buy goods through channels of distribution that are not authorized by the manufacturer of the goods are buying on the \_\_\_\_\_ market.
- A. mass
  - B. import
  - C. gray
  - D. foreign
38. A company should consider the target market's needs and wants when it
- A. develops its personal budget.
  - B. prepares its weekly expense reports.
  - C. achieves its short-term goals.
  - D. positions its corporate brand.
39. Which of the following kinds of product information would you use to help a customer who is comparing designer sweaters:
- A. Product finish
  - B. Production process
  - C. Materials and content
  - D. Pricing information
40. A bike company envisions itself as young, active, and rugged. This is its brand
- A. identity.
  - B. personality.
  - C. value.
  - D. promise.
41. A business has an opportunity to buy out one of its competitors, and a management meeting is scheduled to discuss this possibility. Which of the following management levels would be represented at the meeting:
- A. First-line
  - B. Mid-level
  - C. Top-level
  - D. All levels
42. Krystal's supervisor just sent her an email congratulating her on a positive performance review. Krystal wants to take this opportunity to ask for a raise. What should Krystal do next?
- A. Send a text message to her supervisor asking for a specific percent increase
  - B. Reply to the email and ask to schedule a time for a face-to-face meeting
  - C. Forward the email to a human resources official and ask them to suggest that Krystal get a raise
  - D. Forward the email to the CEO and ask for a raise with a specific percent increase

43. A business with poor ethics causes internal problems for itself by
- A. improving its public image.
  - B. decreasing financial risk.
  - C. decreasing productivity.
  - D. increasing customer loyalty.
44. A form of technology that businesses use to obtain customer feedback quickly at the customer's convenience is
- A. internet search engines.
  - B. direct mail surveys.
  - C. online survey services.
  - D. video conferencing media.
45. A project manager should share the project plan with
- A. no one.
  - B. the client and project team.
  - C. the CEO.
  - D. one or two trusted coworkers.
46. What do some businesses include on their product labels in an attempt to be ethical by making it easy for customers to contact them to obtain additional product information?
- A. Company name
  - B. Website
  - C. Recommended use
  - D. Expiration date
47. Marshall's employer pays him for the work that he performs while on the job. This is an example of
- A. earned income.
  - B. transfer payments.
  - C. capital gains.
  - D. passive revenue.
48. The purpose of using a marketing-information management system to gather data on the activities and new products of other businesses is to
- A. monitor the competition.
  - B. analyze promotional methods.
  - C. compare warehouse procedures.
  - D. improve stock control.
49. When a product has been distributed throughout a population and the only chance for increased sales is population growth or a shift in market share, the product has reached
- A. penetration pricing.
  - B. price skimming.
  - C. population fixation.
  - D. market saturation.

50. Some governments regulate promotional activities in their countries to protect consumers from
- A. unlimited liability.
  - B. deceptive advertising.
  - C. inconsistent selling strategies.
  - D. unnecessary media exposure.
51. One of the functions of the implementation component of a marketing plan is to
- A. describe the objectives.
  - B. outline plans of action.
  - C. explain budget considerations.
  - D. measure standard procedures.
52. Which of the following is a method of gathering data about the status of your project:
- A. Websites
  - B. Meetings
  - C. Databases
  - D. Research studies
53. Is it unethical for a manager to promote an employee who is also the manager's friend?
- A. Yes, other employees will file discrimination claims, which will damage the company's reputation.
  - B. No, if the employee is not the same gender as the manager.
  - C. Yes, it is inappropriate to promote a friend.
  - D. No, if the appropriate procedures are followed, and the employee is the most qualified candidate.
54. What is an example of a successful direct-response advertisement?
- A. A person orders an exercise machine by phone after viewing an infomercial.
  - B. A movie theater shows several previews of new films and video releases.
  - C. A popular tourist attraction places a billboard in a remote location.
  - D. A local grocer distributes discount coupons to local businesses.
55. Which of the following functions in a spreadsheet software program allows the user to change the format of the data from ascending to descending order:
- A. Sort
  - B. Chart
  - C. Replace
  - D. Consolidate
56. Is the following statement true or false: Features and benefits, price, availability, construction, and warranties are all components of product knowledge.
- A. True, salespeople use this information to answer questions.
  - B. False, product knowledge focuses only on the product.
  - C. False, product information only explains features and benefits.
  - D. True, these are the only components of product knowledge.

57. If sales of a particular product increase, and producers make more of the product, a business selling the product is likely to \_\_\_\_\_ of the product.
- A. discontinue the sale
  - B. raise the price
  - C. lower the price
  - D. buy more
58. An appropriate guideline for writing a sales-oriented business letter is that
- A. it should criticize the competition.
  - B. the closing should emphasize price.
  - C. it should encourage the reader to take action.
  - D. the opening should avoid mentioning any problems.
59. A character in a crime drama TV show often holds a cup from Tim Hortons when they arrive at a crime scene. This is an example of
- A. premiums.
  - B. word-of-mouth marketing.
  - C. negative advertising.
  - D. product placement.
60. Shannon wants to buy a new purse because her current purse is old and out of style, and she wants other people to think she is fashionable. Shannon is motivated by a(n) \_\_\_\_\_ reward.
- A. internal
  - B. shallow
  - C. external
  - D. unethical
61. Which of the following is an important step in solving problems in business:
- A. Identifying possible alternatives
  - B. Gathering unrelated information
  - C. Including personal opinions
  - D. Making preliminary conclusions
62. To make a request of a business associate or customer is one of the reasons why businesspeople write
- A. persuasive messages.
  - B. letters of inquiry.
  - C. corporate memorandums.
  - D. sales letters.
63. Unemployment affects the economy by
- A. increasing production.
  - B. raising wages.
  - C. reducing demand and spending.
  - D. forcing businesses to shut down.

64. Writing a letter of application is often an important part of applying for jobs
- A. online.
  - B. in person.
  - C. indirectly.
  - D. by phone.
65. What should a successful brand promise be able to do?
- A. Customize the product for each customer
  - B. Communicate an appealing benefit
  - C. Clarify the company's processes
  - D. Convey a high-quality image
66. Of the following investments, which can bring roller-coaster ups and downs:
- A. Money market accounts
  - B. Savings accounts
  - C. Bonds
  - D. Stocks
67. Which step of the decision-making model involves identifying the goal you want to accomplish?
- A. Determining what you need to know
  - B. Establishing decision criteria
  - C. Gathering the information you need
  - D. Pinpointing your objective
68. How do government regulations that protect consumers most often impact businesses?
- A. They allow businesses to avoid correcting problems.
  - B. They can increase a business's expenses.
  - C. Product development can be less expensive.
  - D. Businesses are able to carry less insurance.
69. Researchers should physically review filled out questionnaires to make sure that the forms are
- A. organized by region.
  - B. signed and dated.
  - C. arranged alphabetically.
  - D. completed properly.
70. Nigel is a salesman who travels across the country. He uses lots of large video files and interactive digital tools during his presentations. Which type of computer system would suit Nigel best?
- A. Smartphone
  - B. Tablet
  - C. Desktop
  - D. Laptop

71. One reason it is important for marketing professionals to follow ethical standards is to
- A. build positive relationships with other individuals and businesses.
  - B. remove the risk of uncontrolled competition in the marketplace.
  - C. prevent unnecessary changes in the business environment.
  - D. improve working conditions and financial security.
72. Why do some businesses sponsor local events?
- A. To generate revenue
  - B. To sell products
  - C. To create news
  - D. To obtain publicity
73. Business employees who have different opinions about how a certain task should be performed often negotiate to
- A. avoid rejection.
  - B. make a statement.
  - C. reach a compromise.
  - D. create opposition.
74. Which of the following is a major effect of employee accidents on a business:
- A. Reduction of benefits
  - B. Financial loss
  - C. Lower insurance rates
  - D. Loss of career
75. A business should seek legal protection for its intellectual property to discourage
- A. customers from filing frivolous lawsuits.
  - B. competitors from developing new products.
  - C. employees from creating unique processes.
  - D. others from using it without permission.
76. To show he has intention of completing a pricey business deal, Phil deposits money into an account, which will later be applied to his purchase. The payment Phil deposited is called
- A. a holding cost.
  - B. good faith money.
  - C. a mutual fund.
  - D. the statement of income.
77. When a business collects marketing information from its customers, what should it consider about its consumer-privacy laws?
- A. They relate to health care data.
  - B. They apply only to children.
  - C. They vary by jurisdiction.
  - D. They are enforceable internationally.

78. Efficient resource use is an advantage of the \_\_\_\_\_ organizational structure.
- A. line-and-staff
  - B. span-of-control
  - C. bureaucratic
  - D. matrix
79. Which of the following technological tools is commonly used to calculate simple mathematical computations such as unit selling prices:
- A. Fax machine
  - B. Scanner
  - C. Printer
  - D. Calculator
80. A channel of distribution ends when the product reaches its ultimate consumer or when
- A. changes are made to the product.
  - B. it reaches a wholesaler.
  - C. an intermediary goes out of business.
  - D. it leaves the producer.
81. Which of the following makes it possible for a business's drivers to determine their exact location and obtain accurate directions to destinations:
- A. Global positioning system
  - B. Video frequency technology
  - C. CB radio system
  - D. Image scanning technology
82. Which of the following is an appropriate goal of orderly and systematic behavior:
- A. Becoming a more effective person
  - B. Keeping everything in perfect order
  - C. Setting an example for other people
  - D. Being identified as an organized person
83. Businesses that deliberately interpret marketing information inaccurately and present those findings to consumers may be guilty of using that information in an unethical way to
- A. analyze opinions.
  - B. solve problems.
  - C. develop surveys.
  - D. promote products.
84. When Shauna's coworker talked about their take-home pay, she wasn't sure what they were talking about because she had never heard that term before. Then, Shauna realized that "take-home pay" is another term for
- A. net pay.
  - B. taxable income.
  - C. gross pay.
  - D. fair play income.

85. Which of the following statements about following directions is true:
- A. Most people don't need to ask questions about directions.
  - B. You should avoid taking notes while listening to directions.
  - C. Restating directions in your own words helps clarify them.
  - D. Hearing directions is the same as listening to them.
86. Ariel, who designs and sells a line of purses and tote bags, recently sent free totes bag to local news anchors. Ariel's goal is to have others see the local celebrities carrying the tote bags to generate interest in her product. What form of word-of-mouth marketing is Ariel using?
- A. Social media applications
  - B. Celebrity testimonial
  - C. Cause marketing
  - D. Product seeding
87. Which of the following is a characteristic of assertive people:
- A. They do not say how they feel.
  - B. They communicate honestly.
  - C. They hurt others' feelings.
  - D. They do not ask for help.
88. Which of the following is something that may be found in a company property agreement:
- A. Employees' responsibilities if equipment is lost or damaged
  - B. Information about the company's paid vacation policy
  - C. Instruction on how to use business equipment for personal use
  - D. Details regarding the company's health benefits package
89. A business expense such as utilities is usually classified as a(n) \_\_\_\_\_ expense.
- A. variable
  - B. fixed
  - C. break-even
  - D. elastic
90. A salesperson who explains to a customer the features and benefits of several types of cameras in stock is demonstrating good
- A. creativity.
  - B. probing.
  - C. ethical standards.
  - D. product knowledge.
91. Which of the following may be illegal in some countries if they restrict competition:
- A. Product usage policies
  - B. Inventory restocking fees
  - C. Trademark infringement laws
  - D. Exclusive dealing agreements

92. Discovering new product opportunities, developing marketing plans and strategies, coordinating the product mix, and sustaining successful products for as long as possible are all examples of activities associated with which business function?
- A. Marketing-information management
  - B. Knowledge management
  - C. Product/Service management
  - D. Inventory management
93. How can researchers maintain respondents' attention and focus in a survey?
- A. Make all questions positive
  - B. Group related questions together
  - C. Vary question and answer type throughout the survey
  - D. Follow a logical question order
94. What is an advantage of using spreadsheet software programs to track and evaluate sales?
- A. Quickly analyzes numerical data
  - B. Easily generates purchase orders
  - C. Identifies potential customers
  - D. Creates future sales contracts
95. When engaging in the Six Thinking Hats idea-generation technique, the red hat focuses on the
- A. emotions, feelings, and intuition.
  - B. negative aspects of the situation.
  - C. creation of new ideas.
  - D. available facts and data.
96. When staff members wish to discuss problems related to their jobs, they should communicate with
- A. their immediate supervisor.
  - B. the personnel department.
  - C. their coworkers.
  - D. the company president.
97. The manufacturer stopped making a product because customers frequently returned the product for repairs. The manufacturer's guarantee of satisfaction provided the company with customer \_\_\_\_\_ needed to make this decision.
- A. feedback
  - B. expense
  - C. profit
  - D. service
98. Which of the following is a basic rule governing the collection of data for marketing decision making:
- A. Don't overextend company resources.
  - B. Gather as much data as you possibly can.
  - C. Use only primary sources.
  - D. Keep responsibilities to just one or two employees.

99. Which of the following is a factor that affects selling policies over which a business has no control:
- A. Price of goods/services
  - B. Quality of suppliers
  - C. Number of employees
  - D. Availability of raw materials
100. The TUV Company wants to conduct marketing research by surveying a sample of its vast customer base. What should companies use to reduce the possibility of bias?
- A. Phone interviews
  - B. Personal interviews
  - C. Random sampling
  - D. Referral sampling

1. D

Explaining benefits. You create a desire for others to agree with your ideas by explaining how they benefit. Others need to understand what they will get out of it and why it will be good for them. You should explain the advantages so others will want to do what you suggest. Before you can create a desire for others to agree with your ideas, you need to identify their concerns, gather information, and then state your case.

SOURCE: EI:012 Persuade others

SOURCE: LAP-EI-912—Win Them Over (Persuading Others)

2. B

Safe to eat. Some grades and standards can be used to indicate product safety. Many supermarkets advertise that they sell only top-grade food products, such as Grade A eggs and Prime meat, to let customers know that the supermarket's food is safe to eat. By promoting top-grade food products, the supermarket is appealing to their customer's desire to purchase good-quality, safe food items. Supermarkets do not advertise the grade of food products in order to let customers know that the food is costly to buy, high in protein, or low in calories.

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

SOURCE: LAP-PM-019—Raise the Bar (Grades and Standards)

3. B

It allows you to summarize data and make comparisons across units. Descriptive statistics are summaries of data that make large amounts of information more manageable. Reaching conclusions involves making inferences rather than using descriptive statistics. Descriptive statistics can be described in numerical form. The use of descriptive statistics does not necessarily enable you to make charts easily.

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

SOURCE: Hayes, A. (2024, June 27). *Descriptive statistics: Definition, overview, types, and examples*.

Retrieved August 8, 2024, from [https://www.investopedia.com/terms/d/descriptive\\_statistics.asp](https://www.investopedia.com/terms/d/descriptive_statistics.asp)

4. A

Disability. Disability insurance provides a percentage of a worker's normal wages to the worker when they cannot work because of an illness or injury. Often, businesses obtain disability coverage for their employees as a component of their benefits package. Health insurance covers such medical expenses as hospital bills, doctors' fees, lab charges, and other medical costs. Liability insurance protects against lawsuits that result from injuries to others. Term-life insurance provides insurance coverage at a fixed rate for a limited amount of time. The beneficiary receives payment upon the death of the insured during that time.

SOURCE: FI:081 Describe the concept of insurance

SOURCE: Guardian. (2024). *Disability insurance*. Retrieved August 8, 2024, from

<https://www.guardianlife.com/disability-insurance>

5. D

Behavioral. Dividing customers into groups according to their response to a product is behavioral segmentation. Customers are grouped into categories based on what they are looking for in a product and why they buy the product. Types of behavioral segmentation are rate of use, benefits derived, loyalty response, and occasion response. Lifestyles and personalities of customers are used as the basis for psychographic segmentation of markets. Grouping customers according to where they are located is geographic segmentation. Demographic segmentation divides a market on the basis of its physical and social characteristics, including gender, origin or heritage, religion, socioeconomic status, and life stage.

SOURCE: MP:003 Explain the concept of market and market identification

SOURCE: LAP-MP-003—Have We Met? (Market Identification)

6. B

Records must be updated and checked often. Information in a company's database won't be accurate forever. That's why it's important to update and check the information on a regular basis. Duplicate records should be avoided because they can lead to confusion and problems. Customer records should be kept as clutter-free as possible—this means restricting them to only people who are currently customers. Potential customers should be kept in another file. Customer records often contain confidential information and should be protected from anyone who isn't authorized to view them.

SOURCE: NF:002 Maintain customer records

SOURCE: Rosef-Ingram, I. (2022, January 13). *5 best ways to organize & keep customer records*. Retrieved August 8, 2024, from <https://keap.com/small-business-automation-blog/business-management/how-to-keep-customer-records>

7. C

Solve problems. Marketing information is all the marketing-related data available from inside and outside the company. By analyzing certain data, a business often finds ways to solve a problem. For example, if a business's sales volume is decreasing, it realizes that there is a problem. By looking at various data, such as inventory reports, the business might find that certain high-moving products have been on backorder from a vendor for a long time. To resolve the problem, the business decides to find another supplier that has the products available. The backorders decrease and sales increase because the products are available. Marketing information might help a business find ways to be more competitive, but it does not prevent competition, which is illegal in some countries. Ethics are the basic principles that govern your behavior.

SOURCE: IM:012 Describe the need for marketing data

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

8. C

Health and safety. Health and safety policies are designed to protect employees and customers from harm. Common health and safety guidelines include requiring employees to use the handrails on staircases, displaying “wet floor” signs when necessary, and requiring employees to scan their ID badge to access company buildings. A dress code outlines what is and isn't appropriate to wear to work. Discrimination and harassment policies usually explain a company's commitment to fair and equal treatment, mutual respect, and diversity in the workplace. Most internet policies explain that employees should use the internet appropriately and responsibly.

SOURCE: PD:250 Adhere to company protocols and policies

SOURCE: LAP-PD-250—Do You Follow? (Adhering to Company Protocols and Policies)

9. D

A retail chain develops a private brand to compete with the national brands that it sells. Vertical conflict occurs between channel members at different levels within the same distribution channel. A retailer that develops and markets a private line of products (e.g., CVS over-the-counter medications) is selling products that compete with the national brands it carries (e.g., Tylenol, Zyrtec, and Advil). Most often, the private brand is less expensive than national brands because the retailer does not spend as much money for packaging and advertising as the national brands do. This can cause conflict with the national brand manufacturers because the private brand has the potential to take some of their market share. A retailer that offers a popular item at an extremely low price to attract customers is using a loss-leader technique, which may cause horizontal conflict. A business that distributes its products through all available channels in a certain area is using an intensive distribution strategy, which is a common distribution strategy for many consumer goods (e.g., candy bars and bubble gum). Using a short distribution channel to move perishable goods is unlikely to cause ongoing channel conflict.

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

SOURCE: Mack, S. (2019, March 5). *Horizontal & vertical marketing conflicts*. Retrieved August 8, 2024, from <https://smallbusiness.chron.com/horizontal-vertical-marketing-conflicts-65325.html>

10. C

Increased because workers become highly skilled at individual tasks. Boredom from lack of work variety can affect quality and job satisfaction and sometimes lowers productivity, not increase it. Highly skilled workers may demand higher pay but usually produce at higher levels. Specialization may initially require more training, but the act of specializing labor contributes to higher productivity.

SOURCE: EC:014 Analyze impact of specialization/division of labor on productivity

SOURCE: Kenton, W. (2022, April 6). *Specialization*. Retrieved August 7, 2024, from <https://www.investopedia.com/terms/s/specialization.asp>

11. B

Repeat business. A business needs to maintain a positive relationship with customers to attract repeat business. Customers who encounter discourteous treatment by employees often do not return. The loss of repeat business is very costly because it is more expensive to attract new customers than to keep existing ones. Also, customers who are poorly treated usually tell others. As a result, many potential customers may decide not to do business with the company. Customers who are treated discourteously by employees often complain about the business, develop a negative impression of the business, and experience service problems.

SOURCE: CR:003 Explain the nature of positive customer relations

SOURCE: LAP-CR-003—Accentuate the Positive (Nature of Customer Relations)

12. D

Discussion relevance. A focus group is a group that gathers to discuss a specific topic. Businesses often hold focus groups to obtain marketing information about their goods and services. When a business holds a focus group, it is collecting marketing information about a specific topic, which makes it primary research data for the business. Because the business is collecting the information for a specific purpose, the data are relevant to the business. Weaknesses or disadvantages for businesses that hold focus groups are that they can be expensive and can take a lot of time to prepare for. And, sometimes, the focus-group moderator projects a bias, which hurts the objectivity of the research.

SOURCE: IM:428 Assess appropriateness of marketing research for the problem/issue (e.g., research methods, sources of information, timeliness of information, etc.)

SOURCE: Brown, T.J., Suter, T.A., & Churchill, G.A., (2018). *Basic marketing research* (9th ed.) [Lesson 4-3]. Boston, MA: Cengage Learning, Inc.

13. B

Promotional. Promotional media are channels of communication used by businesses to deliver advertising messages to target groups of consumers. Broadcast media include radio and TV, which use radio waves to reach consumers. Direct mail is a form of promotional media that comes to the consumers' homes in the form of letters, catalogs, postcards, and folders. Transit media is a form of out-of-home media found in various forms and locations of mass transportation. Out-of-home media is a form of promotional media to which we are exposed outside our homes, such as outdoor and transit media.

SOURCE: PR:007 Explain types of advertising media

SOURCE: LAP-PR-007—Ad-quipping Your Business (Types of Advertising Media)

14. D

Ethical people are not always leaders, and leaders are not always ethical. A leader might be in charge of a group of people—being their role model and giving them direction—but the behavior they model might not be ethical. Alternatively, an ethical person might follow their principles in a quiet, private manner without acting as a leader or having any effect on others. Ethical leadership brings together both leadership and ethics—directing and guiding others in a way that upholds ethical principles.

SOURCE: EI:131 Explain the nature of ethical leadership

SOURCE: LAP-EI-131—Be the Change (Nature of Ethical Leadership)

15. D

Ask questions. The more details you have about a situation, the better you will feel, even when the situation is uncertain. You might be able to reduce doubt by asking the right questions and gaining information. Focusing on creativity, trying to get out of the situation, or practicing mindfulness will not necessarily help you to learn more about an ambiguous situation.

SOURCE: EI:092 Develop tolerance for ambiguity

SOURCE: LAP-EI-092—Embrace the Unknown (Developing a Tolerance for Ambiguity)

16. C

Economic. Economic wants have monetary value. These can be desires for tangible goods or for intangible items. A noneconomic want has no monetary value. These goods and services are considered free goods. Wants are considered unlimited because people desire more goods and services than they can obtain.

SOURCE: EC:001 Describe the concepts of economics and economic activities

SOURCE: LAP-EC-901—Are You Satisfied? (Economics and Economic Activities)

17. A

Development of effective marketing strategies requires consideration of the marketing mix elements. Marketing strategies are plans of action for achieving marketing goals and objectives. Even though strategies are often planned before the selection of a company's marketing mix is finalized, the elements of the marketing mix must be considered in the planning process if the strategies are to be successful. Marketing strategies tend to provide long-term direction for a company's marketing efforts, rather than being changed frequently. However, even successful marketing strategies may need to be changed when the environment in which the business exists changes.

SOURCE: MP:001 Explain the concept of marketing strategies

SOURCE: LAP-MP-001—Pick the Mix (Nature of Marketing Strategies)

18. D

Want to be accepted by their peers. People often follow the crowd because they have a need for acceptance by their peers. People who reject the status quo, want to stand out from others, or like to take risks are not likely to follow the crowd.

SOURCE: EI:134 Challenge the status quo

SOURCE: LAP-EI-134—Unfollow the Crowd (Challenging the Status Quo)

19. B

Puffery. When entrepreneurs overstate their anticipated year-one income to try to attract potential business investors, they are committing puffery. It can be easy to fall into the trap of puffery, especially when an entrepreneur desperately needs the financial help. But it's never ethical to lie or exaggerate when it comes to money, and overstating anticipated income is only a temporary fix for a more serious problem. Exaggerating year-one income is not an example of sustainability, nepotism, or ethicality.

SOURCE: EN:044 Describe the use of business ethics in entrepreneurship

SOURCE: LAP-EN-044—Ethical Excellence (Ethics in Entrepreneurship)

20. D

Exploratory. Exploratory research involves collecting information to help the business define its issue, situation, or concern, and decide how to proceed with its research. Causal or conclusive research focuses on cause and effect and tests “what if” theories. Interviews are conversations in which a researcher surveys an individual to obtain research data. An experiment is a research method that tests “cause and effect” by test marketing new products or comparing test groups with control groups.

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

SOURCE: Parker, A. (2024, April 2). *What is exploratory market research? A guide from the pros*. Retrieved August 8, 2024, from <https://www.driverresearch.com/market-research-company-blog/exploratory-market-research>

21. D

A company prices its products low in an attempt to drive its competitors out of business. Ethics are the principles that guide personal behavior. When a business prices its products very low with the goal to drive its competitors out of business, it may be acting unethically, and possibly illegally. This is because the business is deliberately pricing products so low that smaller businesses cannot afford to compete, which eventually drives them out of business. Increasing prices when production costs increase, setting profit-margin objectives, and using a prestige pricing strategy are legal and ethical business practices.

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

SOURCE: Corporate Finance Institute. (2024). *Predatory pricing*. Retrieved August 8, 2024, from <https://corporatefinanceinstitute.com/resources/management/predatory-pricing>

22. C

Preselling. Promotion presells goods and services to consumers through the use of persuasion. This makes the salesperson's job easier. Promotional messages appear in various media. Examples of media are television, radio, newspapers, magazines, etc. Public-relations promotions are a type of institutional promotion created to deal with controversial public issues that are related to a company or its products. Management involves directing or controlling business operations.

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

SOURCE: LAP-PR-901—Razzle Dazzle (Nature of Promotion)

23. B

Time. When products are available at the time they are needed, they have time utility. If Kara's dress doesn't show up until Monday—two days after the dance—it won't possess time utility for her. Form utility occurs when the form of a good or service is altered to provide more satisfaction for the customer. Possession utility is created when ownership of a product is transferred from the seller to the person or business that will use the good or service. Place utility exists when goods or services are available at the place where they are needed or wanted by customers.

SOURCE: EC:004 Determine economic utilities created by business activities

SOURCE: LAP-EC-904—Use It (Economic Utility)

24. C

Control of supply. Administrative law is a branch of law that addresses the rules and regulations that have been established by governmental agencies. The legislative branch of the government (i.e., U.S. Congress and Canadian Parliament) establishes governmental agencies and gives them authority to enact and enforce regulations for three specific administrative functions. One administrative function is the control of supply for specific activities. In the United States, the Federal Communications Commission (FCC) is responsible for issuing radio and TV licenses to applicants that meet the agency's standards. The control of rates involves regulating the prices for services such as utilities. Control of conduct focuses on the disclosure of information by businesses to consumers. Incorporation is the process of establishing a corporation as a form of business ownership.

SOURCE: BL:074 Discuss the role of administrative law

SOURCE: Justia (2024, July). *Broadcast licensing procedures & legal requirements*. Retrieved August 7, 2024, from <https://www.justia.com/communications-internet/broadcast-licensing-procedures>

25. C

Influencing consumers' attitudes. Public-relations promotions are institutional promotions created to deal with controversial public issues that are related to a company or its products. They can be used to enhance a company's image directly by improving a negative image or by establishing a positive one in a negative situation. Product promotion stimulates demand for products and emphasizes their features and benefits. Secondary product promotion promotes specific brands.

SOURCE: PR:002 Explain the types of promotion (i.e., institutional, product)

SOURCE: LAP-PR-902—Know Your Options (Product and Institutional Promotion)

26. A

Intellectual. Many businesses own both tangible and intangible property. Intellectual is a type of intangible property because it is not capable of being detected through the senses. Examples of intellectual property include trademarks and trade names such as Xerox and M&M's. Businesses usually register their trademarks to legally protect them from being used or copied by other businesses. Tangible property is capable of being touched, smelled, tasted, seen, or heard, such as office equipment. Statutory and administrative are not types of property.

SOURCE: BL:001 Describe legal issues affecting businesses

SOURCE: The United States Patent and Trademark Office. (n.d.). *What is a trademark?* Retrieved August 7, 2024, from <https://www.uspto.gov/trademarks/basics/what-trademark>

27. A

Interactive. A kiosk is a stand-alone structure located in public places and is designed to provide information and sell products. Because the kiosks are interactive, customers can enter information into the kiosk's computer system and obtain what they want instantly. For example, customers can purchase theater tickets at the local cinema's kiosk and obtain a bridal registry at a department store's kiosk. Generic refers to a type of brand. Kiosks are not portable or seasonable.

SOURCE: PR:100 Describe the use of technology in the promotion function

SOURCE: Farrukh, Q. (2024, January 11). *The benefits of self-service kiosks: A business owner's guide*. Retrieved August 8, 2024, from <https://www.wavetec.com/blog/self-service/why-self-service-what-are-the-benefits>

28. D

Flexible. An individual who is adaptable, or flexible, is able to adjust to change. Individuals who are stubborn or rigid are inflexible and have difficulty with any kind of change. A reliable person is dependable, which is not the same as being adaptable.

SOURCE: EI:024 Explain the importance of demonstrating initiative

SOURCE: LAP-EI-024—Hustle! (Taking Initiative)

29. B

Improved performance. Statistics are information presented in numerical form. Businesses analyze and interpret statistics to make various business decisions. By analyzing statistical information, a tour operator might determine ways in which to improve sales, productivity (higher outputs), or overall performance to compete more effectively in the marketplace. Lower demand, increased competition, and lower outputs do not benefit tour operators.

SOURCE: NF:093 Interpret statistical findings

SOURCE: Bianca, A. (2019, February 4). *The advantages of statistics in business*. Retrieved August 8, 2024, from <http://smallbusiness.chron.com/advantages-statistics-business-18698.html>

30. C

Pension. Pension is a retirement fund, which has been paid into by an employee and/or an employer. Because Sylvia will no longer receive payment as an employee, she will use the money she has set aside in her pension to cover her expenses in retirement. A financial plan is the part of a company's business plan that shows how the business has performed (or is likely to perform) financially. A 457 plan is a tax-deferred retirement plan available to state and local government employees. Embezzlement is the theft of valuables that have been entrusted to one's care.

SOURCE: FI:569 Discuss the nature of retirement planning

SOURCE: Gratton, P. (2024, August 7). *What is a pension? Type of plans and taxation*. Retrieved August 8, 2024, from <https://www.investopedia.com/terms/p/pensionplan.asp>

31. A

Rate at which existing products become obsolete. Technology advances so rapidly that products introduced to market are quickly being reintroduced with upgrades or changes that make the original obsolete. The problem is that many technically advanced products have a short life cycle because more advanced products take their place. Increasing the introduction of new products and improving customer awareness will increase customer satisfaction and, as a result, increase sales and profitability. These are advantages of new technology.

SOURCE: PM:039 Describe the use of technology in the product/service management function

SOURCE: Asaram, L.S. (2023, October 11). *Technology advancements: The pros and cons*. Retrieved August 8, 2024, from <https://www.eit.edu.au/technology-advancements-the-pros-and-cons>

32. A

Know your job tasks and perform them well. Employees should make every effort to find out exactly what their job responsibilities are and then carry them out to the best of their ability. To accomplish this, employees must ask questions and admit their mistakes. Unwritten company rules, as well as written rules, should be followed in order to foster good relations with coworkers and customers.

SOURCE: EI:021 Demonstrate responsible behavior

SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)

33. A

Apologize for his mistake. The best way for Devin to maintain his self-control would be to apologize to the customer. Blaming either the manager or the cash register would not be smart things to do, because Devin needs to take responsibility for his error. Pretending like nothing is wrong would also upset the customer, since Devin overcharged the person by more than \$150.

SOURCE: EI:025 Demonstrate self-control

SOURCE: LAP-EI-014—Control Yourself! (Demonstrating Self-Control)

34. D

Spot product trends. Keeping track of what's selling may help you spot product trends, which can generate ideas for product development. It doesn't help you support a cause, avoid doing inventory, or project a certain image.

SOURCE: MK:015 Discuss actions employees can take to achieve the company's desired results

SOURCE: LAP-MK-015—Act Now! (Employee Actions and Company Goals)

35. B

Predicted sales would be high. When a business introduces a highly anticipated new product (e.g., the latest version of the iPhone), predicted sales are usually high, not low. It is quite possible to predict sales for new products. Only in rare cases would geographic location have an impact on such a product.

SOURCE: MP:013 Explain the nature of sales forecasts

SOURCE: LAP-MP-013—Futurecast (The Nature of Sales Forecasts)

36. D

It often reduces customers' comparison-shopping activities. Product bundling is the practice of putting together two or more goods/services to create a one-price package, which is less expensive for the customer than purchasing the products individually. Product bundling provides customers with a greater sense of value because they are getting more for less. When customers believe that they are getting a bargain, they are more likely to purchase the bundled package quickly rather than comparison shop for similar products. This is an advantage to a business providing the bundled products because it is less likely to lose sales to a competitor. Bundled products do not necessarily reduce a business's need to follow up with customers, reduce product training activities, or reduce suggestion selling and advertising efforts.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Zoho Inventory. (2024, May 13). *Product bundling strategy, advantages & examples*. Retrieved August 8, 2024, from <https://www.zoho.com/inventory/academy/order-fulfillment/what-is-product-bundling.html>

37. C

Gray. Wholesalers and retailers who buy goods from unauthorized distributors often are able to obtain the goods at a lower price and pass that savings on to customers. The practice usually is considered unethical because the manufacturer and its authorized distributors ultimately lose money. Consumers also may suffer because purchases made from unauthorized dealers may not be covered by the manufacturer's warranty or be eligible for service. The mass market is the entire market. Importing is buying goods and services from other nations. The foreign market is the market in other countries.

SOURCE: CM:006 Describe ethical considerations in channel management

SOURCE: Hayes, A. (2022, January 7). *What is the gray market? Definition and how it works in trading*. Retrieved August 8, 2024, from <https://www.investopedia.com/terms/g/graymarket.asp>

38. D

Positions its corporate brand. A corporate brand is the combined impressions, images, or experiences associated with a company or parent entity. When positioning corporate brands, the company considers many factors such as its values and mission, its products' attributes, and its target market's needs and wants. The business must consider the target market's needs and wants because this group is most likely to purchase the company's products. If it doesn't consider the target market's needs and wants, the target customers may purchase from competitors, which can negatively affect the corporate brand. The business may consider the target market's needs and wants when it sets short-term goals. When the business has accomplished its goals, the goals have been achieved. The target market's needs and wants are not a primary consideration when preparing routine expense reports. Individuals develop personal budgets, and businesses prepare a variety of company budgets.

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

SOURCE: Bueno, B. (2022, May 23). *Create strong brand positioning in your market*. Retrieved August 8, 2024, from <https://cultbranding.com/ceo/create-strong-brand-positioning-strategy>

39. C

Materials and content. You can use the information about the composition of products to help solve customer buying problems and to assist customers in comparing similar products. Finishes are used in enhancing the beauty of products, increasing their value, protecting their surfaces, aiding in their care, or providing safety features. Consumers usually are not interested in the technical manufacturing process which determines the quality of a product. Pricing information helps the customer make a buying decision on price alone and does not consider the quality of the merchandise.

SOURCE: SE:062 Acquire product information for use in selling

SOURCE: Ward, S. (2019, July 20). *Tips for assisting customers and improving service*. Retrieved August 8, 2024, from <https://www.liveabout.com/tips-for-better-customer-service-how-to-help-a-customer-2948070>

40. B

Personality. Brand personality is the projection of a brand that encompasses its values and emotional connections with consumers. Brand identity is the elements that are instantly recognized as representing a particular business or product. Brand values are beliefs or qualities that a corporate brand stands for and is built around. A brand promise is a business's spoken or unspoken agreement with customers that it will consistently meet their expectations and deliver on its brand characteristics and values.

SOURCE: PM:206 Explain the nature of corporate branding

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

41. C

Top-level. Top-level management is composed of all managers who are responsible for the entire company, and they would attend this kind of meeting. Mid-level managers report to top-level management. They might be included in future meetings, after the top-level managers have discussed the situation. First-line management is supervisors who work directly with employees who carry out the business's routine work. They would not attend this type of meeting.

SOURCE: SM:001 Explain the concept of management

SOURCE: LAP-SM-001—Manage This! (Concept of Management)

42. B

Reply to the email and ask to schedule a time for a face-to-face meeting. When selecting the appropriate channel for workplace communication, the intent of the message is an important factor to consider. Messages that require interaction, such as negotiation, are best delivered face-to-face. Written communication channels are best used to communicate information that does not require interaction, such as to make announcements, ask for a quick question or clarification, or to schedule meetings. Text messages are best used for personal interactions and not often used as professional or workplace channels of communication. It is often a best practice to directly contact an individual and not ask someone else to contact them for you.

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

SOURCE: Williams, O. (2019, January 25). *What are communication channels within an organization?* Retrieved August 7, 2024, from <https://smallbusiness.chron.com/communication-channels-within-organization-61447.html>

43. C

Decreasing productivity. A business with poor ethics causes internal problems for itself by decreasing performance levels and productivity. Employees are influenced by their work environments—unethical companies breed bad behavior among employees. An unethical company hurts its public image, decreases customer loyalty, and increases its financial risk.

SOURCE: EC:106 Explain the nature of business ethics

SOURCE: LAP-EC-106—On the Up and Up (Business Ethics)

44. C

Online survey services. Businesses often use online survey services (e.g., SurveyMonkey.com) to post online surveys for their customers to complete at their convenience. The businesses can retrieve the feedback and analyze results at their convenience, as well. Direct mail surveys are sent by postal service and are less efficient and more expensive tools for businesses to use to obtain customer feedback. A search engine is a software program that automatically crawls the web looking for information pertaining to specified search terms and displays a list of results. Video conferencing software allows two or more computer users who are in different locations to communicate in real time. Video conferencing usually involves a lot of planning and is not the quickest, most cost-effective way to obtain feedback.

SOURCE: NF:003 Identify ways that technology impacts business

SOURCE: Bhat, A. (2024). *Online survey: What it is, advantages & examples*. Retrieved August 8, 2024, from <https://www.questionpro.com/blog/what-are-online-surveys>

45. B

The client and project team. When all other aspects of the project plan have been completed, the final step is to share and review the project plan with the client and team. This allows the project manager to get input and make sure all are on board. The CEO does not necessarily need to see the project plan in all cases. One or two trusted coworkers would not necessarily need to see the project plan unless they are on the project team.

SOURCE: OP:001 Develop project plan

SOURCE: LAP-OP-001—Chart Your Course (Developing a Project Plan)

46. B

Website. Most businesses have websites that contain extensive information about the business's products. Businesses often include their websites on product labels to make it easy for customers to access additional product information. This is an example of ethical behavior because the business is making sure that customers can find the information they want if they have questions about the product. The expiration date and recommended use are included on the labels of certain types of products, but this does not make it easy for customers to contact the business. Labels include the company name, but without an address or phone number on the label, it may be extremely difficult for customers to contact the business.

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

SOURCE: Shopify. (2023, March 29). *Product label design guide: How to design a product label*. Retrieved August 8, 2024, from <https://www.shopify.com/ca/blog/product-label-design>

47. A

Earned income. Income is money that individuals and businesses receive from other sources. Marshall worked to receive wages from his employer, so he has earned income. Unearned income is revenue that individuals and businesses passively obtain. In these situations, individuals or businesses do not actually perform work to obtain the money. Dividends, rent, and transfer payments are examples of unearned income. Transfer payments are monies paid by the government for which no goods or services are received in exchange, such as welfare benefits, veterans' benefits, disaster aid, and unemployment. A capital gain refers to the amount of increase in value of an asset in relation to its price at the time of purchase.

SOURCE: FI:061 Describe sources of income and compensation

SOURCE: Marquit, M. (2024). *Earned income vs. unearned income*. Retrieved August 7, 2024, from <https://mirandamarquit.com/earned-income-vs-uneared-income>

48. A

Monitor the competition. Information about competitors' activities is very important to a business. An important responsibility of a marketing-information management system is to gather and analyze such data as improvements planned for competitive products, new products that are being introduced, or the competition's market share. Comparing warehouse procedures, analyzing promotional methods, and improving stock control are other functions of a marketing-information management system not related to monitoring the competition.

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

SOURCE: LAP-IM-001—Get the Facts Straight (Marketing-Information Management)

49. D

Market saturation. Market saturation occurs when a product has been distributed throughout the population, and the only chance for increased sales occurs with population growth or a shift in market share. Fast food, for instance, has reached most of its potential customers in the United States. Price skimming and penetration pricing are marketing strategies, whereas market saturation is a consequence of a product's stage in the life cycle. Population fixation is not a term used to describe oversaturation of a market.

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

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

50. B

Deceptive advertising. Advertising that omits information or misleads consumers is considered deceptive behavior. Since advertising messages can affect consumers' purchasing decisions, governments often regulate advertising practices to protect the consumers. Inconsistent is a general term that means different. Using different selling strategies does not necessarily lead to deceptive advertising practices. Media exposure refers to the quantity of promotional messages that people hear or view through the various media channels. The necessity of media exposure to any given message is dependent upon the perceptions of the message sender, message channel, and message recipient. Therefore, the concept of unnecessary media exposure is subjective in nature. Unlimited liability refers to the requirement that business owners are responsible for paying business debt, and personal assets can be used to pay that debt.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: TorHoerman Law. (2024). *Deceptive advertising: Definition, types, and examples*. Retrieved August 8, 2024, from <https://www.torhoermanlaw.com/false-or-misleading-marketing>

51. C

Explain budget considerations. The implementation component of a marketing plan is intended to explain how the plan will be put into effect. One aspect of this involves explaining budget considerations and the amount of money that will be needed to implement the marketing plan. Before a plan can be put into effect, a business needs to determine if the cost is worth the investment, and if the funds are available or can be obtained. The objectives component describes the goals and objectives. The marketing strategies component outlines the plans of action. The evaluation and control section explains the measures that will be used to evaluate the procedures.

SOURCE: MP:007 Explain the nature of marketing plans

SOURCE: LAP-MP-007—A Winning Plan (Nature of Marketing Plans)

52. B

Meetings. One of the most effective methods of gathering data about the status of your project is through meetings with team members. You can ask team members questions about their work to help obtain qualitative data about your project. Websites, databases, and research studies are not necessarily methods of gathering data about the status of your project.

SOURCE: OP:520 Monitor projects and take corrective actions

SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

53. D

No, if the appropriate procedures are followed, and the employee is the most qualified candidate. Employees often form friendships with their coworkers, managers, and subordinates. It is important, however, that the managers remain objective and place the company's best interest above their personal feelings or relationships when making job-related decisions. If a manager follows the company's interviewing and hiring protocol, and the employee is the most qualified candidate, then it is not unethical or inappropriate to offer the employee the promotion. Basing a decision on an employee's gender may be unethical and is considered a form of discrimination. It cannot be assumed that other candidates will file discrimination claims if one employee is promoted.

SOURCE: HR:411 Explain the role of ethics in human resources management

SOURCE: LAP-HR-411—Moral Mediators (Ethics in Human Resources Management)

54. A

A person orders an exercise machine by phone after viewing an infomercial. Direct-response advertising is a promotional method in which marketers provide the means for people to take action and immediately respond to a message. An infomercial is defined as a lengthy commercial that looks like a TV program. A TV channel airing an infomercial that includes a phone number so viewers are able to order the product is an example of direct-response advertising. When a person orders the item advertised via the infomercial, the advertisement is successful because a sale has been made. Billboards and movie theater previews are examples of out-of-home advertising. Coupon distribution is an example of a sales promotion activity.

SOURCE: PR:089 Explain the nature of direct marketing channels

SOURCE: Marketing Evolution. (2022, July 20). *Direct response marketing and advertising*. Retrieved August 8, 2024, from <https://www.marketingevolution.com/marketing-essentials/direct-response>

55. A

Sort. The sort function allows computer users to change the order of data in a spreadsheet. The chart function allows the computer user to place a graph or pie chart in the spreadsheet. The consolidate function allows the computer user to add, average, or count numerical data in a spreadsheet. The find and replace function allows the computer user to locate text or numerical values within the spreadsheet and replace them with designated text or numbers.

SOURCE: NF:010 Demonstrate basic spreadsheet applications

SOURCE: Microsoft. (2024). *Sort data in a range or table*. Retrieved August 8, 2024, from <https://support.microsoft.com/en-us/office/sort-data-in-a-range-or-table-62d0b95d-2a90-4610-a6ae-2e545c4a4654>

56. A

True, salespeople use this information to answer questions. Knowing product characteristics such as features and benefits, price, availability, construction, and warranties will help salespeople answer customer questions. These characteristics, however, are not the only aspects of product knowledge. Knowing as much as possible about the product, from its source to post-sales information (such as warranties), will give a salesperson an advantage in making the sale.

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

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

57. C

Lower the price. As the supply of the product increases, the number of buyers may decrease, and sellers will have to decrease the price to get the product off their shelves. Buying more of the product could create an overstock situation. Since the product has been a good seller, the business is unlikely to stop selling it.

SOURCE: PI:002 Explain factors affecting pricing decisions

SOURCE: LAP-PI-902—Make Cents (Factors Affecting Selling Price)

58. C

It should encourage the reader to take action. Sales-oriented business letters should persuade the reader to respond by taking whatever action is appropriate—viewing a company's website, calling a number, or visiting the business. The letter should catch the reader's attention in the opening paragraphs. This can often be accomplished by mentioning a problem the consumer might have that the product being offered can solve. Sales letters should avoid negative comments about the competition. They should emphasize product benefits and avoid mentioning price if possible.

SOURCE: CO:133 Write business letters

SOURCE: Purdue Online Writing Lab. (2024). *Writing the basic business letter*. Retrieved September 11, 2024, from [https://owl.purdue.edu/owl/subject\\_specific\\_writing/professional\\_technical\\_writing/basic\\_business\\_letters/index.html](https://owl.purdue.edu/owl/subject_specific_writing/professional_technical_writing/basic_business_letters/index.html)

59. D

Product placement. Product placement is a type of media that uses branded products as props in movies, TV shows, online videos, and video games. A character in a TV show holding a cup from Tim Hortons is an example of product placement. Word-of-mouth marketing is promotion and publicity for a business provided by customers who tell others of their satisfaction with the business. Negative advertising is a technique that uses negative emotions like guilt or shame to change consumer behavior or stress competitors' weaknesses. A premium is an item a business offers free to the purchaser of a particular product.

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

SOURCE: LAP-PR-099—Fear Factor (Ethics in Promotion)

60. C

External. When an individual is motivated by an external reward, they act out of a desire for a reward that comes from an external source rather than an internal source. Shannon's desire for peer approval is an example of an external reward, not an internal reward. Unethical and shallow are not words used to describe types of rewards.

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

SOURCE: Boushy, E. (2021, February 16). *External or internal motivators*. Retrieved August 8, 2024, from <https://www.linkedin.com/pulse/external-internal-motivators-eli-boushy>

61. A

Identifying possible alternatives. When solving problems, businesses need to identify a variety of possible alternatives to find the best solution. There may be many ways to solve a problem, but one is usually better than the others. Looking at all the possibilities will help businesses identify the one that best meets their needs. When solving problems, businesses should avoid including personal opinions, making preliminary conclusions, and gathering unrelated information.

SOURCE: PD:077 Demonstrate problem-solving skills

SOURCE: LAP-PD-077—No Problem (Demonstrating Problem-Solving Skills)

62. B

Letters of inquiry. The function of a letter of inquiry usually is to make a request. Businesspeople often write letters of inquiry to request an appointment with a current customer, a potential customer, or a business associate, particularly if those people are located out of town. For example, a businessperson might write several letters requesting appointments with various customers before arranging a sales trip. Persuasive messages are intended to encourage others to take action rather than to make a request. Sales letters are a type of persuasive message. Corporate memorandums are internal forms of communication.

SOURCE: CO:040 Write inquiries

SOURCE: Beare, K. (2019, May 26). *The fundamentals of writing an inquiry business letter*. Retrieved August 7, 2024, from <https://www.thoughtco.com/inquiry-letters-1210169>

63. C

Reducing demand and spending. Unemployment affects the economy by reducing demand and spending. This can eventually cause an economic recession, a depressed state of the economy that can be hard to recover from. Unemployment does not result in higher wages or increased production. It does not cause businesses to shut down; rather, closing businesses contribute to unemployment.

SOURCE: EC:082 Discuss the impact of a nation's unemployment rates

SOURCE: LAP-EC-082—Help Wanted? (Impact of Unemployment Rates)

64. A

Online. Most businesses maintain job application information online which makes it possible for individuals to submit online applications. However, it is still important to write a letter of application and include the letter as part of the online application. The purpose of the letter is to express interest in a specific job and provide basic information about qualifications. When applying for jobs in person or by phone, it is often not necessary to write a letter of application. Individuals usually do not apply for jobs indirectly.

SOURCE: PD:030 Write a letter of application

SOURCE: Birt, J. (2024, May 31). *How to write an application letter (with template and example)*. Retrieved August 8, 2024, from <https://www.indeed.com/career-advice/finding-a-job/how-to-write-an-application-letter>

65. B

Communicate an appealing benefit. A brand promise is a business's agreement (spoken or unspoken) with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. Before the business can deliver on its brand promise, it must have a product that offers an appealing benefit—one that persuades the target market to buy. For example, FedEx provides delivery services. The company's brand promise focuses on reliability. Therefore, FedEx promises to get its customers' packages to their destinations in a *reliable* manner—safely, quickly, and courteously—every time, which is an appealing benefit for most customers. A procedure is the step-by-step process that a person follows when performing a specific task. Customization involves making the product unique for each customer. Customization, a high-quality image, and the process by which the business delivers its products may be elements of a company's brand promise.

SOURCE: CR:001 Identify company's brand promise

SOURCE: Frederiksen, L. (2022, September 26). *Elements of a successful brand 4: Brand promise*. Retrieved August 7, 2024, from <https://hingemarketing.com/blog/story/elements-of-a-successful-brand-4-brand-promise1>

66. D

Stocks. Savings accounts, money market accounts, and bonds are stable investments that do not go up and down frequently. However, stocks can go up and down often. Stocks can fluctuate dramatically in the short term and can also increase (or decrease) significantly in the long term.

SOURCE: FI:077 Explain types of investments

SOURCE: LAP-FI-077—Invest for Success (Types of Investments)

67. D

Pinpointing your objective. When you identify what you want to do, you are pinpointing your objective. This is the first step of the decision-making model. Establishing decision criteria involves determining what will make or break the decision for you. Determining what you need to know and gathering the information you need both come after pinpointing your objective. To figure out what you need to know and then to find that information, you first need to identify exactly what it is that you want to do.

SOURCE: PD:017 Make decisions

SOURCE: LAP-PD-017—Weigh Your Options (Decision-Making)

68. B

They can increase a business's expenses. Government regulations often increase a business's expenses. These added expenses may result from efforts to comply with the law and to produce safe products. Or they may result from failing to comply with the law and producing unsafe products. Product development can become more expensive because of government regulations. Because of government regulations, businesses often have to spend time and money to correct problems. Businesses must often carry more insurance to protect themselves.

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

SOURCE: LAP-PM-917—Protect and Serve (Consumer Protection)

69. D

Completed properly. Researchers sometimes use paper-based forms, such as questionnaires, to obtain marketing information from consumers. Before reviewing and tabulating this information, researchers should physically review the questionnaires to make sure that consumers completed them properly. Researchers may not be able to use all of the questionnaires if consumers left blank spaces or filled in more than one response to a question. Most questionnaires are anonymous and do not require consumers to sign and date them. Researchers do not arrange questionnaires in alphabetical order because they do not contain names. Questionnaires usually are not organized by region unless a study is being conducted on a regional basis.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: Qualtrics. (2024). *Market research questions: What to ask and how*. Retrieved August 8, 2024, from <https://www.qualtrics.com/experience-management/research/market-research-questions>

70. D

Laptop. A laptop is a portable computer system that has a strong operating system and a large amount of memory. A laptop would suit Nigel because he needs a computer that travels as well as enough storage and memory to run his presentations. While a tablet is also portable, tablets generally do not have the same operating system strength and memory capabilities as laptops. Desktops are not portable. Smartphones also do not have the same operating system and memory capabilities as laptops.

SOURCE: NF:084 Discuss principles of computer systems

SOURCE: Walton, A. (n.d.). *Types of computers & their differences, advantages, disadvantages, and characteristics*. Retrieved August 8, 2024, from <http://smallbusiness.chron.com/types-computers-differences-advantages-disadvantages-characteristics-71303.html>

71. A

Build positive relationships with other individuals and businesses. Ethical standards are guidelines for behavior. Because personal ethics among people vary, some industries develop ethical standards so that each person working in the industry knows what is acceptable and not acceptable behavior in the profession. Businesses and employees who follow these standards demonstrate integrity and build trust with customers, other organizations, and community members. The primary purpose of following ethical standards in marketing is not to remove competition from the marketplace, improve working conditions and financial security, or prevent changes in the business environment.

SOURCE: PD:137 Explain the need for professional and ethical standards in marketing

SOURCE: Hill, B. (2019, October 16). *The advantages of ethical behavior in business*. Retrieved August 8, 2024, from <https://smallbusiness.chron.com/advantages-ethical-behavior-business-21067.html>

72. D

To obtain publicity. By sponsoring an event, businesses are using the event as a communications channel to provide information to others. The goal of sponsoring an event is to obtain publicity, which is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual that benefits from or is harmed by it. In many cases, the media report on the event and include information about the sponsors. As a result, the businesses obtain publicity. Businesses that sponsor local events are not creating news. Businesses do not sponsor local events to generate revenue or to sell products. However, by obtaining publicity, they might attract more customers which will result in selling more products and generating more revenue.

SOURCE: PR:250 Explain communications channels used in public-relations activities

SOURCE: Friedman, S. (2021, January 7). *Why your marketing plan should include sponsorship*. Retrieved August 8, 2024, from <https://www.liveabout.com/sponsorship-a-key-to-powerful-marketing-2295276>

73. C

Reach a compromise. Employees who have different opinions often negotiate with each other to reach a compromise and solve the problem. Compromising involves each employee conceding a few issues to reach a mutual agreement. Compromise is often the result of successful negotiations because each employee obtains something and both sides meet partway. Employees do not negotiate to avoid rejection or to make a statement. Negotiating often results in cooperation rather than opposition.

SOURCE: EI:062 Demonstrate negotiation skills

SOURCE: LAP-EI-062—Make It a Win-Win (Negotiation in Business)

74. B

Financial loss. Accidents to businesses can be very costly. Part of these costs come from having to pay higher insurance rates. Loss of career and reduction of benefits would be effects on employees rather than on the business.

SOURCE: OP:007 Follow safety precautions

SOURCE: Zamora & Hogan Co. (2023, September 4). *The long-term impact of workplace accidents on employees*. Retrieved August 8, 2024, from <https://www.zamoralaw.com/blog/2023/september/the-long-term-impact-of-workplace-accidents-on-e>

75. D

Others from using it without permission. Intellectual property is the intangible business assets that result from thinking processes. Inventions, written and artistic works, logos, brand names, and trade characters are examples of intellectual property. A business can discourage others from using its intellectual property without its permission by obtaining legal protection from the government. Depending on the type of intellectual property the business seeks to protect, the government can issue a copyright, patent, or trademark. If other businesses or individuals use the legally protected materials without the business's permission, the business has a better chance of winning a lawsuit. Seeking legal protection for intellectual property does not discourage competitors from developing new products, customers from filing frivolous lawsuits, or employees from creating unique processes.

SOURCE: OP:153 Protect company information and intangibles

SOURCE: Murray, J. (2022, January 27). *What is intellectual property?* Retrieved August 8, 2024, from <https://www.thebalancemoney.com/intellectual-property-patents-trademarks-1201095>

76. B

Good faith money. Good faith money is typically deposited by a buyer into an account to indicate their intention of completing a business deal (i.e., to show “good faith”). Holding cost is the money it takes to keep inventory in stock. A mutual fund is a pool of shareholder’s money invested by professional managers in an assortment of different securities. A statement of income is a financial summary that shows how much money the business has made or has lost over a period of time.

SOURCE: FI:063 Explain legal responsibilities associated with consumer financial products and services

SOURCE: Scott, G. (2022, December 29). *What is good faith money and how is it used?* Retrieved August 7, 2024, from <https://www.investopedia.com/terms/g/goodfaithmoney.asp>

77. C

They vary by jurisdiction. Businesses have the ability to easily collect information from people who visit their websites and from customers who purchase their goods and services. While collecting this type of information helps a business determine which products sell and what customers want, the business must be careful not to break consumer-privacy laws, which vary by jurisdiction. Jurisdiction is the authority a court has to resolve a legal issue. Jurisdiction is affected by many factors including geographic location (e.g., state, province, country), customer (e.g., children), and industry (e.g., financial, healthcare). Consumer-privacy laws are not enforceable at an international level.

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

SOURCE: PrivacyPolicies.com. (2023, March 14). *What's data privacy law in your country?* Retrieved August 8, 2024, from <https://www.privacypolicies.com/blog/privacy-law-by-country>

78. D

Matrix. Businesses can structure the way they do their work in a variety of ways. The matrix organizational structure uses horizontal authority to integrate departmental functions with product orientation. For example, an engineer, a marketing specialist, a financial coordinator, and a manufacturing employee are members of different departments but often work together to develop or refine one product. The advantage to businesses using this organizational structure is that the business is applying its resources efficiently because a representative from each of the major departments is knowledgeable about various aspects of the product. Line-and-staff organizations typically involve advisory authority, often without the ability to enforce or take action. Span of control refers to how many workers are supervised by one manager. Bureaucratic is an organizational structure known for its insistence on unnecessary procedures and red tape.

SOURCE: EC:103 Explain the organizational design of businesses

SOURCE: LAP-EC-103—Designed to Work (Organizational Design of Businesses)

79. D

Calculator. Calculators are devices that are used to compute numerical data. Calculators are widely used and are available in many forms, including battery-operated models and traditional electrical models. They are often found on computers. A fax machine is used to transmit documents via telephone lines. Scanners are technological devices that transmit images or information to computers. Printers do not calculate simple mathematical computations.

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

SOURCE: Blinka, D. (2023, October 30). *How to calculate and compare unit prices at the store.* Retrieved August 8, 2024, from <https://www.wikihow.com/Calculate-and-Compare-Unit-Prices-at-the-Store>

80. A

Changes are made to the product. A channel of distribution ends when the product reaches its ultimate consumer or when changes are made to the product (e.g., when flour becomes bread or when components become an engine). An intermediary may go out of business, but there will always be other intermediaries to step in and complete the channel. A channel does not end when it leaves the producer or reaches a wholesaler—it isn't over until the product reaches the consumer.

SOURCE: CM:003 Explain the nature of channels of distribution

SOURCE: LAP-CM-003—Channel It (Channels of Distribution)

81. A

Global positioning system. Global positioning systems (GPS) installed in delivery vehicles make it possible for drivers to determine their exact location and obtain accurate directions to destinations. Global positioning systems are the result of satellite technology which allows businesses to track a vehicle. These systems also enable drivers to obtain directions so they do not waste time searching for their destinations. The systems speed up the delivery process. Video frequency technology, CB radio system, and image scanning technology do not make it possible for a business's drivers to determine their exact location and obtain accurate directions to destinations.

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

SOURCE: Geotab. (2024, March 4). *What is GPS and how do global positioning systems work?* Retrieved August 8, 2024, from <https://www.geotab.com/blog/what-is-gps>

82. A

Becoming a more effective person. You should become organized to be more effective, not for the sake of organization. Keeping everything in perfect order is an unrealistic goal. You may become identified as an organized person or set an example for others, but those are side effects rather than appropriate goals.

SOURCE: PD:009 Demonstrate systematic behavior

SOURCE: Nicholson, R. (2024, July 16). *7 habits of highly effective people [summary & takeaways]*. Retrieved August 8, 2024, from <https://blog.hubspot.com/sales/habits-of-highly-effective-people-summary>

83. D

Promote products. Some businesses misuse the marketing information they obtain through research to develop advertising and promote products. Businesses sometimes obtain information specifically to support their point of view and use this information, which is not exactly accurate, to promote products. An example is a business that conducts a very limited survey for the purpose of advertising that the majority of respondents prefer its product to the product of a competitor. Legitimate research that provides accurate, unbiased marketing information is often used in advertising. Surveys are often developed to collect marketing information, which is then analyzed and used to solve problems.

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

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

84. A

Net pay. Net pay, or take-home pay, is the amount of money left after deductions have been subtracted from an employee's paycheck. The total amount of income an employee earns before deductions is gross pay. Taxable income is the portion of an individual's earnings that is subject to taxation, which is not always the same as gross pay. Fair play income is a fictitious term.

SOURCE: FI:068 Interpret a pay stub

SOURCE: Kappel, M. (2022, September 9). *Your guide to take-home pay*. Retrieved August 7, 2024, from <https://www.patriotsoftware.com/blog/payroll/understanding-take-home-pay>

85. C

Restating directions in your own words helps clarify them. When you restate the directions, the person giving the directions can correct any misunderstanding you may have had about what you are to do. Listening is more than hearing. Listening is an active behavior that involves understanding, evaluating, and responding to what is being said. Asking questions and taking notes will also help you to understand and to follow directions accurately.

SOURCE: CO:119 Follow oral directions

SOURCE: Gray-Grant, D. (2021, November 30). *How to become better at following directions*. Retrieved August 7, 2024, from <https://www.publicationcoach.com/better-at-following-directions>

86. D

Product seeding. Product seeding involves "planting" or placing the product in the hands of specific influencers. The goal is to have the influencers be seen using or wearing the product, which will in turn generate interest in and desire for the product. A testimonial is a statement by an identified user of a product proclaiming the benefits received from the use of the product. Cause marketing occurs when a business supports a cause that affects society such as protecting the environment or raising awareness of a disease. Social media involve the use of websites and applications for social networking.

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

SOURCE: AspireIQ. (2024). *The ultimate guide to product seeding: How to ace influencer marketing*. Retrieved August 8, 2024, from <https://www.aspire.io/blog/product-seeding-guide>

87. B

They communicate honestly. Assertive people communicate honestly. They tell others what they think and how they feel. They know how to ask for help when they need it. They know how to refuse others when necessary, but they do it in a way that does not hurt other people's feelings.

SOURCE: EI:008 Use appropriate assertiveness

SOURCE: LAP-EI-008—Assert Yourself (Assertiveness)

88. A

Employees' responsibilities if equipment is lost or damaged. A company property agreement is used to ensure that all property used by employees is accounted for and to outline the responsibilities of the employee for loss or damages to company property. Instruction on how to use business equipment for personal use is not something that would typically be included in a company property agreement. More often than not, these agreements will inform employees not to use company equipment for personal use. Information about a company's paid vacation policy and details regarding the company's health benefits package are not included in a company property agreement.

SOURCE: OP:442 Comply with policies and procedures for use of property and equipment

SOURCE: Meggitt, J. (n.d.). *Company property agreements*. Retrieved August 8, 2024, from <https://smallbusiness.chron.com/company-property-agreements-43589.html>

89. B

Fixed. A business's operating expenses are divided into fixed and variable costs. Fixed costs are business costs that are not affected by changes in sales volume. Variable costs change with changes in sales volume. Elastic is a term used to describe consumer demand that changes according to changes in price. Breakeven is the point at which the business has recovered the expense of producing or selling a product and begins to make a profit.

SOURCE: OP:024 Explain the nature of overhead/operating costs

SOURCE: LAP-OP-024—Watch Your (Over) Head (Overhead/Operating Costs)

90. D

Product knowledge. Salespeople who know their products can translate features into benefits for customers and help them select products that will best meet their needs. Ethical standards are unwritten rules of good conduct. All salespeople should have high ethical standards so that customers will trust them. Showing a new use for a product would demonstrate creativity, the ability to generate unique ideas, approaches, and solutions. Probing is an investigation of what customers think, feel, or know.

SOURCE: SE:017 Explain the nature and scope of the selling function

SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)

91. D

Exclusive dealing agreements. An exclusive dealing agreement is an agreement in which a business forbids its customers from buying goods and services from competitors. In some countries (e.g., the United States), this type of agreement is illegal if the business's market share is significant. When the business has a significant market share, it is difficult for the business's competitors to enter and compete in the marketplace. Trademark infringement laws, product usage policies, and inventory restocking fees are not activities that restrict competition.

SOURCE: CM:005 Explain legal considerations in channel management

SOURCE: Federal Trade Commission. (n.d.). *Exclusive dealing or requirements contracts*. Retrieved August 8, 2024, from <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/dealings-supply-chain/exclusive-dealing-or-requirements-contracts>

92. C

Product/Service management. Product/Service management is a marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. Product/Service management involves many activities, such as discovering new-product opportunities, developing marketing plans and strategies for products, coordinating the product mix, sustaining successful products as long as possible, reassessing products that are not meeting expectations, and eliminating products that have become liabilities. Marketing-information management is a marketing function that involves gathering, accessing, synthesizing, evaluating, and disseminating information to aid in business decisions. Knowledge management is the process of creating, identifying, collecting, organizing, sharing, and using knowledge and knowledge sources for the benefit of the organization or business. Inventory management is the process of supervising and controlling the number of finished products a company has in stock.

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

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

93. C

Vary question and answer type throughout the survey. When a survey includes a series of similar questions that all have the same answer choices, participants may begin to answer them in the same way out of habit. This can result in less accurate answers. If the question and answer types are varied throughout, this type of inaccuracy is less likely to occur. While following a logical question order is a characteristic of a good survey, it does not necessarily do anything to maintain respondents' focus. Making all questions positive and grouping related questions together could reduce respondents' focus rather than maintaining it.

SOURCE: IM:418 Explain characteristics of effective data-collection instruments

SOURCE: Pew Research Center (2024). *Writing survey questions*. Retrieved August 8, 2024, from <https://www.pewresearch.org/writing-survey-questions>

94. A

Quickly analyzes numerical data. Computer technology has made it possible to develop a variety of software programs. For example, spreadsheet software programs are used to organize and calculate numerical information. Spreadsheet programs can be used in sales to track and evaluate sales volume and sales dollars. By using spreadsheet programs, businesses can monitor sales and quickly determine if salespeople are achieving goals. Word-processing software might be used to create sales contracts and generate purchase orders. Spreadsheet software programs are not able to identify potential customers but are able to analyze sales figures of existing customers.

SOURCE: SE:107 Describe the use of technology in the selling function

SOURCE: Babington Marketing. (2022, May 27). *The benefits of using spreadsheets in accounting*. Retrieved August 8, 2024, from <https://babington.co.uk/insights/help-guidance/the-benefits-of-using-spreadsheets-in-accounting>

95. A

Emotions, feelings, and intuition. The Six Thinking Hats technique is a creative-thinking method that utilizes different ways of approaching a problem. Each of the six hats represents one aspect of the situation. The red hat focuses on the emotional and intuitive aspects of the situation. The white hat looks at the available facts and data. The green hat is used in relation to creating new ideas. The black hat looks at all of the negative aspects of the situation.

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

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

96. A

Their immediate supervisor. Problems related to work should be discussed with the employee's immediate supervisor because this person should be the first to be told that a problem exists, and they should be given an opportunity to resolve it. The personnel department deals with problems connected to the hiring or firing of employees. Discussing problems with coworkers is often done but is not recommended. It is not part of the company president's job to deal with individual problems unless they cannot be solved by a subordinate.

SOURCE: CO:014 Explain the nature of staff communication

SOURCE: Indeed. (2024). *What is a supervisor? Key skills, duties and roles*. Retrieved August 7, 2024, from <https://www.indeed.com/hire/c/info/what-is-a-supervisor>

97. A

Feedback. Companies benefit from customer feedback when customers implement warranties or guarantees. This enables the companies to make corrections and improvements that they otherwise would not know were needed. Customer feedback provides valuable product usage information. Service, expense, and profit are not related to the function of informing companies about defects in their products.

SOURCE: PM:020 Explain warranties and guarantees

SOURCE: LAP-PM-920—Promises, Promises (Warranties and Guarantees)

98. A

Don't overextend company resources. One of the main goals of marketing is to create sales and profits for the company. If you overextend the company's resources (time, money, human resources) when gathering data, you may be defeating your own purpose. You must create a plan that works reasonably within your company's size and budget. Using secondary data sources is often preferable to using primary data sources since the data already exist. Almost all company employees will somehow be involved in collecting, storing, or analyzing data for marketing decision-making. It is possible to gather too much data—this is called information overload—and it can be detrimental to your efforts.

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

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

99. D

Availability of raw materials. External factors that influence selling policies are those forces over which the business has little or no control. One of these factors is the availability of raw materials. Businesses have no control over the availability of raw materials needed to manufacture products. Therefore, businesses develop selling policies to deal with both a shortage and an abundance of raw materials. Businesses have control over the prices they charge for their goods or services. Businesses also are able to control the number of employees hired and to buy from quality suppliers.

SOURCE: SE:932 Explain company selling policies

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

100. C

Random sampling. Because it isn't feasible to survey a large target market, researchers often survey a representative group or sample of the target market. Random sampling exists when each member of the sample group has an equal chance or the same opportunity to be selected to participate in the survey. An advantage to random sampling is that the data are less likely to be biased or skewed. Researchers might use interviews (e.g., personal, phone) when they want to obtain more in-depth information. The disadvantage to using the interview method is that there is a higher risk of interviewer bias. Referral sampling is commonly called snowball sampling. This method involves obtaining recommendations of other potential sample-group members from the selected sample respondents.

SOURCE: IM:285 Discuss the nature of sampling plans (i.e., who, how many, how chosen)

SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)