



Competency-Based  
Competitive Events  
\*Written Exam\*  
for State/Province Use

Test Number 1309  
Booklet Number \_\_\_\_\_

# Marketing Cluster Exam

AAM – Apparel and Accessories Marketing Series Event  
ASM – Automotive Services Marketing Series Event  
BSM – Business Services Marketing Series Event  
BTDM – Buying and Merchandising Team Decision Making Event  
FMS – Food Marketing Series Event  
IMCE – Integrated Marketing Campaign–Event  
IMCP – Integrated Marketing Campaign–Product  
IMCS – Integrated Marketing Campaign–Service  
MCS – Marketing Communications Series Event  
MTDM – Marketing Management Team Decision Making Event  
PSE – Professional Selling Event  
RMS – Retail Merchandising Series Event  
SEM – Sports and Entertainment Marketing Series Event  
STDM – Sports and Entertainment Marketing Team Decision Making Event

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

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1. When participating in a project-status meeting, it is important for a participant to
  - A. provide information about new company policies.
  - B. take notes for the group.
  - C. monopolize the conversation.
  - D. be prepared to provide an update.
2. Camilla believes that women tend to work more efficiently and focus more on important details than men do. Camilla's personal bias is associated with a stereotype based on
  - A. age.
  - B. education.
  - C. culture.
  - D. gender.
3. When reordering merchandise, retailers must compare the financial impact of storing the inventory against the
  - A. fixed expenses.
  - B. selling price.
  - C. interest rates.
  - D. ordering costs.
4. Which of the following is something that can be found in the situation analysis section of a marketing plan:
  - A. Information on a market exit strategy
  - B. How the target market will use a product
  - C. Strengths and weaknesses of competition
  - D. A company's mission statement
5. Which of the following sources of product information might be found on furniture that must be assembled:
  - A. Stamp
  - B. Seal
  - C. Brochure
  - D. Ticket
6. Julio, a guest services employee at a concert venue, was approached by a customer complaining about the service they received. Although he wasn't exactly sure how to handle the customer's problem, Julio listened attentively as the customer spoke and thanked them for bringing the problem to his attention. When following the general steps employees can take to handle customer complaints appropriately, what should Julio do next?
  - A. Restate the complaint in his own words to show an understanding
  - B. Promptly investigate the problem by checking the company policy
  - C. Explain the plan of action to the customer and take action
  - D. Promptly investigate the problem by talking to his manager

7. Greg attempts to help a customer at his store purchase a sofa, but after looking at all the available models, the customer decides not to make a purchase. Greg asks the customer why he doesn't want to buy, and the customer explains that he can find similar sofas for a better price at other stores. By talking to the customer, Greg solicited \_\_\_\_\_ that can help the store determine future pricing.
- A. blame
  - B. compliments
  - C. advice
  - D. feedback
8. A salesperson who explains to a customer how a certain product offers comfort as well as safety is describing \_\_\_\_\_ benefits.
- A. exclusive
  - B. unique
  - C. hidden
  - D. obvious
9. Which of the following is a presale opportunity for salespeople to provide customer service:
- A. Technical assistance and support
  - B. Providing ample product information
  - C. Maintenance and repair
  - D. Shipping and delivery
10. What law sets standards for production and sale of poisonous substances?
- A. Federal Food, Drug, and Cosmetic Act
  - B. Public Health Cigarette Smoking Act
  - C. Federal Trade Commission Act
  - D. Fair Packaging and Labeling Act
11. A Japanese marketer wants to sell large quantities of smartphones in the United States. The channel of distribution this business would most likely use would be producer to
- A. wholesaler to consumer.
  - B. agent to consumer.
  - C. wholesaler to retailer to consumer.
  - D. consumer.
12. Telecam Cellular recently hired 100 individuals to hang out at Washington, D.C. tourist attractions and very conspicuously use the company's newest phone, the XZ240. This form of promotional campaign is often referred to as
- A. stealth marketing.
  - B. product screening.
  - C. specialty media.
  - D. behavioral segmentation.

13. What condition exists if a nation imports more goods and services than it exports?
- A. Trade surplus
  - B. Balance of trade
  - C. Trade deficit
  - D. Comparative advantage
14. Due to advances in technology, which phase of the product life cycle is the typewriter in?
- A. Decline
  - B. Maturity
  - C. Growth
  - D. Introduction
15. How should a job seeker respond to a business's help-wanted advertisement that asks applicants to send a resume?
- A. By sending a resume and a cover letter
  - B. By calling on the business in person
  - C. By sending the resume as requested
  - D. By calling the business
16. When it comes to buying behavior, people tend to
- A. exhibit no identifiable pattern.
  - B. purchase products contrary to their needs.
  - C. satisfy their most urgent needs first.
  - D. satisfy their less urgent needs first.
17. Which of the following messages should be communicated to an employee in person:
- A. The business believes the employee is stealing goods.
  - B. The business will offer flextime in the summer.
  - C. The employee's department will soon be enlarged.
  - D. The assistant manager is taking vacation next week.
18. Juan signed a promissory note for a loan. In this credit arrangement, Juan is the
- A. depositor.
  - B. lender.
  - C. creditor.
  - D. borrower.
19. Determine which of the following is a true statement:
- A. The order of the steps in marketing research can be changed to suit the business.
  - B. The amount of data being gathered determines the order of the steps in marketing research.
  - C. The business can leave out some of the steps in marketing research in certain situations.
  - D. The steps in marketing research must follow a certain order, and none can be eliminated.

20. When should researchers ask potentially sensitive questions during an interview?
- A. At the midpoint of the interview to allow time for the researcher to build rapport
  - B. Throughout the interview
  - C. Toward the end of the interview
  - D. At the beginning of the interview to get them out of the way
21. Which of the following is a legal requirement of most governments that has an impact on distribution:
- A. Sales contract
  - B. Export license
  - C. Insurance coverage
  - D. Credit approval
22. When people get along well together, they are practicing \_\_\_\_\_ human relations skills.
- A. ineffective
  - B. questionable
  - C. effective
  - D. unrewarding
23. Bill has never traveled outside of his country before, so when he signs up to study abroad, he is unsure of what to expect. Bill's situation is ambiguous because it includes
- A. novelty.
  - B. insolubility.
  - C. complexity.
  - D. tolerance.
24. To make sure products are available when customers want them, a business should coordinate promotion with
- A. segmentation.
  - B. transportation.
  - C. communication.
  - D. distribution.
25. Technology has helped improve the distribution process by utilizing \_\_\_\_\_ among channel members.
- A. electronic receiving
  - B. automated scheduling
  - C. audiovisual programming
  - D. integrated information sharing
26. Jonas is starting a nonprofit organization to save turtles in Mexico. What benefit will Jonas most likely receive from registering as a nonprofit?
- A. Bank loan
  - B. Dual taxation
  - C. Dividends
  - D. Federal tax break

27. When making marketing decisions, businesses often analyze research that is expressed as a mean, median, or mode, which are estimates often referred to as the
- A. distribution share.
  - B. central tendency.
  - C. graphic representation.
  - D. predictability curve.
28. Paulette is a member of her college alumni group and participates in the group's activities on a regular basis. During one event, Paulette's friend Dillon told her about a management position that recently became available with his company and encouraged her to apply for the position. This is an example of
- A. professional outsourcing.
  - B. personal volunteerism.
  - C. employee acquisition.
  - D. job networking.
29. Which of the following is a reason why some businesses use predatory pricing:
- A. To appeal to advertisers
  - B. To mislead customers
  - C. To drive out competitors
  - D. To form agreements
30. Dorian owes \$5,000 on his credit card with an annual percentage rate of 12%. The credit card company charges interest on a monthly basis. How much of Dorian's next monthly payment will go toward interest?
- A. \$49
  - B. \$16
  - C. \$50
  - D. \$164

31. Study the following supply and demand schedule for a household product. Determine which of the statements best describe what is occurring.

Price	Quantity Demanded	Quantity Supplied
\$300	100	300
\$250	150	250
\$200	200	200
\$150	250	150

- A. Price increases as demand increases.
  - B. Supply decreases as price increases.
  - C. Supply increases as price decreases.
  - D. Price decreases as demand increases.
32. What might a business decide to do if the information in its sales forecast predicts a drop in demand for the business's product?
- A. Reduce prices by 4%
  - B. Recruit 50 new employees
  - C. Increase production
  - D. Decrease advertising budget

33. By searching the company's computer records, an employee obtained confidential information about a well-known client, which they discussed with a friend. Eventually, the information was leaked to the media, which embarrassed the client and the business. What action could the company have taken to prevent this unethical behavior?
- A. Provide clients with information-tracking capabilities
  - B. Require the employee to submit their resignation
  - C. Install antivirus software to protect the computer network
  - D. Use computer passwords to limit access to certain data
34. Marketing information obtained from trade publications for use by a business is considered
- A. a trademark.
  - B. internal information.
  - C. secondary data.
  - D. primary data.
35. Ad copy that says a car is "the only sports coupe named to *Car and Driver's* ten-best list 3 years in a row" is
- A. using a testimonial.
  - B. showing uses.
  - C. making a claim.
  - D. giving features.
36. Two classifications of warranties based on the extent of the promises they make are \_\_\_\_\_ warranties.
- A. express and implied
  - B. express and limited
  - C. full and limited
  - D. full and implied
37. To streamline its information systems, the Mason Company wants to purchase a computer program that performs a variety of related functions, such as accounts payable, accounts receivable, and general ledger applications. The Mason Company should purchase a(n) \_\_\_\_\_ computer package.
- A. customer identification
  - B. marketing intelligence
  - C. integrated software
  - D. engineering design
38. Mr. Potter, a regular customer in your store, has examined three different models of electric fans and read all the information on the boxes and labels. What type of customer is Mr. Potter?
- A. Slow/Methodical
  - B. Suspicious
  - C. Dishonest
  - D. Domineering/Superior

39. A company wants to know why sales of a certain product are not growing. Its purpose in conducting marketing research is to
- A. test hypotheses.
  - B. predict.
  - C. explain.
  - D. monitor.
40. Which of the following statements is an advantage of mass marketing:
- A. It markets several products to several target markets.
  - B. It communicates a detailed message to a smaller audience.
  - C. It is cost-effective because it produces one product for everyone.
  - D. It provides the most possibilities for success at a high cost.
41. When a producer directs its advertising and sales promotion to the ultimate consumer, what promotional strategy is it using?
- A. Push
  - B. Pull
  - C. Niche
  - D. Product placement
42. Jenny owns a chain of luxury resorts. Which of the following is an example of a strategy-oriented decision problem that she might face:
- A. Why are customers less than satisfied with their experiences?
  - B. Which location would be the most profitable place to open a new resort?
  - C. Why are our sales lower in one location than in others?
  - D. What are the key demographics of our target customers?
43. A company that makes products from recyclable goods is exhibiting ethical behavior because it is protecting the
- A. distribution channel.
  - B. environment.
  - C. market segment.
  - D. law.
44. A business wants to reduce employee theft by 10%, and it plans to use various means to achieve this goal. These plans can best be classified as
- A. objectives.
  - B. strategies.
  - C. tactics.
  - D. goals.
45. You are opening your first restaurant and want to get the word out about the grand opening and signature dishes. Which public relations tool would be most appropriate?
- A. Press release
  - B. Trade show
  - C. Financial report
  - D. Newsletter

46. One factor leading to differences in the ways salespeople use the selling process is the
- A. availability of credit.
  - B. nature of the product.
  - C. mood of the salesperson.
  - D. season of the year.
47. Jill only buys Natural Glow cosmetics and will go from store to store until she finds them. Jill is in the brand \_\_\_\_\_ stage of brand loyalty.
- A. recognition
  - B. insistence
  - C. preference
  - D. evangelism
48. When using the systematic random sampling method, marketers must determine the
- A. cluster.
  - B. quota gap.
  - C. stratum.
  - D. skip interval.
49. Which of the following is an example of product bundling:
- A. A restaurant discounts all of its salads and appetizers on Wednesday nights from 7-9 p.m.
  - B. A company sells a computer, printer, and mouse together for a discounted price.
  - C. A retail store holds a "buy one, get one 50% off" sale twice a season.
  - D. A grocery store also has a bank, a florist, and a pharmacy inside its doors.
50. The Prater Corporation wants to expand its market share by 6% next year. What type of goal has the company set?
- A. Organizational
  - B. Ideological
  - C. Financial
  - D. Input
51. Product/Service management plays a significant role in marketing by
- A. organizing employee hierarchy.
  - B. removing corporate branding.
  - C. challenging product success.
  - D. affecting product positioning.
52. When a government issues a cease-and-desist order to an advertiser, it is an example of a legal
- A. remedy.
  - B. remand.
  - C. arbitration.
  - D. appropriation.

53. Which of the following factors should a business consider when setting final prices:
- A. Competition
  - B. Management
  - C. Specialization
  - D. Assortment
54. Traditional economic systems are typically found only in \_\_\_\_\_ countries.
- A. independent
  - B. established
  - C. industrial
  - D. undeveloped
55. Eagle Airways is hosting a gathering with local broadcasters and newspaper editors to announce the company's merger with Good Morning Airlines. What type of public relations activity does this exemplify?
- A. Public service announcement
  - B. Social media event
  - C. News conference
  - D. Press release
56. What kind of utility is created when a customer purchases a new TV?
- A. Place
  - B. Form
  - C. Time
  - D. Possession
57. Why might a business decide to purchase goods for a price higher than the lowest possible price?
- A. To obtain a needed delivery date
  - B. To arrange flexible contracts
  - C. To satisfy a favorite vendor
  - D. To spend additional funds
58. Generally, the value of money decreases over time because of
- A. investment.
  - B. recession.
  - C. inflation.
  - D. deflation.
59. What is an example of an ethical issue that may make it difficult for marketers to gather data?
- A. Ensuring the anonymity of all participants
  - B. Explaining research procedures in detail
  - C. Selling consumer information without consent
  - D. Identifying the sponsor of the research project

60. The reason for using certain communications channels, such as coupons, in sales promotion is to
- A. persuade customers to remain loyal.
  - B. generate an immediate response.
  - C. create long-term demand.
  - D. advertise a new product.
61. What skills do you need to succeed in working with others in marketing?
- A. People skills
  - B. Creativity
  - C. Technological know-how
  - D. Math skills
62. Channels of distribution benefit consumers by
- A. raising the quality of all consumer products.
  - B. making a variety of products available to them.
  - C. increasing profits for businesses.
  - D. lowering the prices of all consumer products.
63. A characteristic of individuals who have integrity is that they
- A. understand others' feelings.
  - B. dispute accepted facts.
  - C. avoid change whenever possible.
  - D. adhere to a code of personal ethics.
64. When Rebecca's research for her school project is complete, she's not quite sure what to do with her data. Her friend Allison suggests coding the data, and she decides to give it a try. Why should Rebecca use coding to organize her research findings?
- A. It prevents data entry mistakes such as omissions or duplications.
  - B. It saves time by eliminating the need to check the data for flaws and errors.
  - C. It is the only method to interpret data in a meaningful way.
  - D. It turns large amounts of data into a form that is more easily understood.
65. Which of the following helps you determine the total cost of a consumer loan:
- A. Repayment terms
  - B. Credit score
  - C. Origination fees
  - D. Annual percentage rate
66. Which of the following is an example of current liabilities that a business should include in its balance sheet:
- A. Accounts receivable
  - B. Owner's equity
  - C. Employees' salaries
  - D. Mortgage loans

67. The way in which the promotional message is communicated should be
- A. the same in each case.
  - B. selected by the market.
  - C. suited to the product.
  - D. different each time.
68. What phase of its product life cycle is it in when a business aims its promotion at early adopters and innovators?
- A. Growth
  - B. Decline
  - C. Maturity
  - D. Introduction
69. Nonverbal communication includes body language, which often indicates the level of a person's
- A. intelligence.
  - B. enthusiasm.
  - C. ability.
  - D. education.
70. A CRM system can help salespeople
- A. manage their personal budget.
  - B. monitor their company's stock.
  - C. improve their personal selling.
  - D. keep track of their customers.
71. Which of the following is a characteristic that front desk clerks need to successfully sell rooms to guests:
- A. Leadership ability
  - B. Management traits
  - C. Product knowledge
  - D. Prospecting skills
72. Which of the following is a factor used for grading products:
- A. Resource availability
  - B. Product recommendations
  - C. Product contents
  - D. Inspection method
73. What type of computer software program do businesses use to store valuable information about customers?
- A. Publishing
  - B. Interactive
  - C. Database
  - D. Spreadsheet

74. Irene has always kept and filed every piece of paperwork she receives. When she needs to find a specific document for her boss, Irene wastes hours looking through her filing cabinets before she finally finds it. What should Irene do to make her filing more efficient?
- A. Get rid of hard copies and store all of her documents virtually online
  - B. Purge her old documents, throwing everything away
  - C. Hire a new employee to handle her files
  - D. Create a system and keep only what she needs
75. A benefit to a business of using cable TV for promotions is that it provides
- A. the most requested programs in any TV market.
  - B. an opportunity to advertise during prime-time hours at a high cost.
  - C. a select group of stations that reach special markets.
  - D. unique access to major international events.
76. Bar code symbols that are scanned into computers and used to identify and total information such as the selling prices for products are also called
- A. Uniform Resource Locators.
  - B. Universal Product Codes.
  - C. Unified Pricing Criteria.
  - D. United Rating Systems.
77. In determining an appropriate selling price for goods and services, a business calculates its operating expenses to find the
- A. gross profit.
  - B. break-even point.
  - C. start-up costs.
  - D. money supply.
78. When Ada has a job to do, she works hard and takes pride in her performance. She never takes shortcuts, and she always treats her tasks as if they are important, even if they aren't very fun. Ada demonstrates
- A. industriousness.
  - B. creativity.
  - C. assertiveness.
  - D. empathy.
79. Which data collection method usually takes place online?
- A. Observation
  - B. Personal interviews
  - C. Tracking
  - D. Experiments
80. What is a benefit to businesses of using selling policies?
- A. Selling policies often create misunderstandings.
  - B. Selling policies can be used to assess sales staff performance.
  - C. The use of selling policies reduces requests for repairs.
  - D. The use of selling policies usually decreases job satisfaction.

81. Jordan is a sophomore in college. During each of his class lectures, he divides a piece of notebook paper into two sections—the column on the right is for his class notes, and the column on the left is for summarizing the key points from his notes after he leaves class. Jordan is using the \_\_\_\_\_ method of note-taking.
- A. Cornell
  - B. mapping
  - C. Dartmouth
  - D. outlining
82. In what type of market does the industry leader usually determine prices because there are relatively few sellers and it is expensive to enter the market?
- A. Oligopoly
  - B. Monopolistic
  - C. Pure monopoly
  - D. Pure competition
83. A business can often reduce the risk of injuries in the workplace by providing employees with
- A. on-the-job instruction.
  - B. internal feedback.
  - C. annual performance reviews.
  - D. ongoing safety training.
84. Dion wants to participate more in his club's group discussions. What can he do to improve his group discussion skills?
- A. Interrupt other members if he disagrees with them
  - B. Prepare for the discussion ahead of time
  - C. Start an argument with another member
  - D. Wait for others to initiate the conversation
85. A company produces an advertisement that informs consumers about its commitment to recycling materials and controlling pollution. This is an example of
- A. institutional promotion.
  - B. personal selling.
  - C. cooperative advertising.
  - D. product promotion.
86. Why should businesses cultivate their touchpoints?
- A. Consumers select brands based on which ones have the most touchpoints.
  - B. Businesses get significant tax breaks based on touchpoints.
  - C. Well-developed touchpoints guarantee the success of the business.
  - D. Each touchpoint is an opportunity to reinforce the brand with customers.
87. What is an example of a large business using coercion in the distribution channel?
- A. Threatening to stop using a supplier unless given major concessions
  - B. Requiring a specific type of packaging material
  - C. Returning shipments without proper authorization
  - D. Buying products from unauthorized intermediaries

88. What type of security problem is being described in the following: A vendor has hidden inside a customer's business. After the business closes, the vendor comes out of hiding to steal goods.
- A. Burglary
  - B. Fraud
  - C. Robbery
  - D. Shoplifting
89. An efficient way to organize a work area is to
- A. remove all materials from the work surface.
  - B. keep reference materials out of your office.
  - C. avoid using filing cabinets.
  - D. arrange everything within easy reach.
90. Which of the following is a form of direct marketing that is the most cost effective in reaching a small target audience:
- A. Infomercial
  - B. Print catalog
  - C. Personal interview
  - D. Email
91. The first step toward becoming a leader is
- A. being a role model.
  - B. believing you can do it.
  - C. demonstrating empathy.
  - D. becoming a manager.
92. What tools are needed when using the forced analogies method of creative thinking?
- A. Metaphors and antonyms
  - B. Metaphors and similes
  - C. Allegories and syntax
  - D. Syntax and antonyms
93. Because Liesel is a person who "thinks outside the box," she was able to
- A. measure the firm's direct mail efforts.
  - B. generate ideas for new products.
  - C. follow government regulations.
  - D. calculate the company's profit margin.
94. In some states, businesses pay a percentage of their profits in taxes, no matter how much they make. This is known as a(n) \_\_\_\_\_ tax.
- A. flat
  - B. fair
  - C. excise
  - D. sales

95. Mercedes Benz cars are seen by consumers as luxury cars. This is an example of brand
- A. extension.
  - B. licensing.
  - C. positioning.
  - D. insistence.
96. Which of the following is an example of quantitative data:
- A. "The customer smiled when she heard the name of the new product."
  - B. "Sales of this particular model have fallen 13% in the last year."
  - C. "The salespeople think that customers want more payment options."
  - D. "Many local residents enjoy playing sports at the community center."
97. During a board of directors meeting, the company's CEO said, "Based on last year's sales data and changes in economic conditions, I believe that sales will increase next year." In this situation, the CEO has provided the board members with a(n)
- A. recommendation.
  - B. prediction.
  - C. estimate.
  - D. fact.
98. When evaluating the wording of a survey, the editor should make sure that each question contains
- A. vocabulary with dual meanings.
  - B. simple words without jargon.
  - C. clear, technical terms.
  - D. impressive but vague language.
99. Which of the following statements about legally binding contracts is true:
- A. They clearly outline both sides of an agreement.
  - B. They are enforceable for legal and illegal acts.
  - C. Breaking one results in a lawsuit and possibly jail time.
  - D. They are not valid unless written.
100. A popular technology company just released a new smartphone that it believes will revolutionize the industry. After the product announcement, marketers set up automatic news and social media alerts to find out what people are saying about the new product. This is an example of
- A. search engine optimization.
  - B. product/service management.
  - C. buzz marketing.
  - D. direct marketing.

## 1. D

Be prepared to provide an update. It is important for a meeting participant to be prepared to present the required information at a scheduled meeting. Being unprepared is unprofessional and inconsiderate of the other participants' time. Without the necessary information, the meeting may need to be rescheduled. Meeting participants should not monopolize the conversation. New company policies would be relevant only if they affect the project. Otherwise, they should be communicated outside the project-status meeting. It is not always necessary to take notes for the group.

SOURCE: CO:063 Participate in a staff meeting

SOURCE: Lovering, C. (n.d.). *Purpose of weekly status meetings*. Retrieved October 22, 2024, from <https://smallbusiness.chron.com/purpose-weekly-status-meetings-76971.html>

## 2. D

Gender. A stereotype is a set image or assumption about a person or thing. When people stereotype others, they tend to classify certain people as part of a group that possesses certain characteristics. These characteristics are often based on distorted beliefs or unproven information. When people stereotype others, they fail to see an individual who possesses unique skills, values, and attitudes. People stereotype others in a variety of ways, one of which is by gender. Camilla's assumption that women are more efficient and more detail-oriented than men is a distorted belief. In fact, many men in the workplace are very efficient and detail-oriented. A stereotype by age might hold the false belief that most senior citizens are set in their ways or that they don't keep up with technological changes. An assumption about a person's customs, habits, or traditions is a stereotype based on culture. An assumption about a person that is based on their level of education is also a form of stereotyping. For example, assuming a person is not smart because they did not attend college is an educational stereotype and is a belief that simply isn't true.

SOURCE: EI:017 Recognize and overcome personal biases and stereotypes

SOURCE: LAP-EI-917—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

## 3. D

Ordering costs. Ordering costs are the expenses that retailers incur to buy merchandise. The price they pay for the items, shipping charges, taxes, personnel salaries, and some operational expenses (e.g., phone charges) might be considered when determining the ordering costs. Ordering costs are often compared to the cost of warehousing the product for a certain period of time. When warehousing costs are less than ordering costs, retailers generally reorder more products on a less frequent basis. The selling price is the price that the end user pays for an item. Fixed expenses refer to the payables that remain the same for a set period of time. Insurance and rent are examples of a business's fixed expenses. Interest is defined as the money payments for the use of borrowed money. The interest rate is the percentage figure used in calculating interest charges for a loan.

SOURCE: OP:016 Place orders/reorders

SOURCE: Bragg, S. (2024, May 8). *Ordering costs definition*. Retrieved September 17, 2024, from <https://www.accountingtools.com/articles/ordering-costs.html>

## 4. C

Strengths and weaknesses of competition. In a marketing plan, situation analysis is the determination of a firm's current marketing situation. A situation analysis covers several key areas, which are sometimes referred to as the 5 C's: company, customers, competitors, collaborators, and climate. Information about the strengths and weaknesses of a company's main competitors is included in the situation analysis. A company's mission statement can be found in the executive summary of a marketing plan. Information about how the target market will use a product can be found in the desired target market section. Information on a market exit strategy is located in the marketing strategies and programs section.

SOURCE: MP:007 Explain the nature of marketing plans

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

5. C

Brochure. Items that are sold disassembled must include directions for assembly so that purchasers can put them together properly. These directions are usually printed in a brochure or a leaflet. A grade is a designation of product quality usually indicated by a stamp. A ticket is a price tag that may also contain inventory information. A seal is a symbol which indicates quality and safety backed by a testing organization.

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

SOURCE: LAP-SE-062—Get Informed (Acquiring Product Information for Use in Selling)

6. A

Restate the complaint in his own words to show an understanding. After Julio listened attentively to the customer's complaints and thanked the customer for bringing the problem to his attention, he should restate the complaint in his own words to show an understanding. This is the third step in the general steps employees can take to handle customer complaints appropriately. By doing this, Julio will demonstrate to the customer that he was listening and is taking their concerns seriously. Generally, Julio's next step would be to promptly investigate the problem by either talking with his manager or checking the company policy. When customers express complaints, employees should be able to follow a procedure that lines up with company policies. After explaining the concert venue's policy to the customer, Julio's final step will be to explain the plan of action to the customer and take that action.

SOURCE: CR:010 Handle customer/client complaints

SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)

7. D

Feedback. It's important for people in many careers, including sales, to solicit feedback from customers. Feedback can help you learn why a customer didn't make a purchase, which is information you can use to improve the business. By asking the customer why he didn't make a purchase, Greg is not soliciting compliments, blame, or advice.

SOURCE: EI:106 Solicit feedback

SOURCE: Customer Think. (2018, September 24). *5 benefits of collecting solicited customer feedback*. Retrieved September 17, 2024, from <https://customerthink.com/5-benefits-of-collecting-solicited-customer-feedback>

8. C

Hidden. Hidden benefits are advantages that cannot be seen or understood without the assistance of a salesperson. Comfort and safety are examples of benefits that may not be apparent to a customer unless a salesperson explains them. Being thoroughly competent in pointing out the benefits of products will enable salespeople to increase sales. Unique or exclusive benefits are benefits that a competitor's good or service does not possess. Obvious benefits are advantages of a product which are apparent, plain to see, and easily recognizable.

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

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

9. B

Providing ample product information. Providing ample product information is a presale opportunity for salespeople to provide customer service. Successful salespeople make sure that customers have all the information they need to make sound, well-informed decisions. This occurs during the sales presentation. Shipping and delivery, maintenance and repair, and technical assistance and support are all post-sale aspects of customer service.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

10. A

Federal Food, Drug, and Cosmetic Act. The law bans the production, transportation, and sale of misbranded or adulterated foods, drugs, cosmetics, and medical devices; requires testing of new drugs and generic labeling of all drugs; sets standards for production and sale of poisonous substances; and sets quality standards for foods. The Fair Packaging and Labeling Act includes laws that require product labels to identify the product, provide the name and address of the producer or distributor, and describe the contents of packages. The Public Health Cigarette Smoking Act bans radio and TV advertising of tobacco products. The Federal Trade Commission Act established the Federal Trade Commission.

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

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

11. C

Wholesaler to retailer to consumer. This channel would be the most efficient because of the distances and amount of product involved. The wholesaler can buy in large quantities from the producer and sell smaller quantities to the retailer, who will then sell consumers as few or as many smartphones as desired. By definition, wholesalers do not sell directly to consumers. Agents may be found in the channel but would not relate directly with a consumer.

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

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

12. A

Stealth marketing. Stealth marketing, also known as undercover marketing, is a form of marketing that occurs when people don't know that they are being marketed to. People visiting the various tourist attractions were the targets of Telecam Cellular's stealth marketing campaign. Specialty media is a type of media that features a business's logo, is useful, and is given away. The company's phones only meet two of those criteria—they have the company's logo and are useful, but they were not given away to potential customers. Product screening is the process of considering each idea for a new product and discarding those that seem unworkable. Product screening is not a form of promotion. Behavioral segmentation is also not a form of promotion. It is the division of a market on the basis of consumers' response to a product.

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

SOURCE: ActiveCampaign. (2024). *Stealth marketing*. Retrieved September 18, 2024, from <https://www.activecampaign.com/glossary/stealth-marketing>

13. C

Trade deficit. A nation's balance of trade is the difference between the value of its exports and imports. A trade deficit is an unfavorable balance of trade in which a nation's imports are greater than its exports. A trade surplus is a favorable balance of trade when a nation's exports are greater than its imports. A comparative advantage is the advantage achieved by a nation from specializing in and producing goods and services at which it is relatively most efficient.

SOURCE: EC:016 Explain the nature of global trade

SOURCE: LAP-EC-916—Beyond US (Global Trade)

14. A

Decline. The typewriter is in the final phase of the product life cycle—decline. Consumers can still purchase typewriters, but demand is low. Desktop computers, laptops, smartphones, and tablets are in the growth and maturity phases. Some artificial intelligence (AI) products are in the introduction phase.

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

SOURCE: TWI. (2024). *What is a product life cycle? (Definition, stages and examples)*. Retrieved September 18, 2024, from <https://www.twi-global.com/technical-knowledge/faqs/what-is-a-product-life-cycle>

15. A

By sending a resume and a cover letter. Businesses often include in their help-wanted advertisements a request that job applicants send the business a resume. The job applicant should comply with this request, but they should also send a cover letter with the resume. The cover letter, or letter of application, lends a personal touch to the resume and helps to "sell" the job applicant to the business. Businesses ask for resumes in their ads to save time. They do not want applicants to call on the phone or in person. Instead, they screen applicants by reviewing the resumes and interviewing only those applicants who seem best qualified for the job.

SOURCE: PD:030 Write a letter of application

SOURCE: Doyle, A. (2024, April 7). *How to write a job application letter (with examples)*. Retrieved September 17, 2024, from <https://www.thebalancemoney.com/how-to-write-a-job-application-letter-2061569>

16. C

Satisfy their most urgent needs first. When it comes to buying behavior, consumers tend to meet their needs in an organized way. The most urgent needs, such as the needs for food, water, and shelter, are satisfied first. After the most urgent needs are satisfied, consumers then move on to less urgent needs such as the needs for social belonging, achievement, or self-fulfillment. People generally do not satisfy their less urgent needs first or purchase products contrary to their needs. Consumers usually purchase products in an organized, identifiable pattern.

SOURCE: MK:014 Explain factors that influence customer/client/business buying behavior

SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)

17. A

The business believes the employee is stealing goods. Information of a private nature should be delivered in person, particularly if the information is of a negative or embarrassing nature. In this situation, the staff member should also have a chance to deny the accusation if untrue. Information about a manager's vacation, flextime, or enlarging the department could be openly communicated to the staff.

SOURCE: CO:014 Explain the nature of staff communication

SOURCE: Jolaoso, C. (2024, June 17). *10 tips for effective communication in the workplace*. Retrieved September 17, 2024, from <https://www.forbes.com/advisor/business/effective-communication-workplace>

18. D

Borrower. A promissory note is a legal form signed by a borrower promising to repay a loan. The person who signs a promissory note is called a borrower. A lender is the individual or financial institution granting the loan. A creditor is a person who extends credit or to whom money is owed. A depositor is a person who places money in the bank for safekeeping.

SOURCE: FI:002 Explain the purposes and importance of credit

SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

19. D

The steps in marketing research must follow a certain order, and none can be eliminated. This is a primary characteristic of marketing research. The business must follow a step-by-step research process that includes gathering, recording, and analyzing information—in that order. This is true no matter how much or how little information is being gathered.

SOURCE: IM:010 Explain the nature of marketing research

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

20. C

Toward the end of the interview. By asking potentially sensitive questions toward the end of an interview, the researcher can avoid having the participant cut off the interview before important information can be collected. By asking the questions at the beginning, in the middle, or throughout the interview, the researcher risks prematurely ended interviews.

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

SOURCE: Agriculture and Consumer Protection. (n.d.). *Chapter 4: Questionnaire design*. Retrieved September 17, 2024, from <https://www.fao.org/4/W3241E/w3241e05.htm>

21. B

Export license. Many distribution businesses export products to other countries. To do this legally, businesses usually are required by law to obtain an export license that gives them the right to ship products out of the country. Depending on the country of origin, the license may be general and not include specific restrictions. However, some countries have restrictive export licenses that limit the type of products that may be exported. The need for an export license impacts distribution because it may control what a business may legally export. Insurance coverage, sales contract, and credit approval are not legal requirements that impact distribution.

SOURCE: CM:005 Explain legal considerations in channel management

SOURCE: U.S. Customs and Border Protection. (2020, May 27). *Export licenses*. Retrieved September 17, 2024, from <https://www.cbp.gov/trade/basic-import-export/export-docs/export-licenses>

22. C

Effective. This involves understanding other people and skillfully relating to them. It means appreciating other people and treating them with courtesy, respect, and consideration. Such relationships are generally pleasant and mutually rewarding. People who don't get along well are practicing ineffective or questionable human relations skills.

SOURCE: EI:037 Foster positive working relationships

SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)

23. A

Novelty. Novelty means that the situation is new or unknown. International travel is a novelty to Bill because he has never done it before. Complexity and insolubility are both factors that make a situation ambiguous, but they are not being described in this situation. Tolerance is the capacity to accept deviation from the norm. It is important to tolerate ambiguity, but tolerance itself does not necessarily make a situation ambiguous.

SOURCE: EI:092 Develop tolerance for ambiguity

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

24. D

Distribution. Promotion helps to create demand for products, while distribution makes those products available. Businesses coordinate distribution with promotional activities to make sure that sufficient quantities of advertised products are available when customers want to buy them. If a business plans to promote a certain item, the business must make sure that an adequate supply will be on hand to meet customer demand. Businesses may lose customers if they promote certain items that are not available because they failed to make the necessary distribution arrangements. Transportation is the act of moving items from one place to another and is only one aspect of distribution. Segmentation involves dividing something, such as a total market, into smaller, more specific groups. Communication is an exchange of information in which the words and gestures are understood in the same way by both the speaker and the listener.

SOURCE: CM:007 Coordinate channel management with other marketing activities

SOURCE: Gowtham, S. (2023, June 22). *Distribution channel: What is it, types, importance, functions & levels*. Retrieved September 17, 2024, from <https://happay.com/blog/distribution-channel>

25. D

Integrated information sharing. Integrated information sharing allows near-instantaneous computer decisions related to market information, customer information, supply and inventory information, etc. The combination of all available information allows for more efficient supply-chain management. Electronic receiving, automated scheduling, and audiovisual programming do not improve the distribution process. In fact, the receiving process involves having employees check deliveries and deciding when deliveries are scheduled.

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

SOURCE: Ingram, D. (n.d.). *Channel management techniques*. Retrieved September 17, 2024, from <https://smallbusiness.chron.com/channel-management-techniques-3072.html>

26. D

Federal tax break. Nonprofit organizations that are established to benefit society are not generally taxed by the federal government. Dual taxation is the levying of two taxes on the same income, which normally isn't the case for nonprofit organizations. Bank loans are a means of gaining capital funding and are not a benefit of registering as a nonprofit. Dividends are sums of money paid to an investor or stockholder as earnings on an investment. These normally do not apply to nonprofit organizations since they are based on the goal of profit.

SOURCE: BL:003 Explain types of business ownership

SOURCE: LAP-BL-003—Own It Your Way (Types of Business Ownership)

27. B

Central tendency. To obtain useful marketing information, researchers often survey a representative group of the market segment (sample). After collecting the data, researchers assign numerical values to the responses. The typical value (response) of the set of numerical values is referred to as the central tendency. Researchers can measure central tendency as a mean, median, or mode. To summarize the data, researchers might develop a visual representation of central tendency in a chart or graph format. Predictability curve and distribution share are fictitious terms.

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

SOURCE: Dimeji. (2023, April 13). *Understanding measures of central tendency in marketing statistics*. Retrieved September 17, 2024, from <https://hexadigitalll.medium.com/understanding-measures-of-central-tendency-in-marketing-statistics-72ba6acad89f>

28. D

Job networking. Networking involves connecting with others for the purpose of professional development or advancement. Many people obtain job leads by talking with family, friends, school counselors and alumni, former supervisors, and coworkers. Outsourcing involves acquiring assistance from outside organizations/consultants to obtain goods or services to accomplish business objectives or perform primary business activities. Volunteering involves donating time to complete a project. Acquiring new employees to carry out the business's work is an activity carried out by the staffing function of management.

SOURCE: PD:037 Use networking techniques to identify employment opportunities

SOURCE: Indeed. (2024, June 28). *How to network for a job (why it's important and 7 tips)*. Retrieved September 17, 2024, from <https://www.indeed.com/career-advice/finding-a-job/how-to-network-for-a-job>

29. C

To drive out competitors. Predatory pricing involves setting very low prices on certain goods or services to hurt competitors and try to drive them out of business. Predatory pricing is unethical because its only purpose is to drive out the competition. Businesses that engage in predatory pricing usually do so for only the amount of time it takes to drive out competitors, and then they raise the prices. Deceptive pricing is intended to mislead customers. Businesses that form agreements concerning prices are involved in price fixing. Businesses do not use predatory pricing to appeal to advertisers.

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

SOURCE: LAP-PI-015—Pricing With Purpose (Ethics in Pricing)

30. C

\$50. To determine how much of his monthly payment will go toward interest, Dorian should first divide the annual percentage rate by 12 to find the monthly interest rate ( $12\% / 12 = 1\%$ ). Assuming that the credit card company charges Dorian interest on a monthly—rather than daily—basis, he should multiply the monthly interest rate by his account balance to find how much he will spend on interest when he makes his next credit card payment ( $1\% \times \$5000 = \$50$ ).

SOURCE: FI:782 Calculate the cost of credit

SOURCE: Pritchard, J. (2024, July 10). *How to calculate credit card payments and costs*. Retrieved September 17, 2024, from <https://www.thebalancemoney.com/calculate-credit-card-payments-and-costs-315644>

31. D

Price decreases as demand increases. Demand interacts with supply to determine prices. According to the chart, as the price decreased the more the product was demanded. Conversely, when the price increases, producers are willing to supply more products. However, supply levels tend to decrease when price decreases.

SOURCE: EC:006 Describe the functions of prices in markets

SOURCE: LAP-EC-906—When More Is Less (Functions of Price)

32. A

Reduce prices by 4%. Businesses use the information in sales forecasts to make decisions that will contribute to their success. One of these decisions involves price. If a sales forecast predicts a drop in demand for the business's product, the business may decide to reduce prices to generate more sales. If a sales forecast predicts a drop in demand, a business would not increase production or recruit new employees. Many businesses increase advertising when demand begins to drop to attract new customers.

SOURCE: MP:013 Explain the nature of sales forecasts

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 19-3]. Boston, MA: Cengage Learning, Inc.

33. D

Use computer passwords to limit access to certain data. Businesses have the responsibility to protect their customers' confidential information. One way to protect confidential information is to limit access to employees who need or use the information. Requiring qualified employees to use computer passwords to access the confidential information can reduce the risk of unethical behavior—such as snooping or spying. Antivirus software, client-tracking capabilities, and a resignation request would not prevent the employee from obtaining the information. The business would likely reprimand or fire the employee for their unethical behavior after the incident occurred.

SOURCE: NF:111 Explain the role of ethics in information management

SOURCE: Chinn, A. (2024, July 18). *9 tips for protecting consumer data (& why it's important to keep it secure)*. Retrieved September 17, 2024, from <https://blog.hubspot.com/service/protecting-customer-data>

34. C

Secondary data. Secondary data are information that has been collected for a purpose other than the project at hand. Primary data are collected specifically for the problem or project at hand. A trademark is a symbol, design, or word used to identify a good or service and often registered with the government to prevent its use by others. Internal information is data obtained from sources within the business.

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

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

35. C

Making a claim. This kind of copy makes a general or specific claim for the product. When features are discussed in an ad's copy, factual information about the product is given, such as the type of engine in an automobile. When product use is featured in ad copy, the ad tells readers how they can use the product. A testimonial is someone's personal statement about the benefits of the product.

SOURCE: PR:014 Explain the components of advertisements

SOURCE: ChefsBest. (2024). *Ad claims 101: What every marketer needs to know*. Retrieved September 18, 2024, from <https://www.chefsbest.com/ad-claims-101-what-every-marketer-needs-to-know>

36. C

Full and limited. Full warranties cover the entire product, while limited warranties cover certain repairs or specific parts. Warranties classified on the basis of whether their promises are stated or simply understood are express and implied warranties.

SOURCE: PM:020 Explain warranties and guarantees

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

37. C

Integrated software. Integrated software applications consist of two or more related computer programs that work together to record information or perform specific business tasks or functions. Accounting involves keeping and interpreting financial records. Because accounts payable, accounts receivable, and general ledger applications are related or interdependent accounting activities, the company should purchase an integrated accounting software package. Marketing intelligence involves obtaining and analyzing information about the target market. Engineers use engineering design software to develop various products and structures. Customer identification and preferences are often elements of customer-relationship management integrated software.

SOURCE: NF:088 Use an integrated business software application package

SOURCE: PCMag. (2024). *Integrated software package*. Retrieved September 17, 2024, from <https://www.pcmag.com/encyclopedia/term/integrated-software-package>

38. A

Slow/Methodical. Slow/Methodical customers weigh all the facts before making a buying decision. Domineering/Superior customers have all the answers and are not interested in the opinions of others. Dishonest customers intentionally attempt to avoid paying part or all of the price for a product. Suspicious customers question everything.

SOURCE: CR:009 Handle difficult customers

SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

39. C

Explain. The company that wants to know why sales of a certain product are not growing will conduct marketing research to explain the problem. Monitoring refers to keeping track of statistics, such as a certain salesperson's performance. Testing hypotheses means experimenting to see if an "educated guess" is correct. Predicting refers to using marketing research to gain insight into something that will happen in the future.

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

SOURCE: LAP-IM-284—Better by Design (Marketing Research Designs)

40. C

It is cost-effective because it produces one product for everyone. Mass marketing (also known as undifferentiated marketing) is designing products and directing marketing activities to appeal to the whole market. Mass marketing allows a business to produce one product for everyone, which is more cost-effective than producing and marketing several products to several target markets. Mass marketing can be used to communicate a broad message to a large audience—a strategy that works especially well when a product is first introduced, when it has only a few features, or when it appeals to a wide variety of people. Mass marketing does not market several products to several target markets; rather, it markets those products to the whole market. Mass marketing provides the most possibilities for success at the lowest cost.

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

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

41. B

Pull. The pull promotional strategy involves a producer promoting its products directly to the ultimate consumer or industrial user. This stimulates customer demand, which compels intermediaries to purchase the products from the manufacturer to accommodate customer demand. When a producer promotes its products to intermediaries, who then promote the products to customers, the producer is using a push promotional strategy. Product placement involves using products as props in TV shows, movies, etc. Niche is not a promotional strategy.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-903—Spread the Word (Nature of the Promotional Mix)

42. B

Which location would be the most profitable place to open a new resort? Strategy-oriented decision problems are linked to strategic business decisions and usually answer the questions "how?" or "which?" If Jenny wants to choose between several locations to open a new resort, she is facing a strategy-oriented decision problem. The questions "Why are our sales lower in one location than in others?" and "Why are customers less than satisfied with their experience?" are discovery-oriented decision problems. The question "What are the key demographics of our target customers?" is a research problem.

SOURCE: IM:282 Discuss the nature of marketing research problems/issues

SOURCE: LAP-IM-282—What's the Problem? (Marketing-Research Problems)

43. B

Environment. When a business makes its products from recyclable goods, or items that can be used again (e.g., paper), it is exhibiting responsible and ethical behavior. The business is taking steps to save and protect the earth's natural resources by creating something out of used or discarded items. Although governments have laws to protect the environment, recycling is not always legislated. If a government does have recycling regulations for businesses, the businesses are following the law rather than protecting the law. Making products from recyclable goods does not directly protect the distribution channel or the market segment.

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

SOURCE: Toppr. (n.d.). *Business ethics and environment protection*. Retrieved September 18, 2024, from <https://www.toppr.com/guides/business-studies/social-responsibilities-of-business/business-ethics-and-environment-protection>

44. B

Strategies. Strategies are plans of action for achieving goals and objectives. Tactics are the specific actions used to carry out strategies. Goals or objectives are things that a business wants to attain. In this case, strategies are the plans that the business has formulated to reduce employee theft. The tactics are the methods that the business will use to carry out its strategies (e.g., monitoring exits or checking register tapes). The business's goal or objective is a 10% reduction of employee theft.

SOURCE: MP:001 Explain the concept of marketing strategies

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

45. A

Press release. A press release is written information provided to the media to obtain publicity. This is a great tool to gain publicity about grand openings and newsworthy events. A trade show is an event where businesses display and/or demonstrate their products to build sales leads and interest. A newsletter is a message that provides information of interest to particular groups, such as a current customer base. A financial report is a document containing information related to the overall income and expenses of a business.

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

SOURCE: IPR.org.uk. (2024). *PR tools and techniques*. Retrieved September 18, 2024, from <https://www.ipr.org.uk/pr-tools-and-techniques.html>

46. B

Nature of the product. Factors leading to differences in the use of the selling process include the nature of the product. Large, expensive items may require more time and effort to sell. Tangible items that customers can see and handle may be easier to sell than intangible items. The mood of the salesperson, the season of the year, and the availability of credit are not factors affecting differences in the use of the selling process.

SOURCE: SE:048 Explain the selling process

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

47. B

Insistence. Brand insistence has been achieved when a consumer refuses alternative products and searches exclusively for the desired merchandise. In this case, Jill insists upon Natural Glow cosmetics and makes sure she buys them over any other brand of cosmetics. Brand evangelism occurs when you are an advocate for a brand, convincing others that the brand is the best. In this case, there is no indication that Jill is a brand evangelist for Natural Glow. Brand preference occurs when you prefer a brand based on previous experience with it and will select it over competitors when the option is available. In this case, Jill is beyond the level of brand preference because she only wants Natural Glow, even when it is not available. Brand recognition means that the consumer is aware of and can identify a brand. Jill is beyond this point with Natural Glow.

SOURCE: PM:021 Explain the nature of product/service branding

SOURCE: LAP-PM-021—It's a Brand, Brand, Brand World! (Nature of Product Branding)

48. D

Skip interval. Systematic random sampling is a probability sampling method that involves placing sampling units into a random list and drawing a sample using a skip interval. Skip interval is the number of spaces between each sampling unit drawn in systematic random sampling. Stratum and cluster are types of probability sampling methods that involve dividing the target population into non-overlapping groups or subpopulations. Quota sampling is a nonprobability sampling method, which ensures that specific groups within a population are represented within the sample. Quota gap is not a consideration when using the systematic random sampling method.

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

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

49. B

A company sells a computer, printer, and mouse together for a discounted price. Product bundling is a marketing strategy that involves offering several products for sale as one combined product. Selling a computer, printer, and mouse together is an example of a product bundle. Discounts and other promotions such as “buy one get one 50% off” are also marketing tactics, but they are different from product bundling. A grocery store that offers other services is not an example of product bundling either.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Leonard, K. (n.d.). *Product bundling strategy*. Retrieved September 18, 2024, from <https://smallbusiness.chron.com/product-bundling-strategy-41789.html>

50. A

Organizational. Organizational goals affect the overall organization. Organizational goals may involve things such as increasing efficiency levels, growing the business, or expanding market share. Ideological goals involve the vision and general purpose of the company's existence. Financial goals address the company's income and expenses. Inputs are resources that are used to produce outputs.

SOURCE: PD:254 Determine the nature of organizational goals

SOURCE: Griffin, R.W. (2018). *Fundamentals of management* (8th ed.) [Lesson 3-1a]. Boston, MA: Cengage Learning, Inc.

51. D

Affecting product positioning. Product/Service management is a specific marketing function, and it plays a significant role in a business's overall marketing success. Positioning is a strategy in which a business creates a certain image or impression of a product in the minds of consumers. The decisions made and strategies formed during product/service management will determine the product images for your target market. Product/Service management improves product success, not challenges it. It also gives product images, not removes them. Product/Service management is not related to employee hierarchy.

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

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

52. A

Remedy. In legal circumstances, a remedy is a resolution—a way to right a wrongdoing. When a government agency issues a cease-and-desist order, it is ordering the advertiser to stop running the advertisement until a hearing is held to determine if the advertisement is deceptive or unfair. Arbitration is a formal process in which a neutral third party makes decisions about a contract dispute. Remand refers to sending a legal case back to the court so a specific action can be taken. Appropriation refers to a legal action that relates to the invasion of privacy.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: Hill, G. & Hill, K. (2024). *Remedy*. Retrieved September 18, 2024, from <https://dictionary.law.com/Default.aspx?selected=1784>

53. A

Competition. Competition is the rivalry between two or more businesses to attract customer dollars. This is one of the factors that businesses consider when setting final prices for their goods and services. Businesses need to know what other businesses are charging for similar goods and services to be competitive in the marketplace. Assortment is the combination of goods that a business offers for sale. Specialization is the process of making the best use of resources in the production of goods and services. Management is the process of coordinating resources in order to accomplish an organization's goals.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

54. D

Undeveloped. Traditional economic systems are typically found only in undeveloped countries where there is little or no government involvement in either the production or the allocation of goods and services. In a traditional system, people produce what they can, and everything is consumed. Industrial and established countries have more complicated economic systems that may involve government regulations, competition, or free enterprise. Independent countries include all countries that are self-governed.

SOURCE: EC:007 Explain the types of economic systems

SOURCE: Tomasetti, B. (2024, September 20). *What is a traditional economy?* Retrieved September 17, 2024, from <https://www.carboncollective.co/sustainable-investing/traditional-economy>

55. C

News conference. A business's public relations department uses many activities to establish good relations with the public. A news or press conference involves inviting members of the media to a meeting so the business can make an announcement such as a merger with another company. A press or news release contains written information (e.g., new product releases) that the business distributes to the media to obtain publicity. A public service announcement is a type of institutional promotion that informs consumers about noncontroversial issues that are in the public's interest. Social media is a form of communication that involves sharing information, ideas, personal messages, videos, etc. through social networking and mobile applications such as Facebook, Twitter, and YouTube.

SOURCE: PR:252 Identify types of public-relations activities

SOURCE: Indeed. (2024, August 15). *What are PR activities? (Including helpful benefits)*. Retrieved September 18, 2024, from <https://in.indeed.com/career-advice/career-development/pr-activities>

56. D

Possession. Possession utility is usefulness created when the ownership of a product is transferred from the seller to the buyer. The ownership of the TV is transferred to the customer at the time of purchase. Place utility is usefulness created by making goods or services available at the place where they are needed or wanted by consumers. Form utility is usefulness created by altering or changing the form or shape of a good to make it more useful to consumers. Time utility is usefulness created when products are made available at the time they are needed or wanted by consumers.

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

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

57. A

To obtain a needed delivery date. The people responsible for purchasing should always seek to buy needed goods and services at the lowest possible price, provided quality, delivery, and service do not suffer. It may not be efficient to purchase at the lowest possible price if the materials cannot be delivered on time. Obtaining the needed delivery date is a reason why a business might decide to purchase goods for a price higher than the lowest possible price. A business would not purchase goods for a price higher than the lowest possible price to spend additional funds, satisfy a favorite vendor, or arrange flexible contracts.

SOURCE: OP:015 Explain the nature and scope of purchasing

SOURCE: LAP-OP-015—Buy Right (Purchasing)

58. C

Inflation. Inflation is the increase in the price of goods and services over time. Because of inflation, money has more value today than it will in the future. Deflation is a decline in prices of goods and services over time. Investment is the use of money to generate profit or gain. Finally, a recession is a state of economic decline.

SOURCE: FI:062 Explain the time value of money

SOURCE: Fernando, J. (2024, August 26). *Inflation: What it is and how to control inflation rates*. Retrieved September 17, 2024, from <https://www.investopedia.com/terms/i/inflation.asp>

59. C

Selling consumer information without consent. Some businesses engage in unethical practices when gathering marketing information, such as selling consumer information without consent. When this occurs, it makes it difficult for other businesses to obtain data because consumers are reluctant to provide personal information that may be sold to others without their consent. Ethical marketers always tell research participants how their information will be used and give them the opportunity to indicate that they do not want it to be sold to others. Ethical marketers explain research procedures in detail, identify the sponsor of the research project, and ensure the anonymity of all participants.

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

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

60. B

Generate an immediate response. A communications channel is a path or means used to provide information to others. In sales promotion, coupons are a type of communications channel that are used to provide information about products to customers. The reason for using coupons is to generate an immediate response by offering reduced prices on specific items. The hope is that customers will be motivated to buy the product now because of the information they received. Sales promotion is usually intended to encourage a quick response, while advertising is intended to create long-term demand and persuade customers to remain loyal. Sales promotion involves promotional activities other than advertising.

SOURCE: PR:249 Identify communications channels used in sales promotion

SOURCE: Inc.com. (2020, February 6). *Coupons*. Retrieved September 18, 2024, from <https://www.inc.com/encyclopedia/coupons.html>

61. A

People skills. To succeed in working with others, you need to treat them as you want to be treated. By showing respect and interest in others, you take big steps toward positive relations with your customers and team members. These are all aspects of people skills. Although creativity, math skills, and technological know-how are needed in marketing, you can possess those skills but not be able to work with others.

SOURCE: PD:024 Explain employment opportunities in marketing

SOURCE: LAP-PD-024—Career Opportunities in Marketing

62. B

Making a variety of products available to them. Channels of distribution benefit consumers by making a variety of products available to them. Without these channels, consumers could only buy products directly from producers, which would be impractical. Channels may lower some but not *all* consumer product prices. They may raise the quality of some but not *all* consumer products. Increased profits for businesses are not a benefit for consumers.

SOURCE: CM:001 Explain the nature and scope of channel management

SOURCE: LAP-CM-001—Chart Your Channels (Channel Management)

63. D

Adhere to a code of personal ethics. People with integrity live their lives according to a code of personal ethics, which gives them a sense of right and wrong. They may or may not dispute accepted facts, avoid change, or understand the feelings of others.

SOURCE: EI:022 Demonstrate honesty and integrity

SOURCE: LAP-EI-138—Sincerely Yours (Demonstrating Honesty and Integrity)

64. D

It turns large amounts of data into a form that is more easily understood. To make sense of large amounts of data, the data must be analyzed. Coding can be an extremely useful tool for data analysis by grouping and assigning value to various responses from the survey. While coding is one way to interpret data in a meaningful way, it is not the only way. Coding does not prevent data entry mistakes. In many cases, it is still humans who assign the coding system and manually enter codes into a computer—there is always the possibility of human error. Data should always be checked for flaws at multiple points during the analysis. Coding should not be used as a replacement for error checking.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: California State University, Long Beach. (n.d.). *Data entry issues*. Retrieved September 17, 2024, from <https://home.csulb.edu/~msaintg/ppa696/696codes.htm>

65. D

Annual percentage rate. Annual percentage rate, or APR, is a rate of interest expressed as a yearly percentage. APR essentially tells you how much it will cost you to take out a specific loan. Comparing the APRs of different loans can help you make the best choice for your financial situation. Origination fees are fees charged by lenders for approved loans. A loan's repayment terms are the conditions for repayment—such as the length of the repayment period and the interest rate. Credit score is a rating assigned to a borrower based on previous loans.

SOURCE: FI:625 Apply for a consumer loan

SOURCE: Fernando, J. (2024, June 3). *Annual percentage rate (APR): What it means and how it works*. Retrieved September 17, 2024, from <https://www.investopedia.com/terms/a/apr.asp>

66. C

Employees' salaries. Liabilities are debts that a business owes. Liabilities are classified as current, which means that the debts will be paid off during the year, or long term, which means that they will be paid off over a period of time. Employees' salaries are current liabilities because the business is expected to pay its employees for their work on a regular basis throughout the year. Mortgage loans are long-term liabilities because businesses usually make mortgage payments for several years. Accounts receivable are assets because they are all the monies owed to the business by its customers. Owner's equity is the amount an owner has invested in the business plus or minus profits and losses.

SOURCE: FI:093 Explain the nature of balance sheets

SOURCE: LAP-FI-093—The Right Balance (The Nature of Balance Sheets)

67. C

Suited to the product. The method of communicating the promotional message must be appropriate for the product being promoted. The right method for one product might be wrong for another. The message should also be appropriate for the market, but it would not be selected by the market. If a method of communication is effective, it would not need to be different each time.

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

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

68. D

Introduction. As products move through their life cycles, businesses need to modify their marketing-mix decisions. In the introductory stage, businesses are attempting to gain product recognition, promoting to those most likely to buy a new product—early adopters and innovators. When the product moves into its growth stage, businesses change their promotional efforts to appeal to a larger audience. By the time a product is in the maturity stage, it has competition from other producers who are trying to capitalize on the product. Therefore, the promotional activities attempt to differentiate the product from those of its competitors. Finally in the decline stage, businesses must decide whether they will continue to offer the product, perhaps with some modifications, whether they will discount the product and continue to offer it, or whether they will discontinue the product. The promotional activities used will not be to appeal to early adopters or innovators.

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

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

69. B

Enthusiasm. Your facial expressions, body posture, eye contact, personal appearance, and your actions tell others whether you are enthusiastic or indifferent. Ability, education, and intelligence cannot be measured by body language.

SOURCE: EI:020 Demonstrate interest and enthusiasm

SOURCE: American Management Association. (2024, April 9). *Nonverbal communication skills that affect presentations*. Retrieved September 17, 2024, from <https://www.amanet.org/articles/nonverbal-communication-skills-that-affect-presentations>

70. D

Keep track of their customers. CRM (Customer Relationship Management) systems allow salespeople and their companies to organize and keep track of their relationships with customers and other relevant stakeholders. CRM systems are not intended to help salespeople manage their personal budgets, monitor their company's stock, or improve their personal selling skills.

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

SOURCE: Salesforce, Inc. (2024). *What is CRM (customer relationship management)?* Retrieved September 19, 2024, from <https://www.salesforce.com/eu/crm/what-is-crm>

71. C

Product knowledge. When dealing with guests, front desk clerks need to know their products inside and out. They must know product features and be able to explain these features in terms of benefits for specific guests. All salespeople, including front desk clerks, need to know special or unique information about the goods or services which they sell. Leadership ability, prospecting skills, and management traits are not characteristics that front desk clerks need to successfully sell rooms to guests.

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

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

72. C

Product contents. Grading is the process of rating products according to certain established standards or characteristics. To receive a certain grade, a product must meet established criteria, which indicates the uniformity or consistency among products. The contents of a product may affect how it is graded. For example, cuts or types of meat contain different levels of fat, so each type of meat may be graded on the percentage of fat per serving. Other products, such as gasoline, are graded on the basis of their chemical makeup. The inspection method, product recommendations, and resource availability are not factors used to grade products.

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

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

73. C

Database. Database software programs are designed to sort, arrange, and locate a wide variety of information. Many businesses use database software to store valuable information about customers and arrange it according to various criteria. Businesses can add to this information at any time, sort it alphabetically, or use it to print mailing labels. Spreadsheet software programs are used to organize financial information. Businesses do not use interactive or publishing software to store information about customers.

SOURCE: NF:009 Demonstrate basic database applications

SOURCE: Lido. (n.d.). *Database basics: Concepts & examples for beginners*. Retrieved September 17, 2024, from <https://www.lido.app/post/database-101>

74. D

Create a system and keep only what she needs. Irene may think she's playing it safe by keeping every single piece of paperwork, but she's actually making her job much harder. When she keeps everything, it's more difficult to find the things she actually needs. This leads to frustration and wasted time. Irene should create a system to decide what she actually needs to keep and then toss all other documents. Although Irene may want to consider storing her documents virtually instead of physically, this wouldn't necessarily help her become more organized. While virtual storage wouldn't take up physical space, Irene could still waste just as much time searching through a mess of documents if she insists on saving everything. Irene doesn't need to hire a new employee to handle the filing; instead, creating a system will make Irene's files easier to use. Irene should resist purging all of her old documents—there are many things she'll need to keep, both for practical and legal reasons.

SOURCE: NF:081 Store information for future use

SOURCE: MindTools. (2024). *7 tips for effective file management*. Retrieved September 17, 2024, from <https://www.mindtools.com/ahjudzv/7-tips-for-effective-file-management>

75. C

A select group of stations that reach special markets. Cable TV stations have highly specific programming—ESPN for sports, CNN for news, and Cartoon Network for cartoons. While it does provide an opportunity to advertise during prime-time hours, doing so can be costly, especially to small businesses or companies with limited budgets. Networks and stations also determine which programs are carried. Access to international events is not uniquely available on cable. Many noncable stations have access to the same events as are found on a cable system. Cable TV does not necessarily have the most requested programs in any TV market.

SOURCE: PR:007 Explain types of advertising media

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

76. B

Universal Product Codes. Universal Product Codes (UPCs) are bar type symbols that provide information such as pricing, model, size, type, and color of specific items. Employees scan bar codes into their electronic cash registers. The registers translate the code into the selling price of the item. Uniform Resource Locators (URLs) are computer-based codes that locate web pages on the internet. Unified Pricing Criteria and United Rating Systems are not terms used to describe technological functions as they relate to pricing issues.

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

SOURCE: Hitchcock, J. (2024, April 15). *What is a universal product code? How to get a UPC barcode*. Retrieved September 18, 2024, from <https://www.shopify.com/blog/what-is-a-universal-product-code>

77. B

Break-even point. The break-even point is the level of sales at which revenues equal total costs. In determining selling price, businesses calculate their total costs, including operating expenses, to find the break-even point. It is important to factor in all operating expenses when calculating the break-even point to set the selling price that will cover all operating expenses and make a profit for the business. Gross profit is the money left after cost of goods expense is subtracted from total income. Start-up costs are all of the expenses involved in setting up a new business or introducing a new product to the market. Start-up costs are one factor that may be considered when calculating the break-even point. Money supply is the total quantity of money which exists at one time in a nation.

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

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

78. A

Industriousness. Industriousness means being ready, willing, and able to work hard. Industrious people care about and take pride in the quality of their performance. They do not take shortcuts. They treat each work task as if it's important, even if it seems tedious or frustrating. Employees with creativity can generate new ideas, new approaches, new ways of thinking, and new ways to solve old problems. The ability to express yourself, communicate your point of view, and stand up for your rights, principles, and beliefs is known as assertiveness. Empathy is the ability to put yourself in another person's place and to see things from their point of view.

SOURCE: EI:018 Identify desirable personality traits important to business

SOURCE: LAP-EI-918—You've Got Personality (Personality Traits in Business)

79. C

Tracking. Tracking is a data collection method that usually takes place online (website hits, cookies, product orders, etc.). Observation is watching people go about their activities in a natural setting. Experiments involve manipulating one variable to gauge the effect on another variable—they can sometimes take place online, but not usually. Personal interviews usually take place in person.

SOURCE: IM:289 Describe data-collection methods (e.g., observations, mail, diaries, phone, internet, discussion groups, interviews, scanners, tracking tools)

SOURCE: LAP-IM-289—Hunting and Gathering (Data Collection Methods)

80. B

Selling policies can be used to assess sales staff performance. Other benefits of using selling policies include preventing misunderstandings, reducing confusion for employees, keeping salespeople from having to make decisions on their own, making sure appropriate action is taken when necessary, assuring that customers receive fair and equal treatment, enhancing employee loyalty, increasing job satisfaction, and contributing to a more pleasant work experience. The requests for repairs may not be affected by selling policies.

SOURCE: SE:932 Explain company selling policies

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

81. A

Cornell. The Cornell note-taking method involves separating a piece of paper into two columns: one for taking notes during class and one for summarizing the key points after class. Jordan is using the Cornell method of note-taking in this example, not the outlining or mapping method. Outlining involves writing down information in a highly structured, logical format as it is learned or received. Mapping involves using graphic organizers and diagrams to take notes. "Dartmouth method" is not a form of note-taking.

SOURCE: CO:085 Utilize note-taking strategies

SOURCE: James Madison University Special Education Program. (n.d.). *Cornell notes*. Retrieved September 17, 2024, from <https://coe.jmu.edu/learningtoolbox/cornellnotes.html>

82. A

Oligopoly. In an oligopolistic market there are relatively few sellers, and the industry leader usually determines prices. Prices tend to be stable because it is expensive to enter this market. The type of market that a business will operate in is a major factor to consider when setting selling prices because the business knows it will lose sales if it cannot compete on price. In a pure monopoly there is only one seller or provider of a product, and no substitutes are readily available. In a pure competition market, there are a great many buyers and sellers of nearly identical products, and marketers have very little control over pricing. In a monopolistic market there are many buyers and sellers, but there is a range of prices rather than one market price.

SOURCE: PI:002 Explain factors affecting pricing decisions

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

83. D

Ongoing safety training. Businesses that provide employees with safety training are informing employees about safe behaviors in the workplace. Informing employees about ways in which they can remain safe on the job helps the business reduce the risk of accidents and injuries in the workplace. Safety-training programs might include activities such as showing employees how to use equipment and showing them how to wear protective gear properly. Ongoing safety training reinforces the importance of following safety procedures at work and provides employees with updated safety information and changes in policies or procedures. Although on-the-job instruction often includes some information about job safety, the primary focus is to show a new employee how to perform a variety of tasks associated with the job. Internal feedback is evaluative information that comes from within you. An annual performance review is an assessment of an employee's work performance for the previous year.

SOURCE: OP:008 Maintain a safe work environment

SOURCE: Indeed. (2024, June 12). *10 workplace safety tips every employee should know*. Retrieved September 17, 2024, from <https://www.indeed.com/career-advice/career-development/workplace-safety-tips>

84. B

Prepare for the discussion ahead of time. If Dion wants to improve his group discussion skills, he can prepare for the discussion ahead of time. This includes researching the topic, looking at the topic from all angles, taking notes to bring to the discussion, etc. By preparing for the discussion ahead of time, Dion will feel more comfortable talking about it. Rather than waiting for others to initiate the conversation, Dion should take initiative and try to start the conversation himself. Dion should avoid starting an argument with other members and interrupting other members if he disagrees with them, as both could derail the conversation.

SOURCE: CO:053 Participate in group discussions

SOURCE: Management Study Guide. (n.d.). *Tips for a successful group discussion*. Retrieved September 17, 2024, from <https://www.managementstudyguide.com/tips-for-successful-group-discussion.htm>

85. A

Institutional promotion. The primary goal of institutional promotion is to create a certain image of a company in the eyes of consumers. This can be accomplished by informing consumers about the company, its ideas, and its philosophy. Companies often take positions on important issues, such as recycling goods and controlling pollution. Their positions on issues are communicated to the public through institutional promotion. Product promotion involves persuading consumers to buy a particular good or service. Cooperative advertising refers to the funds provided to retailers by the producers of goods to help pay for the retailers' advertising expenses. Personal selling is a marketing function that involves determining customers' needs and wants and aiding customers with their buying decisions.

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

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

86. D

Each touchpoint is an opportunity to reinforce the brand with customers. Every day, businesses have hundreds, even thousands, of opportunities to connect customers with their brand values and to build brand equity. These touchpoints include virtually every way in which the business or product has contact with the customer—be it an invoice, a promotional message, or the way something is positioned on the shelf. Customers do not select brands based on which have the most touchpoints; in fact, they have no way of knowing this. They select brands that consistently meet and exceed their expectations. Businesses do not get tax breaks based on touchpoints. Well-developed touchpoints are a major factor in building a business's success; however, touchpoints alone are no guarantee. There are a whole host of other factors that influence a business's success, including its management, its location, its competition, and the economic environment in which it operates.

SOURCE: PM:206 Explain the nature of corporate branding

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

87. A

Threatening to stop using a supplier unless given major concessions. Coercion is the practice of using force or threats to persuade someone to do something they would otherwise be unwilling to do. If a large business threatens a supplier, that is an example of coercion. The business may demand that the supplier sell at extremely low prices or pick up other types of expenses to be a supplier to the business. The message is that the supplier will no longer be used if the business does not receive the requested concessions. Requiring a specific type of packaging material and returning shipments without proper authorization are not examples of coercion. Buying products from unauthorized intermediaries is an example of the gray market.

SOURCE: CM:006 Describe ethical considerations in channel management

SOURCE: LAP-CM-006—The Right Path (Ethics in Channel Management)

88. A

Burglary. Any illegal entry into a building to commit theft is called burglary. It can be committed by anyone—strangers, employees, customers, or vendors. Burglars use a variety of methods to gain entry to a business, such as picking locks, hiding in a building until the business has closed for the day, using a stolen or duplicate key, or using force to break open doors or windows. Robbery is theft that involves the use of force, violence, or fear. Fraud is deceiving or cheating a business out of money or property. Shoplifting is the theft of goods by customers.

SOURCE: OP:013 Explain routine security precautions

SOURCE: Keenan, M. (2023, February 22). *What is loss prevention? Strategies and examples* (2024). Retrieved September 17, 2024, from <https://www.shopify.com/retail/loss-prevention>

89. D

Arrange everything within easy reach. A lot of time can be wasted when work areas are unorganized. Desks or counters should be free of clutter. Everything should be arranged so that you don't have to walk across the room to use it. Files should be kept in your desk, in filing cabinets, or in storage areas when no longer needed. Reference materials should be close to your desk for easy, quick use.

SOURCE: PD:019 Use time-management skills

SOURCE: LAP-PD-019—About Time (Time Management)

90. D

Email. Direct marketing is any form of direct communication that a business makes with a member of its target market and involves an offer or call to action by the message recipient. Email is one communication channel that businesses use for their direct-marketing activities. Email allows a business to send personalized messages about sales promotions and new products to its target market. Email is more cost effective than other types of direct-marketing efforts because the business does not pay for postage, printing, etc. Infomercials (long TV commercials) and print catalogs are expensive to produce. Personal interviews do not always involve communicating product information to a customer.

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

SOURCE: Pollick, M. (2024, May 16). *What is direct marketing?* Retrieved September 18, 2024, from <https://www.smartcapitalmind.com/what-is-direct-marketing.htm>

91. B

Believing you can do it. Everyone, regardless of position, can become a leader. The first step is believing you can do it. Leaders are often role models, but this isn't a quality someone needs to have before becoming a leader. Managers can be leaders, but it isn't necessary for a leader to have a position of authority. In fact, some experts argue that many people in management positions are actually ineffective leaders. Empathy is certainly an important characteristic for a leader to have, but it isn't the first step.

SOURCE: EI:009 Explain the concept of leadership

SOURCE: LAP-EI-909—Lead the Way (Concept of Leadership)

92. B

Metaphors and similes. Forced analogies are a Synectics creative-thinking method involving the use of metaphors and similes to create connections where none currently exist. A metaphor is a figure of speech in which one idea, concept, or entity is compared to or used in place of another. A simile is a figure of speech in which two unlike things are compared using the words "like" or "as." An antonym is a word that means the opposite of another word (e.g., happy is the opposite of sad). Syntax refers to the order or manner in which words are put together in terms of grammar. An allegory uses symbolism to convey an idea or concept.

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

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

93. B

Generate ideas for new products. A person who "thinks outside the box" is able to look at things from a variety of perspectives. People who look at things from a variety of perspectives use creative thinking, which is the ability to come up with new ideas, approaches, or solutions. Often, these new ideas, approaches, or solutions involve new goods and services to satisfy unmet needs and wants. Calculating the company's profit margin, measuring the firm's direct mail efforts, and following government regulations require a person to perform activities in predetermined or set ways, which do not involve looking at things from different perspectives.

SOURCE: PM:128 Generate product ideas

SOURCE: Kitch, B. (2023, January 20). *How to encourage thinking outside the box.* Retrieved September 18, 2024, from <https://www.mural.co/blog/think-outside-the-box>

94. A

Flat. A flat tax is an income tax in which the same rate applies to all businesses, no matter how much they make in profits. Although many people think this tax is fair, it is not called a fair tax. An excise tax is a tax on certain products that is built into the overall price that consumers pay. A sales tax is a percentage of retail sales, paid by consumers.

SOURCE: EC:072 Describe the nature of taxes

SOURCE: LAP-EC-072—Pay Your Share (Business Taxes)

95. C

Positioning. Brand positioning is defined as the way consumers see a brand as compared to competitive brands. Brand extension strategy involves using successful brand names to introduce other brands. Brand licensing is the legal authorization by a brand owner to allow another company to use the brand in exchange for a fee. Brand insistence is the stage of brand loyalty in which consumers insist upon buying a specific brand.

SOURCE: PM:003 Explain the concept of product mix

SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)

96. B

"Sales of this particular model have fallen 13% in the last year." This is an example of quantitative data—it is specific, measurable, and expressed numerically. The other alternatives are examples of qualitative data; they are based on emotions, feelings, experiences, thoughts, etc.

SOURCE: IM:281 Describe options businesses use to obtain marketing research data (i.e., primary and secondary research)

SOURCE: LAP-IM-281—What's the Source? (Obtaining Marketing-Research Data)

97. B

Prediction. A prediction is a forecast that people make about the future. Predictions are not always supported by data. In the example, the CEO did not provide numerical sales data or specific economic indicators to support their statement. An estimate is an educated guess that may consider data that are not verified. Facts are verified data. A recommendation is a suggestion to take a certain course of action.

SOURCE: IM:012 Describe the need for marketing data

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

98. B

Simple words without jargon. Wording is an important consideration when developing a survey. To obtain objective, honest answers, respondents must be able to understand the questions. This requires the use of simple and clear (not vague) wording so respondents are not confused when they read the questions. Jargon is technical language, which may confuse respondents. Surveys should not contain words with dual meanings because these words may confuse respondents, too.

SOURCE: IM:293 Evaluate questionnaire design (e.g., types of questions, question wording, routing, sequencing, length, layout)

SOURCE: Fisher, S. (2024, August 22). *How to create an effective survey in 15 simple tips*. Retrieved September 17, 2024, from <https://www.qualtrics.com/blog/how-to-create-a-survey>

99. A

They clearly outline both sides of an agreement. Legally binding contracts are meant to clearly outline an agreement. This way, disputes and litigation can hopefully be avoided. Legally binding contracts don't actually have to be written; they can still be valid if they're verbal, but they're much easier to prove if they are in writing. Breaking a contract doesn't always result in a lawsuit or jail time. In fact, most people avoid lawsuits at all costs since they tend to be expensive and lengthy. Contracts are only enforceable for legal acts.

SOURCE: BL:002 Describe the nature of legally binding contracts

SOURCE: Laurence, B.K. (2024). *Contracts 101: Make a legally valid contract*. Retrieved September 17, 2024, from <https://www.nolo.com/legal-encyclopedia/contracts-101-make-legally-valid-30247.html>

100. C

Buzz marketing. Buzz marketing is an analysis of social websites, blogs, and news to get a sense of how people feel about your company or product. Buzz marketing is often used when companies release a new product because it gives them a sense of how successful the product will be. Search engine optimization is the process of designing and submitting web pages so that they can be found easily and given a good position in search results. Direct marketing occurs when marketers work to get a specific, measurable action from a targeted group of consumers. Product/service management is a marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities.

SOURCE: IM:469 Monitor/measure customer “buzz”

SOURCE: Gotter, A. (2024). *What is buzz marketing?* Retrieved September 17, 2024, from <https://www.singlegrain.com/digital-marketing/what-is-buzz-marketing>