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| *Indicate the answer choice that best completes the statement or answers the question.* |

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| 1. Which of the following statements is true of ownership utility?   |  |  |  | | --- | --- | --- | |  | a. | It boosts customer satisfaction by providing helpful information. | |  | b. | It satisfies customer needs by providing the right products in the right place. | |  | c. | It adds value by making products available at a convenient time for consumers. | |  | d. | It adds value by making it easier for customers to possess the goods that they purchase. | |

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| 2. Spade Archer buys surgical knives, scissors, forceps, needle holders, and retractors from a surgical equipment manufacturer and sells them to local hospitals. In this scenario, Spade Archer is a \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | broker | |  | b. | producer | |  | c. | retailer | |  | d. | wholesaler | |

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| 3. Lynk Corp. drives perishable goods, such as eggs, bread, and muffins to small grocery stores. In addition to taking legal title of the goods it distributes, Lynk Corp. also checks the stock and suggests reorder quantities to the grocery stores. It is evident that Lynk Corp. is a(n) \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | agent | |  | b. | broker | |  | c. | drop shipper | |  | d. | truck jobber | |

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| 4. Teri Bake delivers fresh cakes, breads, pies, and muffins to several small grocery stores in Central Radisova. In addition to delivering baked goods, Teri Bake's employees help the small store owners keep track of what they need to order, and they even remove outdated baked goods from the store shelves. Teri Bake is a \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | truck jobber | |  | b. | drop shipper | |  | c. | cash and carry wholesaler | |  | d. | full-service merchant wholesaler | |

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| 5. Donton Inc. dominates its market section by offering a wide range of office supplies that includes printers, furniture, and cleaning supplies to final consumers. It is evident that Donton Inc. is a \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | category killer | |  | b. | department store | |  | c. | supermarket | |  | d. | supercenter | |

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| 6. Which of the following statements is true of a specialty store?   |  |  |  | | --- | --- | --- | |  | a. | It offers a small range of everyday and impulse products at easy-to-access locations. | |  | b. | It offers a wide range of food products, plus limited nonfood items. | |  | c. | It sells a wide selection of merchandise within a narrow category. | |  | d. | It sells a complete selection of food and general merchandise at a steep discount in a single enormous location. | |

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| 7. \_\_\_\_\_ means establishing only one retail outlet in a given area.   |  |  |  | | --- | --- | --- | |  | a. | Intensive distribution | |  | b. | Wholesale distribution | |  | c. | Exclusive distribution | |  | d. | Direct distribution | |

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| 8. Operos, a high-end sports equipment manufacturer, sells its products to the public at its own retail outlets. Because of the high price and limited availability of its products, the company has established its stores in limited locations only in the city of Belwick. In the context of distribution strategies, Operos has adopted the strategy of \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | intensive distribution | |  | b. | selective distribution | |  | c. | exclusive distribution | |  | d. | random distribution | |

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| 9. Allied Bakeries sells processed food and beverages manufactured by Winston Corp. to the public. In this scenario, Allied Bakeries is a \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | wholesaler | |  | b. | truck jobber | |  | c. | retailer | |  | d. | drop shipper | |

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| 10. Nexi 10 is a store retailer that offers a wide range of food products, such as meat, vegetables, dairy products, and baked goods at a single location. In addition to food products, it also offers a variety of household products and personal care items. In this scenario, it is evident that Nexi 10 is a \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | supermarket | |  | b. | discount store | |  | c. | convenience store | |  | d. | supercenter | |

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| 11. Which of the following modes of transportation provides the lowest flexibility in handling?   |  |  |  | | --- | --- | --- | |  | a. | Ships | |  | b. | Trucks | |  | c. | Railroads | |  | d. | Pipelines | |

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| 12. Rancone Technologies, a laptop manufacturer, released a new laptop model priced at $800 to attract customers who could afford to pay the high price. After a few months, it introduced low-priced versions of the same laptop to attract new buyers. By doing so, it maximized profitability by targeting different segments of the market. In this scenario, Rancone Technologies has used the \_\_\_\_\_ strategy.   |  |  |  | | --- | --- | --- | |  | a. | penetration pricing | |  | b. | everyday-high pricing | |  | c. | loss-leader pricing | |  | d. | skimming pricing | |

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| 13. Which of the following statements is true of loss-leader pricing?   |  |  |  | | --- | --- | --- | |  | a. | It is applicable to all products sold in a department store. | |  | b. | It is legally accepted worldwide. | |  | c. | It is closely related to high/low pricing. | |  | d. | Its goal is to send consumers a message about the exclusivity of a product. | |

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| 14. The fixed cost of Brendon Willows, a baseball bat manufacturing company, is $500,000 per year. The cost of wood and labor to manufacture one bat is $5. If the customers pay $25 to buy one bat, how many bats does Brendon Willows need to sell to breakeven?   |  |  |  | | --- | --- | --- | |  | a. | 20,000 | |  | b. | 25,000 | |  | c. | 100,000 | |  | d. | 150,000 | |

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| 15. In the context of consumer pricing perceptions, odd pricing creates a perception of:   |  |  |  | | --- | --- | --- | |  | a. | exclusivity. | |  | b. | greater value. | |  | c. | healthy competition. | |  | d. | upscale positioning. | |

**Answer Key**

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| 2. d |

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| 3. d |

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| 4. a |

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| 5. a |

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| 6. c |

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| 7. c |

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| 8. b |

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| 9. c |

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| 10. a |

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| 11. d |

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| 12. d |

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| 13. c |

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| 14. b |

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| 15. b |