

# Marketing Cluster Exam

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have \_\_\_\_\_ minutes to complete all questions.

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This comprehensive exam was developed by the MBAResearch Center. Items have been randomly selected from the MBAResearch Test-Item Bank and represent a variety of instructional areas. Performance Indicators for this exam are at the prerequisite, career-sustaining, and marketing specialist levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.

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1. Which of the following activities is the primary responsibility of the U.S. judicial system:
  - A. Applies the laws
  - B. Controls the laws
  - C. Organizes the laws
  - D. Supplements the laws
2. John loves sports and would like to own his own sporting goods business. He has set aside some money for investment but has very little time for the day-to-day operations of a business. What type of business ownership would you recommend?
  - A. Close corporation
  - B. Sole proprietorship
  - C. Corporation
  - D. General partnership
3. Which of the following products would likely use an exclusive distribution pattern:
  - A. A gallon of milk
  - B. A large piece of farm machinery
  - C. A home-decorating magazine
  - D. A silk necktie
4. Which of the following is the most common channel of distribution for consumer goods:
  - A. Manufacturer; wholesaler; retailer; consumer
  - B. Manufacturer; retailer; consumer
  - C. Manufacturer; agent; retailer; consumer
  - D. Manufacturer; consumer
5. Using coercive power in distribution channel relationships is illegal in the United States if it
  - A. creates exclusive territories.
  - B. restricts competition.
  - C. controls arbitration.
  - D. establishes contracts.
6. When coordinating marketing activities, it is important for all distribution channel members to understand their roles in the supply chain and to
  - A. develop sanctions.
  - B. conduct audits.
  - C. have an independent mindset.
  - D. communicate clearly.
7. What is an effective technique for employees to use to extract relevant information from written materials?
  - A. Skim through chapter titles
  - B. Ask frequent questions
  - C. Develop a rough outline
  - D. Take notes while reading
8. Which of the following is a communication technique that supports and encourages a speaker:
  - A. Active listening
  - B. Taking notes
  - C. Speed reading
  - D. Making comments
9. In order for an employee to follow directions s/he is being given about how to do a new job properly, the employee must
  - A. focus on the message's content.
  - B. evaluate what is being said.
  - C. prepare to give feedback.
  - D. avoid asking any questions.
10. To enunciate when speaking to customers means to
  - A. talk fast.
  - B. talk slowly.
  - C. run words together.
  - D. pronounce words clearly.
11. Paul is responding to an inquiry he received in the mail. His response includes some good news and some bad news. How should he structure his response in light of the bad news?
  - A. Place the good news at the beginning and the bad news in secondary position(s)
  - B. Place the bad news at the beginning and the good news in secondary position(s)
  - C. Place the bad news in the post-script (P.S.) section of the response
  - D. Give more space to bad news than good news to clearly explain it
12. When you ask questions in an open-minded way, you avoid
  - A. mentioning the truth.
  - B. stating your own opinion.
  - C. suggesting a better way to do something.
  - D. attacking someone else's idea.

13. When writing e-mail messages to businesspeople, it is best to avoid using  
A. initialisms. C. modifiers.  
B. conjunctions. D. antonyms.
14. Employees often use simple written reports to provide managers with \_\_\_\_\_ information.  
A. extensive C. in-depth  
B. analytical D. routine
15. What might a business lose if an advertisement attracted new customers, but they were greeted by a discourteous employee?  
A. Frequent complaints C. Service problems  
B. Repeat business D. Negative impression
16. What kind of customer would make the following statement: "Why are you always moving everything around? You really make it hard for me to find what I want."  
A. Disagreeable C. Slow/Methodical  
B. Suspicious D. Domineering/Superior
17. Carpeting had been installed in Karl's living room and den on Friday afternoon. The next day, he noticed that along one wall, the carpeting was not laid properly. Karl called the installer to have the problem corrected. The carpet installer should first  
A. listen to Karl and see the problem through his eyes.  
B. provide alternative solutions to the problem.  
C. state the company's policy about carpet installation.  
D. ask Karl to please hold while he gets the store manager.
18. Dry cleaning is an example of a(n)  
A. tangible object. C. economic service.  
B. economic good. D. natural resource.
19. When goods or services are made more useful to consumers, the goods and services have added  
A. profit. C. demand.  
B. costs. D. utility.
20. Because the Engel Company takes raw materials and makes products that are useful for consumers, it is an example of a  
A. manufacturer. C. wholesaler.  
B. trade industry. D. mining business.
21. Which of the following has a direct impact on a manager's span of control:  
A. Channel of distribution C. Number of subordinates  
B. Popularity of products D. Allocation of funds
22. The economic system in which producers are willing to use resources to create products that consumers are willing to buy is known as a \_\_\_\_\_ economic system.  
A. communist command C. socialist command  
B. traditional D. market
23. Which of the following situations would involve direct competition:  
A. All of the workers employed by a large automobile manufacturer go out on strike.  
B. A manufacturer installs a conveyor belt to speed up production.  
C. A department store conducts a "Back-to-School" sale during July and August.  
D. A new bank opens in a community already served by three banks.

24. Which of the following transactions would be counted in the gross domestic product:
- A. A florist purchases plants from a nursery.
  - B. A bakery purchases 50 pounds of sugar.
  - C. A customer purchases a sweater.
  - D. A restaurant purchases meat from a wholesaler.
25. A high rate of unemployment usually has a negative impact on a country's
- A. personal income tax.
  - B. equilibrium price level.
  - C. gross domestic product.
  - D. terms of trade.
26. Jennifer's manager pointed out some areas for improvement in her last performance review. Now, she thinks she is a poor employee. This is an example of
- A. comparing yourself to others.
  - B. being modest.
  - C. false generalization.
  - D. recognizing your strengths.
27. Katrina is a long-time employee who routinely finishes her assignments ahead of schedule. John, a new employee, often stays late to complete his work. As a responsible employee, Katrina should
- A. ignore the problem and let the managers solve it.
  - B. suggest that John be reassigned.
  - C. offer to assist John if she can.
  - D. inform the manager that John needs special training.
28. One of the characteristics of a positive attitude that is easy to observe is
- A. a number of interests.
  - B. the ability to fix blame.
  - C. the willingness to change.
  - D. a friendly smile.
29. Which of the following causes the greatest number of cultural sensitivity issues:
- A. Level of comfort with uncertainty
  - B. Communication
  - C. Globalization
  - D. Relationships to time and space
30. An effective way to create a desire for others to agree with your ideas is by
- A. identifying concerns.
  - B. stating your case.
  - C. explaining benefits.
  - D. gathering information.
31. Which of the following is a basic belief that you must have so you can start to be assertive:
- A. You should always respond to the needs of others.
  - B. You have the right to try to force your ideas on others.
  - C. Your thoughts, feelings, ideas, and opinions are important.
  - D. Your needs come first in all situations.
32. Employees who are able to deal with new situations and changes in the workplace are demonstrating
- A. responsibility.
  - B. leadership.
  - C. adaptability.
  - D. enthusiasm.
33. Shari finally finished the major project she'd been working on for months, so she takes the day off and heads to the spa. Which step in developing an achievement orientation does this illustrate?
- A. Rewarding yourself for your accomplishments
  - B. Being a leader
  - C. Being patient and persistent
  - D. Asking for feedback
34. Human relations can best be described as the study of the ways people
- A. develop personal styles.
  - B. form and express opinions.
  - C. handle communication.
  - D. form and conduct relationships.

35. When Matthew receives a check four times a year for income he has earned on his stock investments, he is receiving
- A. deposits.
  - B. credit.
  - C. dividends.
  - D. cash.
36. The XYZ Company has a financial organization within the business that offers small loans, installment credit, and low interest rates to its members. This is an example of a
- A. credit union.
  - B. sales-finance company.
  - C. commercial bank.
  - D. savings and loan.
37. Preparing wills and setting up guardianships are types of financial services that often are provided by
- A. executors.
  - B. attorneys.
  - C. courts.
  - D. beneficiaries.
38. Mark has decided to hire a financial-services provider to help him plan his long-term financial goals. Which of the following should he do first:
- A. Contact his bank
  - B. Search online
  - C. Interview potential candidates
  - D. Obtain referrals from trusted friends
39. Business risks that are caused by changes in the market are called \_\_\_\_\_ risks.
- A. environmental
  - B. economic
  - C. human
  - D. natural
40. Which of the following presents the steps in the accounting process in the correct order:
- A. Summarize, record, organize
  - B. Record, summarize, organize
  - C. Record, organize, summarize
  - D. Summarize, organize, record
41. A business's cash flow statement for one month indicates cash sales of \$10,250, credit sales of \$3,750, loans received of \$525, and fixed expenses of \$2,800. Calculate the total cash receipts.
- A. \$13,575
  - B. \$9,985
  - C. \$7,975
  - D. \$10,775
42. A summarization of the total income and expense of a business for a period of time is called
- A. the profit-and-loss statement.
  - B. gross profit.
  - C. cost of goods sold.
  - D. balance sheet.
43. One reason why human resources management is important to the success of a business is because this process is responsible for
- A. staffing the business.
  - B. eliminating turnover.
  - C. creating jobs for the company.
  - D. reducing compensation.
44. Which of the following is one way that businesses use marketing information:
- A. To prepare sales invoices
  - B. To determine credit scores
  - C. To change economic trends
  - D. To develop new products
45. A marketing-information management system can help businesses to
- A. practice good business ethics.
  - B. discover employee potential.
  - C. motivate employees.
  - D. discover new markets.
46. The Internet gives marketing-information managers the ability to search for data in
- A. computer modems.
  - B. competitors' sales records.
  - C. CD-ROM catalogs.
  - D. remote locations.

47. Kelli accesses a professional association's web site to review information about employment trends in a specific industry. What type of research is Kelli obtaining?
- A. Secondary
  - B. Internal
  - C. Primary
  - D. Intermediate
48. Which of the following is an example of a method that marketers use to conduct causal research:
- A. Telemarketing
  - B. Experiments
  - C. Surveys
  - D. Interviews
49. Marketing businesses use the information from sales representatives to make decisions. One type of report that details a sales representative's planned sales calls and routes for an upcoming week or month is a(n) \_\_\_\_\_ report.
- A. activity
  - B. territory
  - C. call
  - D. quota
50. What is a common method of collecting research data that often involves the use of questionnaires?
- A. Message board
  - B. Case study
  - C. Mail survey
  - D. Behavior chart
51. What type of data do descriptive statistics summarize?
- A. Subjective
  - B. Sample
  - C. Synectic
  - D. Solitary
52. What should researchers consider when evaluating the design of questionnaires?
- A. Size of paper
  - B. Types of questions
  - C. Names of developers
  - D. Number of participants
53. One way for a marketing researcher to determine if online journals and articles are up-to-date is by
- A. requesting a quotation.
  - B. accessing the FAQs page.
  - C. asking the team leader.
  - D. locating the publication date.
54. The most immediate impact of the marketing function is its relation to
- A. meeting government regulations for registration.
  - B. offering a variety of goods and services.
  - C. limiting the number of products offered.
  - D. ensuring least-cost pricing.
55. When Ken Ditioner, owner of Shine Shampoo, considers how to package the items he produces, he is making a \_\_\_\_\_ decision.
- A. promotion
  - B. price
  - C. place
  - D. product
56. If you were trying to convince someone to use quantitative sales forecasting, which of the following factors would you stress:
- A. Minimal cost
  - B. Variety of opinions
  - C. Factual basis
  - D. Ease with which findings are understood
57. Which of the following is a trend in information management:
- A. Increased compliance laws and regulations
  - B. Decreased competition
  - C. Decreased number of electronic documents
  - D. Increased number of workers in the office
58. A legal issue associated with the use of information might involve the violation of \_\_\_\_\_ laws.
- A. copyright
  - B. patent
  - C. trademark
  - D. contract

59. Which of the following is a computer-based time-management tool that helps employees keep track of their appointments and activities:
- A. Desktop-publishing software
  - B. Spreadsheet calculator
  - C. Instant-messaging program
  - D. Electronic task organizer
60. What is a spreadsheet software program's calculation for next year's operating expenses based on the following information: an increase of 5% over current sales of \$675,500 a year, and a 3% increase in operating expenses that are currently 40% of sales.
- A. \$290,465.00
  - B. \$304,988.25
  - C. \$283,710.00
  - D. \$312,326.25
61. What approach to record keeping is Dahlia's business using when it hires a data processing center to handle the record keeping for its accounting information?
- A. Keeping the records personally
  - B. Establishing a department
  - C. Hiring an employee
  - D. Outsourcing the task
62. Which of the following examples illustrates how environmental factors are dynamic:
- A. The government provides subsidies to agricultural businesses.
  - B. Demographics influence social and cultural attitudes.
  - C. The economy impacts government policies.
  - D. High interest rates will eventually get lower.
63. What is the advantage to businesses of reviewing internal records to obtain information?
- A. Research techniques are complex.
  - B. Statistics are expensive to compile.
  - C. Employees have limited access.
  - D. Data are specific to the company.
64. When operating machinery in the workplace, employees can reduce the risk of injury to themselves and damage to the machinery by
- A. reading the appropriate promotional materials.
  - B. following the manufacturer's operating instructions.
  - C. performing maintenance activities themselves.
  - D. requesting a trained supervisor to operate the machinery.
65. Which of the following is an example of a security precaution to protect the business from credit-card fraud:
- A. Using a buzzer system to notify the police
  - B. Checking the customer's signature
  - C. Installing closed-circuit TV
  - D. Hiring security personnel
66. Which of the following is an example of an internal source that Eli can use to develop a project that he needs to complete for his supervisor:
- A. Sales reports
  - B. Public library
  - C. Competitors' advertisements
  - D. Trade associations
67. Which of the following is a benefit of project planning:
- A. Setting an appropriate time frame
  - B. Asking yourself important questions
  - C. Coordinating all of the parts of the project
  - D. Monitoring your project
68. An auto-parts buyer evaluates a new vendor's performance and determines that the vendor didn't follow through on all of its promises and was late delivering the buyer's order. One of the first things that the buyer should do is
- A. inform others in the industry of the vendor's faults.
  - B. replace the vendor with a more reliable one.
  - C. demand that the vendor give the buyer a refund.
  - D. communicate his/her feedback to the vendor.

69. Which of the following should a business deduct from gross profit in order to arrive at net profit:
- A. Operating expenses
  - B. Quantity discounts
  - C. Product rebates
  - D. Cost of goods
70. One of the major functions of business maintenance is to
- A. keep the business spotlessly clean.
  - B. create a favorable impression.
  - C. protect products from damage.
  - D. present products effectively.
71. What is an important guideline to remember when establishing personal goals?
- A. Make sure your goals are vague.
  - B. Focus on the negative.
  - C. Disregard outside assistance.
  - D. Set realistic goals.
72. One of the ways creativity is useful in marketing occupations is in accomplishing \_\_\_\_\_ activities.
- A. immediately apparent
  - B. public relations
  - C. mathematical
  - D. routine
73. Individuals often succeed in occupations that require the skills that match their
- A. values.
  - B. aptitudes.
  - C. behaviors.
  - D. attitudes.
74. A job applicant should be able to completely answer the interviewer's questions if s/he has been
- A. listening.
  - B. reading brochures.
  - C. talking.
  - D. taking notes.
75. What is an important quality that all résumés should possess?
- A. Neatness
  - B. Length
  - C. Creativity
  - D. Complexity
76. Businesses that display their goods and services at trade shows usually have representatives available whose major responsibility is to
- A. meet with potential customers.
  - B. clean and stock the area.
  - C. order replacement materials.
  - D. negotiate with the set-up crew.
77. What do customers often associate with high prices?
- A. Profit
  - B. Demand
  - C. Quality
  - D. Economy
78. A law is established to ensure that businesses include pricing terms in their advertisements. The law is designed to discourage businesses from practicing \_\_\_\_\_ pricing strategies.
- A. deceptive
  - B. inequitable
  - C. elastic
  - D. compliant
79. Technology is important to the product/service management function because it helps a business
- A. monitor inventory.
  - B. select advertising.
  - C. finance expansions.
  - D. increase revenue.
80. With the arrival of digital television, many customers have purchased new digital televisions. A marketer recognized that these customers would want to do something with their old TVs. This is an example of
- A. opportunity recognition.
  - B. individual development.
  - C. the need to purchase related items.
  - D. the availability of new information.
81. A common way for businesses to generate new product ideas is by reviewing
- A. employee records.
  - B. sales receipts.
  - C. status reports.
  - D. customer surveys.



82. A women's clothing store that tells customers it will refund their money if they are not completely satisfied with any item they buy is providing a(n)
- A. rebate.
  - B. warranty.
  - C. guarantee.
  - D. explanation.
83. Harrison Stroller Company manufactures baby strollers. The business launched a new stroller line in hopes of increasing its market share. The new model featured neon, plastic, musical toys on the front bar of the stroller. By the middle of the first year, there were 50 reports of infant injuries. What legal action will Harrison Stroller Company have to face?
- A. Consumer Product Safety Act
  - B. Product deletion
  - C. Consumer protection
  - D. Product liability
84. Which of the following is a reason why a business might choose to expand its product mix:
- A. To increase sales
  - B. To reduce costs
  - C. To increase risks
  - D. To reduce liability
85. A company that makes ink pens claims that no other pen on the market uses a type of ink that changes color when exposed to light. The company is positioning its product according to what strategy?
- A. Relation to other products in a line
  - B. Features and benefits
  - C. Price and quality
  - D. Unique characteristics
86. Corporate branding involves creating a specific image for a variety of products and product lines by focusing on
- A. tangible services.
  - B. different ethics.
  - C. a common vision.
  - D. one touch point.
87. The way that business benefits directly from promotion is through
- A. increased sales.
  - B. better informed consumers.
  - C. decreased competition.
  - D. increased job opportunities.
88. Effective product promotions can be used by businesses to
- A. achieve immediate success for the businesses.
  - B. make consumers purchase goods or services.
  - C. substitute for talented, well-trained salespeople.
  - D. persuade consumers to buy goods or services.
89. Critics claim that promotion poses an ethical dilemma because it encourages \_\_\_\_\_ attitudes in society.
- A. responsive
  - B. inflexible
  - C. resourceful
  - D. materialistic
90. When a government requires a business to inform consumers about its product's limitations in its promotional materials, it is often referred to as
- A. affirmative disclosure.
  - B. ethical verification.
  - C. honorable verification.
  - D. assenting disclosure.
91. What type of promotional media might a chain of businesses use in order to reach a large number of potential customers in a particular state or province?
- A. Regional magazines
  - B. Suburban radio stations
  - C. National television
  - D. Transit advertising
92. Which of the following is a communications channel used in sales promotion:
- A. Discount coupons
  - B. Package labels
  - C. Newspaper ads
  - D. Television commercials

93. Why is it important to coordinate the elements in advertisements?
- A. To identify the message
  - B. To analyze the objective
  - C. To strengthen the theme
  - D. To locate the audience
94. Businesses often participate in trade shows as a way of communicating with their
- A. out-of-town employees.
  - B. target audiences.
  - C. investors.
  - D. sales staff.
95. An important external factor that affects the type of promotional plan a business develops is the business's
- A. competition.
  - B. image.
  - C. available budget.
  - D. sales objectives.
96. One of the ways that salespeople can use selling to create desire for products is by
- A. using product demonstrations.
  - B. emphasizing high cost of a product.
  - C. making a good impression.
  - D. monitoring the competition.
97. Which of the following is a positive outcome for a business when its salespeople consistently provide excellent customer service as part of the selling process:
- A. Increased commissions
  - B. Improved quality
  - C. Positive reputation
  - D. Competitive disadvantage
98. An example of a lead that a salesperson might obtain from sources within his/her own company is a lead
- A. obtained from an industry trade show.
  - B. obtained at a service club meeting.
  - C. received from a personal friend.
  - D. found through cold canvassing.
99. How do antitrust laws that prevent the formation of monopolies and promote competition affect businesses?
- A. Require extensive reporting to government
  - B. Make certain selling activities illegal
  - C. Establish a formal code of ethics
  - D. Create a standard for employee rights
100. A customer asks a specific product question that a new salesperson cannot answer. What should the new salesperson do?
- A. Ask an available, experienced employee
  - B. Explain that s/he is new and doesn't know
  - C. Try to serve the customer as best s/he can
  - D. Tell the customer to contact the manufacturer

# KEY

Test Number 1038

## Marketing Cluster Exam

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1. A  
Applies the laws. The U.S. judicial system is the nation's court system. It is responsible for interpreting and applying the laws of the land. The primary purpose of the U.S. judicial system is not to control, organize, or supplement the laws.  
SOURCE: BL:068  
SOURCE: Miller, R.L., & Jentz, G.A. (2005). *Fundamentals of business law* (6th ed.) [p. 33]. Mason, OH: Thomson/South-Western.
2. C  
Corporation. Corporation ownership permits ownership by simply buying shares of stock. Sole proprietorship is a form of ownership that requires owner participation. General partnership is designed to combine the capital, experience, and abilities of two or more people. Close corporations do not offer their shares for sale to the general public.  
SOURCE: BL:003  
SOURCE: BL LAP 1—Own It Your Way (Forms of Business Ownership)
3. B  
A large piece of farm machinery. Exclusive distribution means selling a product through just one middleman in a geographic area. Marketers use this method when they need to maintain tight control over a product. This is why exclusive distribution is often used for specialty products that are technical in nature or require specialized services such as installation or repair. Examples of these products are airplanes and large machinery. Milk and magazines are examples of convenience products, which usually use intensive distribution patterns. A silk necktie is an example of a consumer shopping good, which usually uses a selective distribution pattern.  
SOURCE: CM:001  
SOURCE: CM LAP 2—Chart Your Channels (Channel Management)
4. A  
Manufacturer; wholesaler; retailer; consumer. Many producers of consumer goods cannot afford to offer small shipments. This channel enables the manufacturer to ship large quantities to the wholesaler, who in turn breaks the shipment into smaller segments to sell to retailers, who sell to consumers. This reduces packing and shipping expense to the manufacturer.  
SOURCE: CM:003  
SOURCE: CM LAP 1—Channel It (Channels of Distribution)
5. B  
Restricts competition. The Sherman Act of 1890 and the Clayton Act of 1914 were drafted to prohibit monopolistic practices that encouraged anticompetitive activities. If coercive power is used to substantially reduce competition, it is in violation of federal or state antitrust laws. Exclusive territories are legal under certain circumstances. Arbitration and contracts are legal.  
SOURCE: CM:005  
SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 401-403]. Boston: McGraw-Hill/Irwin.
6. D  
Communicate clearly. Marketing activities are all tasks and processes for creating, communicating, and delivering value by providing customers with desired products. Channel members are all of the businesses and individuals who assist in moving goods and services from the producer to the customer. For the products to move efficiently through the distribution system, it is important for all channel members to clearly communicate with each other. For example, if a retailer plans to promote a specific item on a specific day, it must advise the producer or wholesaler to make sure that the items are available on the day of the promotion for customers to purchase. For maximum efficiency, channel members should adopt an interdependent rather than an independent mindset. Sanctions are not always necessary to coordinate marketing activities. Although most businesses conduct different types of audits (e.g., financial), not all businesses in a supply chain conduct them for all marketing activities.  
SOURCE: CM:007  
SOURCE: Lamb, C.W., Jr., Hair, J.F., Jr., & McDaniel, C. (2003). *Essentials of marketing* (3rd ed.) [pp. 48-51]. Mason, OH: South-Western.

7. D

Take notes while reading. Employees often are expected to read a wide variety of materials to obtain information that they can use on the job or to help the company. Some of this material may be complex, technical, and difficult to understand. To extract relevant information effectively, it is often useful to take notes while reading. Jotting down key points or summarizing helps employees to focus on the information and remember it. It may not be possible to ask frequent questions when reading. Outlines are developed before writing begins. Skimming through chapter titles is not an effective way to extract information.

SOURCE: CO:055

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 310). New York: Glencoe/McGraw-Hill.

8. A

Active listening. Listening is a communication technique that involves processing and understanding a verbal message. When people actively listen for understanding, they support and encourage a speaker who is attempting to deliver a message. Active listening involves paying attention in order to respond to the speaker. Taking notes and speed reading are not communication techniques. Making comments might encourage a speaker if the comments are appropriate. However, some comments may discourage a speaker.

SOURCE: CO:082

SOURCE: Miculka, J.H. (2007). *Speaking for success* (2nd ed.) [pp. 18-21, 36-37]. Cincinnati: South-Western Educational.

9. A

Focus on the message's content. In order to follow directions, the listener must hear the directions clearly. This requires active listening in which the listener is making an effort to learn by "tuning out" any distractions in the area, concentrating on what the speaker is saying, and keeping his/her mind alert. The employee is not expected to give feedback or to evaluate what is being said. S/He would be expected to ask questions if necessary.

SOURCE: CO:119

SOURCE: Bovée, C. L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 51]. Upper Saddle River, NJ: Pearson Prentice Hall.

10. D

Pronounce words clearly. To enunciate means to create clear sounds and to correctly pronounce words. The speed at which words are pronounced may be fast or slow, but words need to be spoken distinctly, not run together.

SOURCE: CO:147

SOURCE: Miculka, J.H. (2007). *Speaking for success* (2nd. ed.) [p. 35]. Cincinnati: South-Western Educational.

11. A

Place the good news at the beginning and the bad news in secondary position(s). Bad news stands out, and so while he needs to honestly share bad news, it should be handled with care or else it will eclipse the good news. To do this, good news should always be used at the beginning and be allocated more space than bad news. If a post-script is used, it should contain good news since it will be the last impression for the reader.

SOURCE: CO:060

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10<sup>th</sup> ed.) [p. 121]. Boston: McGraw-Hill/Irwin.

12. D

Attacking someone else's idea. When you ask questions in an open-minded way, you avoid attacking someone else's idea. You evaluate what you have to say before you say it and avoid all sarcasm. Your goal is to phrase your question in a way that seeks helpful information. You do not avoid suggesting a better way to do something, stating your own opinion, or mentioning the truth.

SOURCE: CO:053

SOURCE: QS LAP 29—Put In Your Two Cents

13. A

Initialisms. An initialism is an abbreviation for a word—a modern form of shorthand that is commonly used when writing informal messages, such as e-mail and text messages. Some businesses and industries use initialisms as part of their organizational culture. Examples of initialisms include FYI (for your information), 2L8 (too late), and LOL (laugh out loud). Because many people do not use or understand initialisms, it is best not to use them when writing professional e-mails. A conjunction is a word that connects two words or phrases (e.g., and, or, but). A modifier is an adjective or adverb. An antonym is a word that means the opposite of another word (e.g., hot, cold).

SOURCE: CO:090

SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [p. 94]. Boston: McGraw-Hill/Irwin.

14. D

Routine. Employees often use simple written reports to provide managers with routine information, such as the number of items sold each week. Routine information is the type of data that managers need on a regular basis in order to monitor the operation of the business. Simple written reports are straightforward and direct and contain only routine business information. They do not contain analytical, extensive, or in-depth information, which is usually presented in complex written reports.

SOURCE: CO:094

SOURCE: Berman, B., & Evans, J.R. (2004). *Retail management: A strategic approach* (9th ed.) [p. 190]. Upper Saddle River, NJ: Prentice Hall.

15. B

Repeat business. A business needs to maintain a positive relationship with customers in order 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

SOURCE: Odgers, P. (2004). *The world of customer service* (pp. 6, 12). Mason, OH: South-Western.

16. A

Disagreeable. Disagreeable customers often complain. These customers are unpleasant and hard to help because they are also argumentative, irritable or moody, insulting, impatient, and may have a leave-me-alone attitude. Suspicious customers question everything and may want facts and proof before being convinced that something is true. Slow/Methodical customers require a lot of time to make a purchase because of shyness or difficulty in making a choice or buying decision. Domineering/Superior customers are overly self-confident and feel that they know more and are better than the average person.

SOURCE: CR:009

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

17. A

Listen to Karl and see the problem through his eyes. The first step in providing customer service is to forget any other concern and focus on the customer's problem. The customer should be listened to as long as necessary to understand the problem. To state the company's policy about carpet installation or to put the customer on hold does not allow the service provider to understand the problem. Alternatives to the problem will be developed, but only after the problem is understood.

SOURCE: CR:010

SOURCE: Odgers, P. (2004). *The world of customer service* (pp. 50, 52-53, 68). Mason, OH: South-Western.

18. C  
Economic service. An economic service is a productive act that satisfies economic wants. Goods are tangible objects that can be manufactured for resale. A natural resource is any resource found in nature that is used to produce goods and services.  
SOURCE: EC:002  
SOURCE: EC LAP 10—Get the Goods on Goods and Services (Goods and Services)
19. D  
Utility. A product that has the ability to satisfy consumer wants or needs is said to have utility, or usefulness. There are four kinds of utility: form, place, time, and possession. The other alternatives are affected by product utility. Costs, profits, and demand increase or decrease as product utility changes.  
SOURCE: EC:004  
SOURCE: EC LAP 13—Use It
20. A  
Manufacturer. A manufacturer is a type of producer that changes the shapes or forms of materials so that they will be useful to consumers. For example, a manufacturer that purchases cotton from a farmer makes fabric. The manufacturer then sells the fabric to apparel manufacturers to make clothes or to other businesses that sell fabrics to consumers. A trade industry is a business that buys and sells goods to others, such as retailers who sell to consumers and wholesalers who sell to retailers. A mining business is an example of a raw-goods producer, which provides goods in their natural state, such as coal.  
SOURCE: EC:070  
SOURCE: EC LAP 20—Business Connections (The Role of Business in Society)
21. C  
Number of subordinates. A business depends on its managers to coordinate resources to accomplish its goals. An aspect of the management function is control, which monitors the work effort. The manager's span of control refers to the range of employees who report to the manager. Each manager's span of control can vary due to the number of employees who directly report to him/her. For example, a marketing manager may have five employees to oversee, while the accounting manager may have one employee to monitor. Depending on the way the business is organized, some management positions may be affected by the business's products, distribution channels, or funding, but the number of employees who report to the manager has a direct impact on the manager's span of control.  
SOURCE: EC:103  
SOURCE: Gibson, J.L., Ivancevich, J.M., Donnelly, J.H., & Konopaske, R. (2003). *Organizations: Behavior, structure, processes* (11th ed.) [pp. 385-387]. Boston: Irwin/McGraw-Hill.
22. D  
Market. In a market system, consumers control the allocation of resources and production according to what they are willing to buy. Government controls the allocation of resources and the means of production in a communist command system. A traditional system requires few economic decisions—everything that is produced is consumed and/or bartered. Both government and business determine production and the allocation of resources in a socialist command system.  
SOURCE: EC:007  
SOURCE: EC LAP 17—Who's The Boss? (Economic Systems)
23. D  
A new bank opens in a community already served by three banks. Competition is the rivalry between two or more businesses to attract scarce customer dollars. Direct competition occurs between or among businesses that offer similar types of goods or services. The installation of the conveyor belt would increase efficiency. The "Back-to-School" sale may or may not be an example of direct competition depending upon whether another department store is having the same kind of sale. The workers' strike would increase labor costs.  
SOURCE: EC:012  
SOURCE: EC LAP 8—Ready, Set, Compete! (Competition)

24. C

A customer purchases a sweater. This is an example of a personal consumption expenditure. Personal consumption expenditures include the final market value of all services and new and used goods purchased for consumption by individuals and nonprofit institutions. In the case of the restaurant, the florist, and the bakery, the purchases will be resold to consumers, and that value will be counted in GDP.

SOURCE: EC:017

SOURCE: EC LAP 1—Measure Up? (Gross Domestic Product)

25. C

Gross domestic product. This is the final market value of the total output of all goods and services produced within a country's geographic boundaries during a year's time. When the unemployment rate is high, a lot of people are out of work. As a result, production decreases because workers are not working and producing goods and services. When production decreases, the gross domestic product also decreases. A high rate of unemployment does not have an impact on the equilibrium price level, personal income tax, or terms of trade.

SOURCE: EC:082

SOURCE: McConnell, C.R., & Brue, S.L. (2005). *Economics: Principles, problems, and policies* (16th ed.) [p. 138]. Boston: McGraw-Hill/Irwin.

26. C

False generalization. When Jennifer thinks she is a poor employee because of one performance review, she is falsely generalizing about herself. She's letting a few small mistakes seem like an entire weakness. She is not comparing herself to others, being modest, or recognizing her strengths.

SOURCE: EI:002

SOURCE: EI LAP 17—Assess for Success (Assessing Personal Strengths and Weaknesses)

27. C

Offer to assist John if she can. Responsible employees are always looking for jobs that need to be done. If they finish their own jobs ahead of schedule, responsible employees might demonstrate initiative by offering to help coworkers. As a responsible employee, Katrina should do what she can to be helpful to John rather than ignore the problem or tell the manager that John should be reassigned or given special training.

SOURCE: EI:021

SOURCE: PD LAP 7—Make the Honor Role (Acting Responsibly)

28. D

A friendly smile. Positive people are cheerful and outgoing, and they express that by smiling at other people. Even when they are disappointed or discouraged, positive people try to keep smiling because they believe everything will work out all right. Positive people do have a number of interests and are usually willing to change, but these characteristics would not be easy to observe. Negative people are skilled at fixing blame.

SOURCE: EI:019

SOURCE: EI LAP 3—Opt for Optimism (Demonstrate A Positive Attitude)

29. B

Communication. Communication causes the greatest number of cultural sensitivity issues. Level of comfort with uncertainty and relationships to time and space also cause cultural sensitivity issues, but not as many as communication does. Globalization is a trend that is making the world seem a lot smaller—it offers proof that diversity is inevitable.

SOURCE: EI:033

SOURCE: EI LAP 11—Getting to Know You (Cultural Sensitivity)



30. C  
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  
SOURCE: QS LAP 10—Win Them Over
31. C  
Your thoughts, feelings, ideas, and opinions are important. You can learn to be assertive by developing certain basic beliefs about yourself and your rights. For one, you must believe that your thoughts, feelings, ideas, and opinions are as important as anyone else's. Also, you have the right to express your thoughts, feelings, ideas, and opinions, but in a way that does not offend or threaten others. If you try to force your ideas on others, you are stepping over the line from assertiveness to aggressiveness. You should realize that you will not always be able to respond to the needs of others. Also, your needs are as important as the needs of others, but others may not be able to meet your needs in all situations.  
SOURCE: EI:008  
SOURCE: EI LAP 18—Assert Yourself (Assertiveness)
32. C  
Adaptability. Adaptability is the ability to adjust or modify attitudes and/or behavior to new situations or circumstances. Changes and new situations are common in the workplace. Businesses usually prefer to hire employees who are able to adapt to change. Leadership is the ability to guide or direct the actions of others in a desired manner. Responsibility is fulfilling one's obligations in a dependable, reliable manner. Enthusiasm is intense interest or excitement.  
SOURCE: EI:006  
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 488). New York: Glencoe/McGraw-Hill.
33. A  
Rewarding yourself for your accomplishments. By taking the day off and doing something she enjoys, Shari is rewarding herself for finishing the project she worked so hard on. This will help her to stay motivated and continue working hard. Going to the spa does not demonstrate leadership, patience or persistence, or asking for feedback.  
SOURCE: EI:027  
SOURCE: EI LAP 10—High Hopes (Developing an Achievement Orientation)
34. D  
Form and conduct relationships. When you study human relations, you examine the ways that people form and conduct relationships with one another. Relationships between people are often very complex and can be either effective or ineffective. They are affected by people's personal styles, their opinions, and their communication skills.  
SOURCE: EI:037  
SOURCE: EI LAP 5—Can You Relate? (Positive Working Relationships)
35. C  
Dividends. A dividend is a sum of money that a corporation pays to a stockholder as earnings on an investment. The corporation usually pays dividends by check to stockholders on a quarterly basis. The stockholder can deposit the dividend check into a savings or checking account or convert it to cash. Credit, deposits, and cash are not forms of income that are earned by owning stock.  
SOURCE: FI:061  
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2005). *Personal finance* (pp. 274-275). New York: Glencoe/McGraw-Hill.

36. A  
Credit union. Credit unions are formed by a business's employees or labor union members to meet the financial needs of members. Commercial banks are full-service banks. Sales-finance companies offer credit through car dealers, mail order outlets, and retailers by purchasing the borrowers' contracts. Savings and loans provide loans, the majority of which are for real-estate purchases.  
SOURCE: FI:002  
SOURCE: FI LAP 2—Give Credit Where Credit is Due (Credit and Its Importance)
37. B  
Attorneys. Certain types of financial services often require the assistance of attorneys. For example, most people hire attorneys to help them prepare their wills to make sure that their assets are distributed properly. Also, some people set up guardianships to manage assets for minor children. Attorneys usually provide these types of financial services because wills and guardianship papers are legal documents. To protect the assets, it is important that these documents be prepared correctly. Executors are the individuals who carry out the terms of the will. Wills and guardianship papers often are filed with the appropriate court. Beneficiaries are the heirs.  
SOURCE: FI:075  
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 503-505). New York: Glencoe/McGraw-Hill.
38. D  
Obtain referrals from trusted friends. When seeking a financial-services provider, Mark should find someone that can be trusted with confidential information, and he can trust his friends to steer him in the right direction. Searching online is not a good place to start because Mark is unlikely to find someone to whom he can entrust a portion of his financial future. He should interview potential candidates after he has obtained referrals. Mark does not need to contact his bank, though he can if he thinks the bank staff will refer him to a trustworthy financial-services provider.  
SOURCE: FI:076  
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 50-51, 432]. New York: McGraw-Hill Irwin.
39. B  
Economic. Economic risks may cause prices to drop, businesses to have financial problems, or even business failures. Environmental risks are a form of natural risk resulting from such natural phenomena as floods, fires, or lightning. Human risks are chances of loss caused by human weakness and unpredictability.  
SOURCE: FI:084  
SOURCE: BA LAP 2—Risk Management
40. C  
Record, organize, summarize. Business transactions must be recorded in a journal, then sorted and posted into the appropriate ledger, and finally summarized into a form or report that makes the data usable.  
SOURCE: FI:085  
SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)
41. D  
\$10,775. The formula for calculating total cash receipts is adding all of the sources of income that the business lists under cash receipts. This includes cash sales and the amount of loan money received by businesses. In this case, add the cash sales and the loans to determine the total cash receipts (\$10,250 + \$525 = \$10,775). Fixed expenses are not included in total cash receipts. Credit sales are referred to as receivables and are not included because the business will receive the money in the future.  
SOURCE: FI:091  
SOURCE: FI LAP 6—Count the Cash (Cash Flow)

42. A

The profit-and-loss statement. This income statement reports total revenue and expenses for a specific period of time. A balance sheet identifies a business's assets, liabilities, and capital on a given date. The difference between total sales and cost of goods sold is the gross profit. The cost of goods sold is the purchase price of the goods that were sold.

SOURCE: FI:094

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

43. A

Staffing the business. Human resources management is the process of planning, staffing, leading, and organizing the employees of a business. Staffing is an important function because hiring and keeping qualified employees will contribute to the success of the business. Employees who are capable and hard-working usually help the business to achieve its goals and be successful. It is not possible to completely eliminate turnover. Management usually decides if it needs to expand and create more jobs. Human resources management administers the compensation package, but it is not responsible for reducing compensation.

SOURCE: HR:410

SOURCE: HR LAP 35—People Pushers (Human Resources Management)

44. D

To develop new products. Businesses need to obtain and analyze a wide variety of marketing information in order to make decisions for the future. One way that businesses use this information is to develop new products and improve existing products in order to satisfy customers' needs. In order to make marketing decisions that will keep them competitive, businesses are constantly gathering information about customers' preferences and why customers buy certain products. Businesses do not use marketing information to prepare sales invoices. Businesses obtain marketing information in order to monitor economic trends, but they are not able to change those trends. Credit scoring is a function of finance that helps a company determine a customer's credit worthiness.

SOURCE: IM:012

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 170-171]. Boston: McGraw-Hill/Irwin.

45. D

Discover new markets. A marketing-information management system is designed to provide accurate and timely information that may help to expand or discover new markets when analyzed. Employee motivation, employee potential, and business ethics are concerns of management rather than marketing.

SOURCE: IM:001

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

46. D

Remote locations. The Internet is the interconnection of thousands of computers and computer networks all over the world. The Internet allows computer users to exchange information, search for data in remote locations, and communicate with others throughout the world. Marketing-information managers often use the search capabilities of the Internet to look for data that they otherwise would not be able to access because it is available in remote locations. Most businesses store their sales records in a secure location; therefore, a marketing manager would not be able to easily access a competitor's sales records through the Internet. A CD-ROM catalog is a catalog available on a read-only computer disk. A modem is an internal or external computer communications device that is used to transmit information over a particular medium such as telephone lines or television cables.

SOURCE: IM:183

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 39-40, 95, 176-178]. Mason, OH: South-Western Cengage Learning.

47. A

Secondary. Secondary data are information collected for purposes other than the project at hand. Researchers often find relevant, timely secondary information about trends, statistics, and regulations about a specific trade or industry on professional association web sites. Primary are facts collected for a specific problem or project at hand. Internal data comes from within the business, such as sales and customer data. Intermediate is not a type of marketing-research data.

SOURCE: IM:281

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 612-614). Woodland Hills, CA: Glencoe/McGraw-Hill.

48. B

Experiments. Causal research is a type of marketing research that focuses on cause and effect and tests “what if” theories. Causal research involves conducting experiments, which involves manipulating one or more independent variables and examining the outcome. For example, a business may test different types of product packaging in the marketplace to determine how or if the packaging affects sales. Surveys and interviews are often used when conducting exploratory or descriptive marketing research. Telemarketing is an advertising medium that utilizes telephone service to promote a product either by phoning prospective customers or providing a number for them to call.

SOURCE: IM:284

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 53, 55]. Mason, OH: South-Western Cengage Learning.

49. A

Activity. An activity report describes a sales representative's intended sales calls and routes and is submitted to management a week or month in advance. Businesses often use the information in these reports to make marketing decisions. A call report is a write-up of completed sales activities. Territory and quota reports do not include planned activities of individual sales representatives.

SOURCE: IM:184

SOURCE: Hair, J.F., Wolfinbarger, M., Ortinau, D.J., & Bush, R.P. (2008). *Essentials of marketing research* (p. 64). New York, McGraw-Hill Irwin.

50. C

Mail survey. A survey is a marketing-research method that involves asking consumers questions in order to learn their opinions and the reasons behind those opinions. Researchers often use mail surveys that are sent to individuals' homes as a way of collecting data. A message board is a gathering place for transmitting ideas or information through electronic communication. A case study is an instructional method that involves giving trainees a written description of an organizational problem, and the trainees are asked to determine the problem and potential solutions. Behavior chart is not a common method of collecting research data.

SOURCE: IM:289

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 614-616). New York: Glencoe/McGraw-Hill.

51. B

Sample. Descriptive statistics are information that is presented in numerical form and is related to a specific issue, situation, or concern. Marketing researchers often collect this type of information by surveying a sample group—a representative group of the target market. After collecting the information, marketing researchers assign numerical values to survey responses and compile the responses into descriptive statistics, which help the researchers summarize the information for analysis. The descriptive statistics should provide the researchers with objective information rather than subjective data. Synectics refer to a creative-thinking technique that businesses often use for product development. Descriptive statistics do not summarize solitary data.

SOURCE: IM:191

SOURCE: Shao, A. (2002). *Marketing research: An aid to decision making* (2nd ed.) [pp. 416-417]. Mason, OH: South-Western.

52. B

Types of questions. There are several types of questions that can be written for use in a questionnaire. These include open-ended questions that require more than a "yes" or "no" answer, simple "yes" or "no" questions, and multiple-choice questions. The type of question used has an effect on the information that will be collected. Researchers evaluate the type of question that will be used to obtain the most useful response. Researchers do not consider the size of paper, the names of developers, or the number of participants when evaluating the design of questionnaires.

SOURCE: IM:293

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 618-621). New York: Glencoe/McGraw-Hill.

53. D

Locating the publication date. When marketers obtain secondary data, or information that has been collected for reasons other than the purpose at hand, they must make sure the information is up-to-date and relevant. Some marketers obtain information from online journals and articles. To make sure the information is up-to-date or current according to the research standards, the marketer should look for the article's publication date, which is often included near the author's byline or at the end of the article. A marketer may not be able to determine an article's timeliness by accessing the web-site's FAQ page, asking the company's team leader, or requesting a quotation.

SOURCE: IM:428

SOURCE: Shao, A. (2002). *Marketing research: An aid to decision making* (2nd ed.) [pp. 135-137]. Mason, OH: South-Western.

54. B

Offering a variety of goods and services. Because marketing businesses must compete to attract customers, they offer a variety of goods or services in many styles, models, colors, and sizes. This gives consumers many items and price ranges from which to choose. It also increases the number of products that are offered and helps to maintain reasonable prices. The most immediate impact of the marketing function is not its relation to meeting government regulations for registration or ensuring least-cost pricing.

SOURCE: MK:001

SOURCE: BA LAP 11—Have It Your Way

55. D

Product. Packaging is a product decision in the marketing mix. It involves enclosing products in protective wrap or containers before they are sold. The place, or distribution, element of marketing focuses on considerations in getting the selected product in the right place at the right time. Promotion refers to the various types of communications that marketers use to inform, persuade, or remind customers of their products. The price element requires marketers to determine the amount of money they will ask in exchange for their products.

SOURCE: MP:001

SOURCE: IM LAP 7—Pick the Mix (Marketing Strategies)

56. C

Factual basis. The primary advantage of quantitative sales forecasting methods as compared with qualitative forecasting methods is that they provide more exact data, because quantitative forecasting is based on facts rather than on opinion. The costs, however, are usually higher because the business will need to pay people to conduct surveys, to purchase the results of outside surveys, to subscribe to various publications, or to buy computer systems to assemble and analyze the data. Although a variety of resources can be used as sources of information, the data are based on facts rather than opinions. Individuals often experience more difficulty understanding numerical data than understanding others' opinions.

SOURCE: MP:013

SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 213-215]. Mason, OH: Thomson/South-Western.

57. A

Increased compliance laws and regulations. Now, more than ever, the government is cracking down on corporate dishonesty. Companies must adhere to an increased number of compliance laws and regulations, and an appropriate information management program is a big part of that. Other trends in information management include increased competition, an increased number of electronic documents, and a decreased number of workers in the office.

SOURCE: NF:110

SOURCE: NF LAP 3—In the Know (Nature of Information Management)

58. A

Copyright. Copyright is the legal protection of books and other artistic works granted by government and giving their creators sole rights to them for a certain period of years. If a business uses information that is copyrighted without obtaining permission from the copyright holder, the business is violating copyright laws. Copyright infringement is a legal issue because businesses can be sued and required to pay a substantial penalty. Patent, trademark, and contract laws do not involve the use of information.

SOURCE: NF:076

SOURCE: Miller, R.L., & Jentz, G.A. (2005). *Fundamentals of business law* (6th ed.) [pp. 112-116]. Mason, OH: Thomson/South-Western.

59. D

Electronic task organizer. Electronic task organizers and calendars help employees keep track of their appointments and tasks, which help them be more efficient, organized, and productive workers. Spreadsheet-software programs record and calculate numerical data. Instant-messaging programs allow Internet users to communicate in real time. Employees use desktop-publishing software to create brochures, newsletters, advertisements, and other types of materials that use both text and graphics.

SOURCE: NF:005

SOURCE: Stroman, J., Wilson, K., & Wauson, J. (2004). *Administrative assistant's & secretary's handbook* (2<sup>nd</sup> ed.) [pp. 93-95, 128]. New York: AMACOM.

60. B

\$304,988.25. Spreadsheet software programs are designed to organize, calculate, and analyze mathematical or numerical information. Businesses often use spreadsheet programs to calculate projected increases in sales and operating expenses. In this situation, the business expects increases in sales as well as operating expenses next year. To calculate next year's operating expenses, first determine next year's sales by multiplying this year's sales by the expected increase and adding that figure to the current sales figure ( $\$675,500 \times 5\%$  or  $.05 = \$33,775$ ;  $\$675,500 + \$33,775 = \$709,275$ ). To determine next year's operating expenses, add the current rate to the rate of increase and multiply that figure by next year's sales ( $40\% + 3\% = 43\%$ ;  $\$709,275 \times 43\%$  or  $.43 = \$304,988.25$ ).

SOURCE: NF:010

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* [pp. 199-200]. Woodland Hills, CA: Glencoe/McGraw-Hill.

61. D

Outsourcing the task. Hiring a data processing center to handle record keeping is outsourcing the task of keeping records—one approach to record keeping. Other approaches include keeping the records personally, hiring an employee to do the job, or establishing a department to handle keeping specific records.

SOURCE: NF:001

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

62. D

High interest rates will eventually get lower. Interest rates' fluctuating is an example of how environmental factors are dynamic, or always changing. The influence of factors on each other is an example of how environmental factors are interrelated. The government providing agricultural subsidies is an example of how certain factors impact some industries more than others.

SOURCE: NF:015

SOURCE: NF LAP 2—Get the 411 (Environmental Scanning)

63. D

Data are specific to the company. Internal data are available within the business, such as in purchase orders, invoices, sales receipts, inventory reports, etc. The information contained in these records is specific to the company and reflects how the company operates. The advantage of reviewing specific data is that the information pertains to the company and can be used to solve specific problems. For example, inventory reports will indicate if certain products are selling well or if the business needs to make adjustments. This is not the type of information that the business can obtain by reviewing external data. Statistics are not necessarily expensive to compile. Employees often have unlimited access to a variety of company information. Research techniques are not necessarily complex. In fact, some are very simple.

SOURCE: NF:082

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

64. B

Following the manufacturer's operating instructions. Machinery can be dangerous to operate, so businesses should make sure that the employees who operate the machinery receive training according to the manufacturer's instructions. In some situations, the manufacturer will provide the training. Reading promotional materials will not provide employees with adequate training to operate complex machinery. Unless they are properly trained, employees should not perform maintenance activities on machinery. If the machinery is not handled appropriately, employees could be seriously injured and the machinery could be damaged. If some of the employees' responsibilities are to operate the machinery, then the supervisors' jobs should ensure that employees operate the machinery properly, rather than operate it themselves.

SOURCE: OP:006

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3rd ed.) [pp. 132-135]. Mason, OH: Thomson South-Western.

65. B

Checking the customer's signature. Employees should be trained to compare the signature that appears on the credit card with the customer's signature on the sales check. This is done to verify that the person making the credit purchase is the rightful owner of the credit card. The use of security personnel and closed-circuit TV are precautionary measures against shoplifting and employee theft. Buzzer systems may be used to summon help during a robbery.

SOURCE: OP:013

SOURCE: Kimiecik, R.C., & Thomas, C. (2006). *Loss prevention in the retail business* (pp. 111-113). Hoboken, NJ: John Wiley & Sons.

66. A

Sales reports. Internal sources are resources found within the business itself. Company sales reports are an example of a source of information that Eli can obtain within the business. The public library, competitors' advertisements, and trade associations are examples of external sources.

SOURCE: OP:003

SOURCE: QS LAP 19—Get What You Need

67. C

Coordinating all of the parts of the project. Benefits of project planning include coordination of all of the parts of the project, direction for making decisions and for keeping yourself on track, a standard for completion, clarification of misunderstandings, and motivation. Asking yourself important questions and setting an appropriate time frame are things you might do while you're planning, but they are not benefits. Monitoring the project is part of project management, not project planning.

SOURCE: OP:001

SOURCE: QS LAP 28—From Here to Done

68. D

Communicate his/her feedback to the vendor. If an auto-parts buyer evaluates a vendor's performance and determines that the vendor is weak in certain areas, such as keeping promises or staying on schedule, one of the first things that the buyer should do is communicate her/his feedback to the vendor. The buyer should let the vendor know what its perceived strengths and weaknesses are, and the buyer should clearly state what the vendor needs to do to improve and keep the buyer's business. Unless a vendor's service is completely unsatisfactory, it is wise for a buyer to give the vendor a chance to change its ways before replacing the vendor with a more reliable one, demanding a refund, or informing others of the vendor's faults.

SOURCE: OP:162

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [p. 709]. South-Western Cengage Learning.

69. A

Operating expenses. Operating expenses are the expenditures necessary to keep the business running. Gross profit does not take into consideration these types of expenses. Therefore, a business must deduct operating expenses from gross profit in order to arrive at net profit. Cost of goods is the amount of money a business pays for the products it sells or for the raw materials from which it produces goods to sell. Quantity discounts are deductions from the seller's price for purchasing large volumes of goods. Product rebates are returning part of the price customers pay for goods.

SOURCE: OP:024

SOURCE: MN LAP 57—Operating Expenses

70. B

Create a favorable impression. The overall impression customers receive as a result of a business's appearance and the condition of its equipment influences their buying behavior. Therefore, ongoing maintenance is important to properly maintain the facility and the equipment to create a good impression. The business should be kept neat and clean, but that is a housekeeping function, not maintenance. Packaging protects products, and a good display presents them effectively.

SOURCE: OP:032

SOURCE: Berman, B., & Evans, J.R. (2004). *Retail management: A strategic approach* (9th ed.) [pp. 318-319]. Upper Saddle River, NJ: Prentice Hall.

71. D

Set realistic goals. Your goals should be ambitious; however, if you set them too high, you will experience unnecessary frustration. Take advantage of all available resources to help you reach your goals. Vague, general goals are useless, as they do not give very much guidance for changing behavior. Only when the end results are positive will you be motivated to work toward a goal for a sustained length of time.

SOURCE: PD:018

SOURCE: PD LAP 16—Go for the Goal (Goal Setting)

72. B

Public relations. Almost all marketing occupations involve creativity to some extent. One of its uses is in accomplishing public relations activities. Routine, immediately apparent, and mathematical activities call for more logical, traditional thought processes.

SOURCE: PD:012

SOURCE: PD LAP 2—Creativity

73. B

Aptitudes. Aptitudes are natural talents for learning specific skills. Individuals often succeed in occupations that require the skills that match their natural talents. For example, some people have an aptitude for working with numbers while others have an aptitude for working with their hands. People who have an aptitude for working with numbers might be successful in jobs that require those skills such as accounting or bookkeeping. Values are the principles by which people live. Behavior is the manner in which people act. Attitudes are the ways a person looks at life.

SOURCE: PD:023

SOURCE: Kelly-Plate, J., & Volz-Patton, R. (2004). *Exploring careers* (4th ed.) [pp. 9-12]. New York: Glencoe/McGraw-Hill.



74. A

Listening. It is important for job applicants to listen carefully to what the interviewers are saying and asking. Failure to pay close attention may result in the applicants' giving incorrect information or not completely answering the questions. Not listening also may indicate to an interviewer that an applicant is not interested in the position. Applicants should not read materials while an interviewer is asking questions. Applicants should wait until the interviewer has completed the question before talking. On occasion, applicants may write notes about what the interviewer is saying, but they should not let that interfere with their ability to listen carefully.

SOURCE: PD:028

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 67-68]. Mason, OH: South-Western.

75. A

Neatness. All résumés should be neatly prepared. Neat résumés make a good first impression on prospective employers who often form opinions of applicants based on their résumés. A neat résumé indicates that the person will be careful and thorough on the job. Also, employers are more likely to read neat résumés than those that are sloppy or contain errors. Résumés should not be creative but should contain exact information. Résumés should be brief rather than long. They should not be complex but easy to read and understand.

SOURCE: PD:031

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 122). New York: Glencoe/McGraw-Hill.

76. A

Meet with potential customers. The purpose of participating in a trade show is to display goods and services to interested buyers. Businesses have representatives available to meet with potential customers to answer questions and explain the benefits of the goods and services in the hope of making sales. Some representatives may clean and stock the area, order replacement materials, or negotiate with the set-up crew, but those responsibilities are secondary to meeting with customers.

SOURCE: PD:036

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 789-790). Woodland Hills, CA: Glencoe/McGraw-Hill.

77. C

Quality. Quality is the degree of excellence of a good or service. Customers often associate price with quality: If the price is high, the quality is high; if the price is low, the quality is low. Therefore, businesses must set prices that reflect the quality of a product. Profit is the monetary reward a business owner receives for taking the risk involved in investing in a business. Demand is the quantity of a good or service that buyers are ready to buy at a given price at a particular time. Economy is the system in which people make and spend their incomes.

SOURCE: PI:001

SOURCE: PI LAP 2—The Price is Right (Pricing)

78. A

Deceptive. Deceptive advertising practices employ techniques that lead a customer to believe that the product holds greater value than it actually does. For example, a retailer publishes a very low price in a newspaper advertisement for a specific product. A customer enters the store with the intention of purchasing the product at that price. However, the customer finds out that certain criteria must be met to receive the published price. The business used a published price under false pretenses to get customers into the store. Inequitable, elastic, and compliant are not terms that are widely used to describe misleading advertising and pricing practices.

SOURCE: PI:017

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 326-327]. Upper Saddle River, NJ: Prentice-Hall.

79. A

Monitor inventory. Product/Service management is a marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. For some businesses, part of the product/service management function involves the purchase of goods for resale. Technology, such as Intranet systems and electronic data interchange systems, allow businesses to monitor their inventory and reorder products in efficient ways. Monitoring inventory helps a business make sure that enough products are available for sale. The selling function is responsible for obtaining higher sales volume, which increases a business's revenue. Advertising is a component of a business's promotion function. Finance is a business function that involves obtaining funds to pay for business activities such as expansions.

SOURCE: PM:039

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 510). Woodland Hills, CA: Glencoe/McGraw-Hill.

80. A

Opportunity recognition. When people recognize that their ideal state is changing, they may recognize product opportunities that would satisfy customers. With individual development, a person is growing or changing such that her/his ideal state no longer exists. In this scenario, customers do not need to purchase related items, and there is no new information identified.

SOURCE: PM:134

SOURCE: Meyer, E.C., & Allen, K.R. (2006). *Entrepreneurship and small business management* (pp. 20, 50-51). New York: Glencoe/McGraw-Hill.

81. D

Customer surveys. Businesses generate product ideas so that they can provide customers with the goods and services that they need and want. One way to find out what customers need and want is to review customer-satisfaction surveys. By reviewing the surveys, a business might learn about some unmet needs and wants which, in turn, stimulate product ideas. Sales receipts, status reports, and employee records probably would not be useful to businesses when generating product ideas.

SOURCE: PM:128

SOURCE: Grewal, D., & Levy, M. (2008). *Marketing* (pp. 641-642). Woodland Hills, CA: McGraw-Hill Irwin.

82. C

Guarantee. A guarantee is a promise made by the seller to the consumer that the seller will refund the consumer's purchase price if the product does not perform as expected. Promising to refund customers' money if they are not satisfied with the clothing they purchase is an example of a guarantee. Guarantees are given for both goods and services. However, a warranty usually applies only to goods and is a promise made by the seller to the consumer that the seller will repair or replace a product that does not perform as expected. A rebate is a return of part of the price a customer pays for a good or service; usually offered by the manufacturer. Although stores often explain their guarantee policies, the policy of providing the refund is not an explanation.

SOURCE: PM:020

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

83. D

Product liability. Harrison Stroller Company will be held responsible for any injuries the product caused the children. Product liability refers to the producer's responsibility for any injury that the business's product may cause. Product deletion involves removing a product from the product line. Instead of removing the stroller from its product line, Harrison may decide to improve the stroller's safety by making changes to the product, which may involve issuing a product recall to fix or replace the faulty strollers. Consumer protection involves all the efforts to safeguard consumers from any kind of injury they might suffer in the process of purchasing and/or using consumer products. The Consumer Product Safety Act was passed in 1972. It gave the Consumer Product Safety Commission jurisdiction over the safety of consumer products.

SOURCE: PM:017

SOURCE: Meyer, E.C., & Allen, K.R. (2006). *Entrepreneurship and small business management* (pp. 167-168). New York: Glencoe/McGraw-Hill.

84. A

To increase sales. Expanding the product mix with successful new products or product lines should increase sales for most companies. Profits should also increase as a result of increased sales. A business that expands its product mix often increases its costs and liability because more products are available. Expanding the product mix reduces risks by spreading the risk over a wider area.

SOURCE: PM:003

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

85. D

Unique characteristics. The company is positioning its product according to unique characteristics because it is claiming that its product does something that no other product can do. The ink changing color in light is a feature, but it is a unique characteristic that is not available on other pens. The company is not positioning according to the quality or price of the pens or their relationship to other products.

SOURCE: PM:042

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [pp. 559-561]. Woodland Hills, CA: Glencoe/McGraw-Hill.

86. C

A common vision. Corporate branding refers to the combined impressions, images, or experiences associated with a company or parent entity. While a company may carry a variety of product lines and products, the company's vision is the same for all aspects of the business. Vision is the future you desire to create. The vision should create a focus for setting business goals, making decisions, and implementing strategies and procedures. An example of a vision statement is, "We want to make our customers' lives easier." The key word is easy, so all of the company's activities should facilitate making the customers' lives easier—from providing convenience goods to designing easy to understand invoices or statements. Ethics are considered when developing the company's vision, so the business's ethics should not change. Services are intangible rather than tangible. Most businesses have several touch points, which are all of the opportunities that a company has to connect with customers.

SOURCE: PM:206

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 230, 234-235]. Upper Saddle River, NJ: Prentice-Hall.

87. A

Increased sales. The most direct way that business benefits from the use of promotion is through increased sales, which provide the opportunity for increased profits. Competition will not necessarily be decreased by promotion. Promotion also educates consumers about products, but the business doesn't benefit directly from this unless consumers buy its products. Promotion's increase of job opportunities benefits the economy.

SOURCE: PR:001

SOURCE: PR LAP 2—Razzle Dazzle (Nature of Promotion)

88. D

Persuade consumers to buy goods or services. The overall goal of product promotion is to persuade consumers to purchase goods or services. Promotion cannot substitute for salespeople, achieve immediate success for a company, or make people purchase goods or services they don't need.

SOURCE: PR:002

SOURCE: PR LAP 4—Know Your Options (Types of Promotion)

89. D

Materialistic. A person has a materialistic attitude when s/he obsesses about accumulating money and/or things, which often provides him/her with a feeling of status, importance, or security. Some people think that advertising and other promotional activities encourage materialistic attitudes because the primary goal of these efforts is to get people to buy products. Critics argue that ethical issues occur when people become more concerned about obtaining things than they are about making a positive difference in the world. Although some people think that promotion encourages uncompromising, resourceful, and responsive attitudes in society, it is materialism that is most often associated with ethics in a negative way.

SOURCE: PR:099

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (pp. 215-216). Mason, OH: South-Western.

90. A

Affirmative disclosure. When a government establishes a regulation that requires businesses to inform consumers about its products' limitations in promotional materials, it is often referred to as affirmative disclosure. For example, a government may require that automobile manufacturers publish EPA mileage ratings in print advertisements. Ethical verification, honorable verification, and assenting disclosure are fictitious terms.

SOURCE: PR:101

SOURCE: Arens, W.F. (2004). *Contemporary advertising* (9th ed.) [p. 83]. Boston: Irwin/McGraw Hill.

91. A

Regional magazines. Regional magazines are intended for audiences within a certain geographic area. Regional publications appeal to customers within their state or province and attract advertisers who want to reach that specific market. Choosing to advertise in a regional magazine is one way to reach a large number of potential customers who live in the area that the chain services. Suburban radio stations and transit advertising serve only certain suburban and city areas and would not reach customers in the chain's entire area. National television would reach customers far beyond the chain's geographic area.

SOURCE: PR:007

SOURCE: PR LAP 3—Ad-quipping Your Business (Types of Promotional Media)

92. A

Discount coupons. Sales promotion involves promotional activities other than advertising, personal selling, and publicity that stimulate customer purchases. Couponing is a sales promotion activity. Discount coupons are printed certificates which entitle the holder to a reduced purchase price. Coupons are a communication channel used in sales promotion because they are a means of providing information to others. Package labels, newspaper ads, and television commercials are not communications channels used in sales promotion.

SOURCE: PR:249

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (pp. 383-384). Mason, OH: South-Western.

93. C

To strengthen the theme. The elements of an advertisement include the headline, copy, illustrations, and signature. It is important to coordinate these elements to strengthen the theme of the advertisement. All of the elements should reinforce and promote the theme in order for the advertisement to be effective. It is not important to coordinate the elements in advertisements to analyze the objective, identify the message, or locate the audience.

SOURCE: PR:251

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 423-425). New York: Glencoe/McGraw-Hill.

94. B

Target audiences. A target audience is a group of consumers who are the most likely prospects for a good, service, image, or idea. By participating in trade shows, events where businesses display and/or demonstrate their products to build sales leads and interest, businesses are able to communicate with their target audiences. As a rule, only those consumers who are interested in the products being displayed will attend a particular trade show. Businesses do not participate in trade shows as a way of communicating with their out-of-town employees, investors, or sales staff. In many cases, employees, such as salespeople, are expected to participate in trade shows.

SOURCE: PR:254

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

95. A

Competition. Businesses take into consideration their competitors and the types of promotions they are using when the businesses develop their own promotional plans. Businesses look at competitors' market share and the kinds of promotions their competitors use in order to create the best plan for competing against them. Business image, available budget, and sales objectives are internal factors that affect a business's promotional plan.

SOURCE: PR:073

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [pp. 15-16]. Upper Saddle River, NJ: Prentice Hall.

96. A

Using product demonstrations. Salespeople who determine customer buying motives can then demonstrate to customers the features and benefits of a product that would appeal to them. This creates desire for products by showing customers how they will benefit from owning the products. Emphasizing the high cost of a product might decrease desire because customers cannot afford the price. Making a good impression on the customer should create a good selling atmosphere, but does not necessarily create desire for a product. Monitoring the competition should be an ongoing effort that helps the business to remain competitive.

SOURCE: SE:017

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

97. C

Positive reputation. When salespeople consistently provide excellent customer service, customers are satisfied and are likely to purchase again. Customers are also likely to tell friends, relatives, and colleagues about the business. This word-of-mouth promotion is one way the business can build a positive reputation and increase its customer base. Excellent service does not always improve product quality. Higher commissions are positive outcomes for the salesperson rather than the business. When salespeople provide excellent customer service, the result can provide a business with a competitive advantage over its competitors rather than a disadvantage.

SOURCE: SE:076

SOURCE: SE LAP 130—Go Beyond the Sale (Customer Service in Selling)

98. A

Obtained from an industry trade show. A lead is the name of an organization or individual that might be interested in a salesperson's good or service. There are a variety of examples of leads that are provided directly through companies. They include current customers of other divisions of a company and leads generated through advertising, industry trade shows, and telephone and mail solicitations. Leads generated through cold canvassing, attendance at a service club, and personal friends are examples of personal sources.

SOURCE: SE:828

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

99. B

Make certain selling activities illegal. A variety of federal antitrust laws exist that are intended to promote competition among businesses and prevent the formation of monopolies. These laws affect a business's sales activities because they make certain actions illegal such as price-fixing and price discrimination. Businesses that violate antitrust laws are subject to severe fines and penalties. Antitrust laws do not require extensive reporting to government, establish a formal code of ethics, or create a standard for employee rights.

SOURCE: SE:108

SOURCE: Tanner, J.F., Honeycutt, E.D., & Erffmeyer, R.C. (2009). *Sales management: Shaping future sales leaders* (p. 80). Upper Saddle River, NJ: Prentice Hall.

100. A

Ask an available, experienced employee. Experienced employees such as coworkers, supervisors, or buyers are generally willing to help new employees by sharing product information. This enables the new salesperson to serve customers more effectively and to give accurate answers to their questions. Salespeople who tell their customers to contact the manufacturer are not providing good customer service. New salespeople should not make excuses for their lack of knowledge or try to help customers without having the right information.

SOURCE: SE:062

SOURCE: Anderson, R.E., & Dubinsky, A.J. (2004). *Personal selling: Achieving customer satisfaction and loyalty* (p. 311). Boston: Houghton Mifflin.