



Competency-Based
Competitive Events
Written Exam
For State/Province Use

Test Number 1329
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. What type of software program do businesses use to create text documents?
 - A. Web-page editor
 - B. Word processing
 - C. Communications
 - D. Presentation
2. What is most likely to happen when interest rates rise?
 - A. Investment activity decreases.
 - B. Business profitability increases.
 - C. The value of the dollar decreases.
 - D. The demand for credit increases.
3. Mark told his supervisor that he was the one who had dented the company truck. Mark is exhibiting his
 - A. skills.
 - B. honesty.
 - C. empathy.
 - D. independence.
4. Which of the following is an example of a variable expense:
 - A. Utility payments
 - B. Property taxes
 - C. Wages/Salaries
 - D. Employee bonuses
5. Anita has just started her own small business. Any profits she earns will be subject to _____ taxes.
 - A. payroll
 - B. income
 - C. excise
 - D. sales
6. A business has taken out a mortgage to pay for its newest storefront. This mortgage would appear in the business's balance sheet under
 - A. assets.
 - B. capital gains.
 - C. income.
 - D. liabilities.
7. Negative feelings greatly increase the probability that you will _____ your goals.
 - A. easily accomplish
 - B. fail to achieve
 - C. confidently change
 - D. persist in reaching

8. Ian's boss tells him that he needs to improve his soft skills if he hopes to advance in the company. Which of the following skills should Ian work on:
- A. Foreign language proficiency
 - B. Communication
 - C. A degree in accounting
 - D. Computer programming
9. Raven, a high school senior, works at a grocery store. When her boss schedules her to work on prom night, she explains that she already bought tickets to the dance and asks to reschedule her for the next day. Her boss, however, won't budge—they say Raven has to work on prom night or lose her job. Raven's boss most likely lacks
- A. rationality.
 - B. respect.
 - C. logic.
 - D. empathy.
10. Having an interested and enthusiastic outlook helps you define your own
- A. aptitudes.
 - B. personality.
 - C. environment.
 - D. credibility.
11. Mr. Martin said, "I want to return this software and get my money back. Before I bought it, your salesperson told me that it was compatible with my computer, but it isn't." What is the reason for Mr. Martin's complaint?
- A. The product was labeled incorrectly.
 - B. The product was defective.
 - C. The salesperson provided inaccurate information.
 - D. The salesperson used high-pressure sales tactics.
12. Which of the following is an example of an economic good:
- A. Photo developing
 - B. Guitar lessons
 - C. Car
 - D. Medical exam
13. A business must _____ its information management needs.
- A. prioritize
 - B. disclose
 - C. publish
 - D. minimize
14. Which of the following is an accurate statement about the use of time:
- A. Time is a free resource of little value.
 - B. Time is elastic and can be expanded.
 - C. Time is used the same way by everyone.
 - D. Time is a precious commodity.

15. Which of the following is an example of a real estate investment:
- A. A certificate of deposit
 - B. Partial ownership of a corporation
 - C. Land to be developed in the future
 - D. A corporate bond
16. Is it possible to have sales without making a profit?
- A. Yes
 - B. No
 - C. Only in businesses which sell services
 - D. Only in businesses which sell goods
17. Amy, a college student, wants to compare the education requirements, income potential, and primary duties of two different jobs in which she is interested. However, she isn't sure where to start. What resource would be most helpful for Amy as she seeks career information?
- A. Hospital
 - B. Police station
 - C. High school
 - D. Library
18. In which of the following situations is an employee helping the company to control its expenses:
- A. Tasha networks with a person in the same industry.
 - B. Harris does not count the boxes in a shipment before signing the delivery receipt.
 - C. Justice uses the company stationery for personal correspondence.
 - D. Kade keeps a record of repairs for the delivery van.
19. Which of the following is an action to take in helping the slow/methodical, or analytical, customer:
- A. Demonstrate merchandise carefully.
 - B. Tell the customer they are taking too long to decide.
 - C. Show a large selection of products.
 - D. Pressure the customer to buy now.
20. Mitchell is writing an email to a company asking for some information he needs to complete a research project. What is the most effective way to close the message?
- A. I wish you the best of luck.
 - B. I appreciate your help with this issue.
 - C. I need this information ASAP.
 - D. I apologize for the inconvenience.
21. Lauren wants to get credit through a financial institution that is owned by its members. Which source of credit is she most likely to use?
- A. A sales finance company
 - B. A credit union
 - C. A savings and loan association
 - D. A commercial bank

22. Which of the following is considered a verbal exchange:
- A. Press releases
 - B. Email
 - C. Banner advertisements
 - D. Video conferences
23. Spotless Sparkle Window Cleaners recently lost customers because someone wrote a fake, negative review about its service and posted the review online. This is an example of a
- A. competitive strategy.
 - B. criminal offense.
 - C. business tort.
 - D. regulation.
24. Why is it often considered unethical to gossip?
- A. Takes time away from work
 - B. Information may be false
 - C. Is critical of other people
 - D. May not be courteous
25. Which of the following is an example of an employee who is meeting their employer's expectations:
- A. Calvin tells a customer about his issues with a difficult coworker.
 - B. Lottie sends a text message to her roommate during a meeting.
 - C. Tom spends the first half hour of the workday chatting with Delphi.
 - D. Azalea focuses on her work tasks so she can meet her deadlines.
26. Dax owns a small photography business. He wants to project a warm, friendly image to the public, so he makes sure his website, marketing efforts, and employees are all welcoming and approachable. Dax is concerned with
- A. branding.
 - B. supporting a cause.
 - C. expanding.
 - D. networking.
27. Which of the following is an example of a quality control method used in the workplace:
- A. An advertising manager corrects a copywriter's ad copy.
 - B. An accounts receivable employee submits a weekly report.
 - C. A human-resources manager completes paperwork for a new hire.
 - D. A factory production line makes 2,465 widgets per minute.
28. Having well-planned buildings and providing effective employee training are ways that a business can _____ business risks.
- A. insure against
 - B. transfer
 - C. prevent or control
 - D. retain

29. When storing sensitive personal information, such as a Social Security number or banking account information for future use, it is best to store it in
- A. a document stored on a phone.
 - B. cloud storage for convenient access.
 - C. a document stored on a hard drive.
 - D. a document that is password-protected.
30. What is a production activity that helps businesses decide how much to produce?
- A. Transforming
 - B. Scheduling
 - C. Forecasting
 - D. Budgeting
31. What is a technique that often helps businesspeople write effective business letters?
- A. Developing charts
 - B. Asking questions
 - C. Preparing outlines
 - D. Consulting references
32. Jersson worked on a project with his coworkers and achieved a successful result. Later, when Jersson was feeling overwhelmed, he knew he could depend on his coworkers to help him accomplish his goals. This is an example of how teamwork helps develop
- A. trust.
 - B. new skills.
 - C. innovation.
 - D. organization.
33. What type of insurance provides financial support to loved ones in the event of your death?
- A. Health insurance
 - B. Life insurance
 - C. Renter's insurance
 - D. Disability insurance
34. Which of the following situations is most likely to be ambiguous:
- A. Your boss asks you to prepare a sales report.
 - B. You don't receive any feedback after an interview.
 - C. You plan exactly where you will stop on your vacation.
 - D. Your teacher assigns a 5-page analysis paper.
35. Why does Dan order extra copy paper, Post-it notes, and printer ink cartridges for the department when he places an order for office supplies?
- A. To meet minimal expectations
 - B. To prevent stockouts
 - C. To ensure product quality
 - D. To reduce the need to forecast

36. How does your ability to comply with laws and regulations relate to your career?
- A. Your employer might expect you to break laws and regulations.
 - B. Your career might involve some specific laws that you will have to learn.
 - C. You'll naturally pick up on the laws related to your career without trying.
 - D. You will not get a job unless you memorize all the local laws.
37. When a business owner or manager uses a budget, they
- A. make more informed decisions.
 - B. have to try to make it interesting.
 - C. can more accurately evaluate employees.
 - D. demonstrate leadership.
38. Which of the following is true:
- A. People in Japan do not care for the sport of baseball.
 - B. Football is the most popular sport in the world.
 - C. Advances in technology have enabled international audiences to watch U.S. sports.
 - D. Scouts search only the top U.S. colleges for the best players.
39. Why is it important for business employees to ask relevant questions?
- A. To offer suggestions
 - B. To make statements
 - C. To send messages
 - D. To clarify meanings
40. Which of the following are characteristics of adaptable people:
- A. Empathy and disrespect
 - B. Objectivity and attentiveness
 - C. Fairness and fear
 - D. Creativity and resistance
41. Which of the following is a drawback to using internet cookies as a promotional tool:
- A. Computers tend to "eat" advertisers' cookies.
 - B. The government routinely uses cookies to spy on citizens.
 - C. People often use multiple computers throughout their day.
 - D. Cookies are expensive for consumers to purchase.
42. Which of the following is an example of price fixing:
- A. One business agrees to sell a brand item to a customer for 10 percent less than its competitor.
 - B. Two different types of businesses export goods and sell the items below cost.
 - C. One business acquires another business so that it can expand its product line.
 - D. Two competing businesses agree to set the same price for similar items in their product lines.

43. The process of coding is part of which step of the marketing research process?
- A. Collection
 - B. Preparation
 - C. Analysis
 - D. Presentation
44. A company is most likely to lower product pricing when the overall economy is experiencing a period of
- A. recovery.
 - B. recession.
 - C. prosperity.
 - D. deflation.
45. Ben recently purchased a phone. The manufacturer provided a form and a special code with the phone's packaging. Ben completed the form, copied his sales receipt, and mailed these items back to the manufacturer along with the part of the packaging that contained the special code. Within six weeks, Ben received a \$50 check from the phone manufacturer. What type of sales-promotion technique was used?
- A. Sweepstakes
 - B. Coupon
 - C. Warranty
 - D. Rebate
46. What is a technologically advanced method that allows businesses to produce products that are specialized for very few customers?
- A. Automatic production
 - B. Intermittent conversion
 - C. Mass customization
 - D. Computerized robotics
47. Which of the following is an example of salespeople behaving ethically when dealing with customers:
- A. Offering an expensive weekend trip
 - B. Saying the product will increase profit
 - C. Explaining the money-back guarantee
 - D. Giving an unusually high discount
48. Which of the following is a reason for a business to have a narrow product mix:
- A. To allow the company to meet the needs of a variety of consumers
 - B. To allow the company to specialize
 - C. To reduce the costs of the goods the company purchases for resale
 - D. To use a wide range of prices
49. Which of the following best describes the mode when evaluating a data set:
- A. The difference between the highest and lowest value
 - B. The average of the data set
 - C. The value that most frequently occurs
 - D. The middle value of the data set

50. Jen's Ice Cream Shop has been facing declining sales ever since a new grocery store opened up next door. Jen thinks that the grocery store's cheap ice cream prices have driven people away from her shop. As a result, Jen decides to put up advertisements for her weekly specials on the grocery store's community board. She even lowers prices on some of her ice creams to be more competitive. However, after she does some research, Jen realizes that the cause of her declining sales isn't the grocery store, after all. It's the poor weather! This example best demonstrates the importance of
- A. addressing the root of a marketing problem.
 - B. opening a business in the appropriate climate.
 - C. leveraging the business's strengths to help it succeed.
 - D. choosing a location away from other businesses.
51. To reduce the time it takes to manually enter marketing-research results into a computer database, many businesses are using
- A. spreadsheet software programs.
 - B. frequency distribution applications.
 - C. online security systems.
 - D. optical scanning devices.
52. One of the first steps in the marketing planning process involves developing the _____ of the business.
- A. pricing strategy
 - B. promotional methods
 - C. basic objectives
 - D. distribution systems
53. Positioning a corporate brand involves communicating the brand's _____ to the target markets.
- A. size
 - B. logo
 - C. value
 - D. slogan
54. All of the components of a well-designed print advertisement should present a
- A. humorous scenario.
 - B. unified message.
 - C. powerful opinion.
 - D. formal appearance.
55. As a result of ongoing product updates and changes, businesses must address ethical issues associated with
- A. taxation.
 - B. planned obsolescence.
 - C. demographics.
 - D. international markets.

56. Becky, a salesperson for a small business, was asked to sell the remaining seasonal items from the winter stock. Not allowed to lower the price, she set up a display at the front of the business and suggested it to every customer who entered. This is an example of what characteristic of a good salesperson?
- A. Customer satisfaction
 - B. Selling skills
 - C. Personalized communication
 - D. Personal appearance
57. Why is it important for businesses to channel management with other marketing activities?
- A. To arrange transportation
 - B. To plan warehouse space
 - C. To provide customer service
 - D. To manage inventory levels
58. What is a type of product information that salespeople can obtain from customers?
- A. Cost to develop
 - B. Ways to use
 - C. Specifications
 - D. Ingredients
59. The way that a business positions its goods and services affects how its customers _____ the products.
- A. trade
 - B. perceive
 - C. outsource
 - D. use
60. Which of the following is a question that a business should answer about its target market while conducting a situation analysis:
- A. How are our financing methods affecting our company's growth?
 - B. Are we operating at peak efficiency?
 - C. Which shipping companies are we using?
 - D. What are our customers buying?
61. Which of the following is considered to be a disadvantage of promotion:
- A. Promotional activities educate consumers.
 - B. Promotion may enhance a company's image.
 - C. Promotion encourages a higher standard of living.
 - D. Promotion can encourage consumers to buy unwanted goods.
62. One reason why it is important for businesses to use public relations activities to reach external audiences is to
- A. pass on positive information.
 - B. sell useful products.
 - C. measure the community response.
 - D. compile customer databases.

63. A company sells its below-standard clothing at outlet stores, while it sells its higher grade clothing in department stores. The company uses grades and standards to
- A. help salespeople.
 - B. indicate how the product can be used.
 - C. indicate product safety.
 - D. indicate where the product will be sold.
64. What method of forecasting sales is based on expert opinion and personal experience?
- A. Intermediate forecasting
 - B. Qualitative
 - C. Long-term forecasting
 - D. Quantitative
65. At the end of the quarter, a producer ships an excessive amount of inventory to other channel members and books those products as sales. As a result, the other channel members were left with a larger supply than they planned. This unethical practice is known as
- A. price discrimination.
 - B. a monopoly.
 - C. the gray market.
 - D. channel stuffing.
66. Campbell's Chicken Noodle, Cream of Mushroom, and Tomato soups are examples of _____ branding.
- A. licensed
 - B. individual
 - C. private
 - D. family
67. The ERG Theory suggests that buyers are motivated by three levels of needs--existence, relatedness, and growth--and that all three types of needs
- A. require immediate fulfillment.
 - B. can all exist at the same time.
 - C. involve the same level of intensity.
 - D. must be met in a specific order.
68. Which of the following best describes effective survey questions:
- A. Ambiguous and complex
 - B. Complex and universal
 - C. Clear and neutral
 - D. Neutral and ambiguous
69. What is wrong with a survey question that asks, "How would you rate our customer service and product quality?"
- A. It asks respondents to assess two different topics at the same time.
 - B. It influences the respondent's answer by inserting an opinion.
 - C. It is an open-ended question that limits the respondent's answer.
 - D. It uses unfamiliar terminology that could confuse respondents.

70. What type of technology enables a businessperson to bypass intermediaries to book a hotel room or rental car on their phone?
- A. Company intranet applications
 - B. Broadband router software
 - C. Online reservation systems
 - D. Radio frequency identification
71. The goal of channels of distribution is to move products from producers to
- A. middlemen.
 - B. industrial distributors.
 - C. final consumers.
 - D. intermediaries.
72. Which of the following is a source of error in the research process:
- A. Key summary
 - B. Project purpose
 - C. Interview location
 - D. Sample design
73. Which of the following is an advantage of using the internet for direct marketing:
- A. It eliminates the need for other types of marketing.
 - B. It is a relatively affordable form of marketing.
 - C. It is less flexible than other forms of marketing.
 - D. It involves face-to-face contact with customers.
74. Which of the following is the primary ethical consideration if one business sells a customer list to another business:
- A. Exclusivity
 - B. Exaggeration
 - C. Publicity
 - D. Privacy
75. Which of the following represents a direct channel of distribution:
- A. Producer to agent
 - B. Producer to retailer to consumer
 - C. Producer to wholesaler to retailer to consumer
 - D. Producer to consumer
76. Market researchers often impose self-regulations that go beyond governmental regulations because
- A. self-regulation leads to higher market share.
 - B. self-regulation helps to build trust with customers.
 - C. they can overrule governmental regulations.
 - D. they can limit and control customer influence.

77. Why is it important for selling policies to have a bit of flexibility?
- A. To decide which ones to enforce
 - B. To provide special treatment
 - C. To interpret them differently
 - D. To make an occasional exception
78. The results of descriptive research are often
- A. quantitative.
 - B. qualitative.
 - C. unreliable.
 - D. vague.
79. Brielle's company is building a new manufacturing plant in Cordova, Alaska, so she organizes an event to gain local support. Brielle is engaging in which of the following types of public relations activity:
- A. Public affairs
 - B. Crisis management
 - C. Community relations
 - D. Employee relations
80. How can a business gain external information about the environment in which it operates?
- A. Use sales volume analysis to assess the effectiveness of sales in a specific region.
 - B. Examine service call records and product returns.
 - C. Track digital marketing analytics to determine the number of site visits.
 - D. Research industry trends through trade publications.
81. Which of the following is true about a survey-sampling plan:
- A. Represents a larger group
 - B. Is more reliable than observation
 - C. Eliminates respondent bias
 - D. Tends to have extremely low error rates
82. Why is it important to track the effectiveness of marketing efforts?
- A. It provides data about the target market.
 - B. When a strategy is not effective, companies will halt all marketing efforts.
 - C. Being able to demonstrate success is essential to obtaining funding or moving forward.
 - D. It makes goals easier to remember.
83. While setting prices, a business checks to make sure it is abiding by state and federal laws. This is an example of a business considering _____ when setting prices.
- A. supply and demand
 - B. costs
 - C. government regulation
 - D. competition

84. Which of the following is an example of digital marketing:
- A. A company runs a commercial on TV.
 - B. A business sends fliers through the mail.
 - C. A restaurant places a coupon in a local newspaper.
 - D. A company posts an offer on social media.
85. Real market opportunity occurs when
- A. supply exceeds demand.
 - B. entrepreneurs brainstorm ideas.
 - C. an identified want exists.
 - D. a good or service can be produced efficiently.
86. A business that provides excellent customer service is more likely to
- A. expand its product line.
 - B. have narrow profit margins.
 - C. provide rebates.
 - D. obtain referrals.
87. What is a regulatory factor that affects promotion on an international level?
- A. Cost of media placement
 - B. Price of comparable products
 - C. Culture of specific countries
 - D. Types of products being advertised
88. What usually happens when a brand is promoted heavily at its introduction?
- A. The firm's expenses are reduced.
 - B. The brand will not require positioning.
 - C. The brand is often profitable sooner.
 - D. The brand's introduction stage is lengthened.
89. A local business's advertisement headline states, "REINVENT YOURSELF IN MINUTES." Which of the following approaches is the advertiser using:
- A. Arousing curiosity
 - B. Solving a problem
 - C. Making a claim
 - D. Promising a benefit
90. Which of the following advertising media offers the easiest means to evaluate the effectiveness of an advertisement:
- A. TV
 - B. Newspaper
 - C. Radio
 - D. Direct mail

91. Massages, cooking lessons, and internet connections are examples of
- A. product lines.
 - B. services.
 - C. brand-name products.
 - D. private labels.
92. To generate new product ideas, the KLH Company often holds employee brainstorming sessions, which are part of the
- A. feasibility study.
 - B. market-testing strategy.
 - C. creative-thinking process.
 - D. screening analysis.
93. What is one way that businesses use marketing information?
- A. To handle objections
 - B. To monitor customers
 - C. To change promotions
 - D. To purchase brands
94. One benefit of having products preprinted with UPC labels that contain the price is that businesses are able to
- A. buy the products at a reduced rate.
 - B. order only enough products for a short time.
 - C. move the items from receiving directly to the sales floor.
 - D. eliminate the need to examine each item upon delivery.
95. Which of the following would be the marketing information most likely to be gathered and analyzed by a marketing-information management system:
- A. Unchanging events
 - B. Employee absences
 - C. Consumer trends
 - D. Historical data
96. Which of the following is an example of product bundling:
- A. Buy product X and receive a \$15 discount if it is paid within 10 days.
 - B. Buy item Z and receive a \$50 manufacturer's rebate.
 - C. Buy item Y and receive service W free for six months.
 - D. Buy service M and receive a coupon to use for future purchases.
97. What is an advantage to a business of posting information about products and pricing on its website?
- A. Generates a customer list
 - B. Identifies a target market
 - C. Supports the selling function
 - D. Creates a positive image

98. Advertising agencies are independent service businesses that
- A. provide free advertising advice.
 - B. provide training for advertisers.
 - C. operate on a regional basis.
 - D. prepare advertising for clients.
99. What type of channel conflict might occur if the manufacturer of a specific brand begins to allow retailers other than the authorized retailers to sell the brand-name products?
- A. Horizontal
 - B. Vertical
 - C. Contractual
 - D. Industrial
100. Which of the following guidelines must be followed when using the relay brainstorming creative-thinking method:
- A. You can only use relay brainstorming alone.
 - B. You cannot help your teammates.
 - C. You can respond in any order.
 - D. You cannot compete against others.

1. B

Word processing. Most word-processing software programs are designed to be used to create text documents, although some have limited graphic capabilities. Businesses use word-processing software programs to write letters, memos, reports, business plans, and sales contracts. There are many different word-processing software programs available that enable businesses to create, edit, and store important text documents. Presentation software programs are used to develop visual presentations. Web-page editors are software applications that businesses use to create web pages. Communications software programs allow computers to communicate with other computers.

SOURCE: NF:007 Demonstrate basic word processing skills

SOURCE: Microsoft. (2025). *What is a word processor?* Retrieved October 7, 2025, from <https://www.microsoft.com/en-us/microsoft-365/word/word-processor>

2. A

Investment activity decreases. When interest rates increase, consumer and business spending tend to decrease because the cost of buying on credit becomes more expensive. As a result, individuals and businesses save rather than spend; the demand for credit tends to decrease; business profitability declines due to reduced consumer spending; and businesses are less likely to invest their money and expand business activities. When policies are implemented to control inflation, interest rates increase, the money supply tightens, and lenders approve fewer loans. Therefore, the value of the dollar increases.

SOURCE: EC:084 Explain the economic impact of interest-rate fluctuations

SOURCE: Seabury, C. (2024, October 15). *How interest rates affect the U.S. markets*. Retrieved October 9, 2025, from <https://www.investopedia.com/articles/stocks/09/how-interest-rates-affect-markets.asp>

3. B

Honesty. Honesty is truthfulness. Mark is exhibiting his honesty by telling his supervisor the truth about what happened to the company truck. Skills are specific kinds of abilities. Empathy is the ability to put yourself in another person's place. Independence is the freedom and the ability to act without assistance.

SOURCE: EI:022 Demonstrate honesty and integrity

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

4. D

Employee bonuses. Operating costs that fluctuate with changes in production are called variable expenses. When a company produces more of a product, variable expenses go up. Examples of variable expenses include advertising and promotion; travel expenses; sales commissions; employee bonuses, permits, and fees; and the cost of providing free shipping, delivery, or installation. Utility payments, property taxes, and wages/salaries are examples of fixed expenses—expenses that must be paid no matter what.

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

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

5. B

Income. Income taxes are a portion of an individual's or business's earnings owed to the government. Any business profits will be taxed by income taxes. A payroll tax is a tax on employment, paid by both employers and employees. Sales tax is a tax on retail purchases. Excise taxes are taxes on products such as gasoline and alcohol; they are built into the product's overall price.

SOURCE: EC:072 Describe the nature of taxes

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

6. D

Liabilities. Liabilities are debts that the business owes. A mortgage is a type of loan used to pay for individual or commercial property ownership, which is an example of debt. Assets are anything of value the business owns. Assets would include cash on hand, accounts receivable, and inventory owned by the business. Income is money received by a business or an individual from an outside source. Capital gain refers to the difference between the purchase price and selling price of an investment.

SOURCE: FI:085 Explain the concept of accounting

SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

7. B

Fail to achieve. Thinking that you cannot do something increases the probability that you will not be able to do it. Positive feelings breed the confidence and persistence necessary to reach viable goals.

SOURCE: EI:019 Exhibit a positive attitude

SOURCE: LAP-EI-019—Opt for Optimism (Positive Attitude)

8. B

Communication. Hard and soft skills are both important for employees who hope to progress in their careers. Soft skills are also often known as interpersonal skills or people skills. Communication is one important soft skill. Degrees, computer programming, and foreign language proficiency are all hard skills—they are teachable skills that can be more easily measured than soft skills.

SOURCE: PD:035 Identify skills needed to enhance career progression

SOURCE: Kenton, W. (2025, June 17). *What are soft skills? Definition, importance, and examples*. Retrieved October 7, 2025, from <https://www.investopedia.com/terms/s/soft-skills.asp>

9. D

Empathy. Empathy is the ability to put yourself in another person's place or to see a situation from another person's point of view. Someone who is empathetic can relate to another person's feelings, thoughts, and experiences. In this example, Raven's boss lacked empathy by forcing her to work on prom night. If they were more empathetic, they would have realized how miserable it would be for Raven to miss out on prom and agreed to let Raven work another day. Raven's boss did not necessarily lack respect, rationality, or logic in this example. They simply acted without empathy.

SOURCE: EI:030 Show empathy for others

SOURCE: LAP-EI-030—Have a Heart (Showing Empathy for Others)

10. B

Personality. Personality is an individual's qualities or traits and behavior. Having an interested and enthusiastic outlook helps you to define your own personality. Taking an interest in different kinds of things and exploring those interests helps you to discover which ones you prefer. The things that hold your interest will define who you are. Environment is a person's external surroundings. Aptitudes are natural talents for learning specific skills. Credibility is believability.

SOURCE: EI:020 Demonstrate interest and enthusiasm

SOURCE: American Psychological Association. (2025). *Personality*. Retrieved October 7, 2025, from <https://www.apa.org/topics/personality>

11. C

The salesperson provided inaccurate information. Product returns are costly to a business, but businesses can take steps to lower product return rates. Because salespeople are in contact with customers, they can lower return rates by learning about the business's products and applying that knowledge to provide customers with accurate information. Businesses can help salespeople gain product knowledge by providing product training. By training salespeople about products, businesses can reduce the risks associated with salespeople giving incorrect product information, as described in the example provided. There is not enough information provided to determine if the product was defective or labeled incorrectly or if the salesperson used high-pressure sales tactics.

SOURCE: CR:010 Handle customer/client complaints

SOURCE: Chargeback Gurus. (2024, February 29). *The 12 most common reasons for returns*. Retrieved October 7, 2025, from <https://www.chargebackgurus.com/blog/return-reasons>

12. C

Car. For something to be called an economic good, it must be a physical object, capable of satisfying human wants and needs, and have monetary value. Of the items listed, the car is the only economic good. The other alternatives are economic services.

SOURCE: EC:002 Distinguish between economic goods and services

SOURCE: LAP-EC-902—Get the Goods on Goods and Services (Economic Goods and Services)

13. A

Prioritize. To be successful, a business must prioritize its information management needs. It may not be able to implement every part of information management at once. Businesses aren't required to disclose or publish their information management needs. Businesses shouldn't minimize their needs; rather, they should address them appropriately.

SOURCE: NF:110 Discuss the nature of information management

SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

14. D

Time is a precious commodity. Time is a valuable resource that should be used wisely. The supply of time cannot be expanded, and it is not used in the same way by everyone. Some people make very good use of their time, while others waste it.

SOURCE: PD:019 Use time-management skills

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

15. C

Land to be developed in the future. Real estate is property, such as land to be developed in the future. If the property becomes more valuable, investors can sell it for a profit. A certificate of deposit is a lending investment in which an individual lends money to a bank to earn a set rate of interest for a specified period of time. A bond is a lending investment in which an individual lends money to a government, municipality, or corporation to earn a set rate of interest for a specified time period. Partial ownership of a corporation is stock.

SOURCE: FI:077 Explain types of investments

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

16. A

Yes. It is possible for any business to have sales, yet not make a profit. Before a profit can be made, sales must be high enough to cover expenses and have money left over. A business that sells goods or services for less than the product's cost may have very high sales, yet never make a profit. Whether a business sold goods or services would have no bearing on the situation.

SOURCE: EC:010 Identify factors affecting a business's profit

SOURCE: LAP-EC-910—Risk Rewarded (Factors Affecting Profit)

17. D

Library. Libraries are good sources of information for job seekers, or those who just want to learn more about a certain job or career path. Libraries usually offer computers, Wi-Fi, and print materials for research, as well as workshops and trainings. Using the resources available in a library will help Amy compare requirements, incomes, and duties of two different jobs. High schools might have resources on job searching, but these often appear in the high school's library and might only be available to enrolled students. Police stations and hospitals do not have resources or materials for job seekers.

SOURCE: PD:022 Identify sources of career information

SOURCE: EBSCO. (2025). *How libraries help job seekers get hired*. Retrieved October 7, 2025, from <https://about.ebsco.com/blogs/ebscopost/how-libraries-help-job-seekers-get-hired>

18. D

Kade keeps a record of repairs for the delivery van. By keeping a record of repairs for the delivery van, Kade is helping the company to control its expenses by helping them make informed buying decisions based on the van's history. Without a record, the company may spend money on unnecessary repairs to the van. Neither Justice nor Tasha is helping the company control its expenses. By not counting the boxes in a shipment before signing the delivery receipt, Harris risks his company losing money on an inaccurate order.

SOURCE: OP:025 Explain employee's role in expense control

SOURCE: Kenton, W. (2025, September 2). *Boost profits with effective cost control strategies for businesses*. Retrieved October 7, 2025, from <https://www.investopedia.com/terms/c/cost-control.asp>

19. A

Demonstrate merchandise carefully. Slow/Methodical, or analytical, customers require a lot of time in making buying decisions. They want to know everything about a product so that they make the best decision. In addition, they do not buy immediately. They want time to think about and research the product. As a salesperson, it is important to demonstrate merchandise carefully to avoid overwhelming the customer, pressuring them into a buying decision, or disuading them from making a purchase. Showing a large selection of products risks being overwhelming to the customer. Salespeople should never pressure the customer to buy now or tell them they are taking too long to make a buying decision.

SOURCE: CR:009 Handle difficult customers

SOURCE: Indeed. (2025, March 26). *9 types of customers and how to approach them*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/types-of-customers>

20. B

I appreciate your help with this issue. An inquiry is a request for information. Letters of inquiry are requests for information such as product specifications, prices, job openings, proposals, expertise or consultation, etc. Letting the message recipient know that you appreciate their time and effort is a cordial way to close the message. The message sender might state a time when they plan to follow up with the recipient. Closing the message by saying the information is needed ASAP is rude and unprofessional. Wishing the message recipient luck and extending an apology are inappropriate closings for the situation at hand.

SOURCE: CO:040 Write inquiries

SOURCE: Indeed. (2025, June 6). *How to write a letter of inquiry (with an example)*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/letters-of-inquiry>

21. B

A credit union. Credit unions are cooperative financial institutions that are owned by their members. These institutions usually have some requirement for membership, such as working for a certain company, belonging to a certain labor union, or living in a certain geographic area. Similar to banks, they provide savings accounts and credit services. They usually offer their members small loans, installment credit, and low interest rates. Commercial banks are full-service banks that offer a variety of credit services, including secured and unsecured loans, installment credit, and bank credit cards. Savings and loan associations began as home loan institutions. Today, they make loans similar to those made by commercial banks, but many of their loans are still for real estate purchases. Sales finance companies offer credit through retailers such as car dealerships.

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

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

22. D

Video conferences. Verbal exchanges are based on spoken words. Other examples of verbal exchanges include talking in meetings, sales presentations, and speeches. Written communications utilize written words. Examples of written communication include letters, email messages, memos, reports, banner advertisements, and press releases.

SOURCE: CO:147 Explain the nature of effective verbal communications

SOURCE: Shribman, M. (2023, November 20). *A guide for mastering the art of business communication*. Retrieved October 7, 2025, from <https://www.forbes.com/councils/forbesbusinesscouncil/2023/11/20/a-guide-for-mastering-the-art-of-business-communication/>

23. C

Business tort. Business torts are wrongful acts committed against businesses that cause financial loss. One type of business tort is trade libel, which is publishing an untrue statement against a business that causes damage to the business. The fake, negative review caused Spotless Sparkle Window Cleaners to lose customers, so it is an example of a business tort. It is not a criminal offense, because the state cannot press charges against the fake reviewer. There is no indication that this instance is related to competitive strategy. Regulation is not related to this example.

SOURCE: BL:069 Identify the basic torts relating to business enterprises

SOURCE: Feldman & Feldman. (2024, September 11). *The different types of business torts*. Retrieved October 7, 2025, from <https://feldman.law/news/the-different-types-of-business-torts/>

24. B

Information may be false. Gossiping involves talking about other people or situations and often includes spreading rumors. It is often considered unethical to gossip because the information may be false. When false rumors are spread, people may be hurt by the inaccurate or incorrect information. To be ethical, people should avoid gossiping rather than risk spreading false information. Gossip is not considered unethical because it often takes time away from work, may not be courteous, and is critical of other people. However, these are other reasons to avoid gossiping.

SOURCE: EI:038 Explain ethical considerations in providing information

SOURCE: Indeed. (2025, July 24). *How to handle workplace gossip and reduce negativity*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/gossip-in-workplace>

25. D

Azalea focuses on her work tasks so she can meet her deadlines. Businesses have basic expectations regarding their employees' behavior in the workplace. Employers expect employees to arrive at work on time; perform their work accurately and efficiently; be honest; and exhibit respect for coworkers, customers, and company property. Because Azalea is focused on her work and strives to meet her deadlines, she is meeting her employer's expectations. Engaging in idle chitchat and texting during a meeting are disrespectful actions that waste the company's time and money. Confiding in a customer about problems with coworkers is inappropriate behavior.

SOURCE: PD:020 Analyze employer expectations in the business environment

SOURCE: Indeed. (2025, June 9). *10 expectations employers have for employees*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/starting-new-job/expectations-of-employers>

26. A

Branding. Dax's company, like most businesses, has branding goals geared toward projecting a certain image to the public. Dax wants to control how his company is perceived in consumers' minds. Supporting a cause refers to a business identifying with a nonprofit organization like the Red Cross. Many companies set goals for expansion that don't have much to do with projecting a certain image. They may want to create a new product line, build a larger facility, or merge with another company. Image-cultivation is not a common strategy used in networking.

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

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

27. A

An advertising manager corrects a copywriter's ad copy. An important aspect of quality control is reviewing the finished product to determine if it meets the business's quality standards. Quality is measured throughout all business functions. For example, an advertising manager may be responsible for proofreading and editing a copywriter's work to ensure that the information is accurate and reflects the ad's objective. This process ensures that the ad's quality aligns with the company's overall objectives. The remaining options are routine activities in which the quality of the work is not being evaluated.

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: Hayes, A. (2025, May 21). *Quality control (QC): What it is, how it works, and QC careers*. Retrieved October 9, 2025, from <https://www.investopedia.com/terms/q/quality-control.asp>

28. C

Prevent or control. Both of the examples (having well-planned buildings and providing effective employee training) involve planning that can help prevent or control risk. Transferring risk involves passing the risk to someone else, often by purchasing insurance. Retaining risk involves keeping it.

SOURCE: EC:011 Determine factors affecting business risk

SOURCE: LAP-EC-911—Lose, Win, or Draw (Business Risk)

29. D

A document that is password-protected. Confidential information needs to be kept secure to prevent theft or access by unauthorized individuals. Regardless of the format of storage (e.g., document, cloud, or hard drive), the data should be encrypted or password-protected. Even encrypted cloud storage can put the data at risk of loss because you are not in control of it. Data stored on a hard drive or phone without encryption or a password is at greater risk of loss.

SOURCE: NF:081 Store information for future use

SOURCE: TSG Financial. (2024, May). *The essentials of personal record retention: A practical guide*. Retrieved October 7, 2025, from <https://tgsfinancial.com/the-essentials-of-personal-record-retention-a-practical-guide/>

30. C

Forecasting. Forecasting is predicting how much of a product consumers will want to buy in a given period of time. Forecasting is important because businesses do not want to produce many more products than consumers will buy. Businesses consider such factors as previous sales and current economic conditions in order to predict demand and decide how many products to produce. Scheduling establishes the timetable to be followed in production. Budgeting is estimating what income and expenses will be for a specific period of time. Transforming is turning raw materials into finished products.

SOURCE: OP:017 Explain the concept of production

SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

31. C

Preparing outlines. Businesspeople often are expected to write business letters on a regular basis. One technique that helps them write effective business letters is to first prepare an outline. An outline is a general plan giving only the main points to be covered. Preparing an outline helps businesspeople decide exactly what they want to say in the letter and to organize their thoughts. Businesspeople can then use the outlines to write effective letters. Businesspeople usually do not ask questions, consult references, or develop charts to write effective business letters.

SOURCE: CO:133 Write business letters

SOURCE: Purdue University. (2025). *Four main components for effective outlines*. Retrieved October 7, 2025, from https://owl.purdue.edu/owl/general_writing/the_writing_process/developing_an_outline/index.html

32. A

Trust. Team members have little choice but to trust one another. When this trust is built, it creates a positive community in the workplace in which people depend on one another. Jerisson won't experience as much stress and can be sure to achieve quality work performance because of the trust-filled relationships he developed with coworkers as a part of a team. This situation is not an example of how teamwork helps develop organization, innovation, or new skills.

SOURCE: EI:045 Participate as a team member

SOURCE: LAP-EI-045—Team Up (Participating as a Team Member)

33. B

Life insurance. Insurance is a contractual agreement in which one company (insurer) will pay for specified losses incurred by the other company (insured) in return for installment payments (premium). Many individuals purchase life insurance policies to ensure that their loved ones receive financial support in the event of death. Life insurance is a wise purchase for an individual whose loved ones (e.g., spouse, children, parents, etc.) would suffer financially without the deceased's income. Disability insurance provides financial support in the event that you cannot work due to an injury or illness. Health insurance helps cover the cost of medical expenses. Renter's insurance protects you from loss in the event that your personal property is damaged or lost while living in a rented apartment or house.

SOURCE: FI:081 Describe the concept of insurance

SOURCE: Howard, P. (2025, September 4). *Life insurance: What it is, how it works, and how to buy a policy*. Retrieved October 7, 2025, from <https://www.investopedia.com/terms/l/lifeinsurance.asp>

34. B

You don't receive any feedback after an interview. Ambiguity is a state of vagueness, doubt, and uncertainty. Ambiguous situations are those in which there is not one clear path or one right decision. When you don't receive any feedback after an interview, you are dealing with ambiguity. Preparing a sales report and a 5-page analysis paper assignment are not necessarily ambiguous. Planning exactly where you will stop on your vacation is not ambiguous.

SOURCE: EI:092 Develop tolerance for ambiguity

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

35. B

To prevent stockouts. Safety stock or buffer stock are extra items ordered to prevent stockouts. When supplies are out of stock, the employees do not have the tools to perform their jobs. Many businesses have policies to order a certain level of extra items to avoid stockouts. Ordering extra supplies will not ensure product quality or reduce the need to forecast usage. Dan would only order exactly what is needed if he were ordering to meet minimal expectations.

SOURCE: OP:031 Maintain inventory of supplies

SOURCE: Jenkins, A. (2025, March 31). *Safety stock: What it is & how to calculate*. Retrieved October 7, 2025, from <https://www.netsuite.com/portal/resource/articles/inventory-management/safety-stock.shtml>

36. B

Your career might involve some specific laws that you will have to learn. Your career will have an impact on the types of laws that you should learn. As an example, a nurse learns all about health care privacy laws during their training, but a marketing specialist at a fashion retailer wouldn't need to know the specifics of these laws. It is not true that you will not get a job unless you memorize all the local laws; it is nearly impossible to memorize every local law. Your employer should not expect you to break laws and regulations. While you may pick up on laws related to your career without trying, there is no guarantee that you will, and you most likely will have to actively learn the laws.

SOURCE: BL:163 Comply with the spirit and intent of laws and regulations

SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

37. A

Make more informed decisions. When a business owner or manager uses a budget, they make more informed decisions. A manager who uses a budget can make better decisions about the company's day-to-day activities by keeping the overall budget in mind. They may or may not demonstrate leadership by doing so. Being interesting is not necessarily a feature of budgets, but a budget might be interesting to a manager. Using a budget as a way to evaluate employees may not be effective because budgets are estimates, and there are often valid reasons to adjust them.

SOURCE: FI:106 Describe the nature of budgets

SOURCE: LAP-FI-106—Money Tracks (Nature of Budgets)

38. C

Advances in technology have enabled international audiences to watch U.S. sports. Specifically, advances in communication and transportation technologies have played a crucial role in sparking international interest in U.S. sporting events. Soccer is the #1 sport around the world. Scouts search the world for the best players. The people in Japan learned about baseball during World War II and have formed both amateur and professional leagues.

SOURCE: NF:003 Identify ways that technology impacts business

SOURCE: West Virginia University. (2023, September 12). *The ins and outs of sports marketing*. Retrieved October 7, 2025, from <https://marketingcommunications.wvu.edu/professional-development/marketing-communications-today/marketing-communications-today-blog/2023/09/12/the-ins-and-outs-of-sports-marketing>

39. D

To clarify meanings. Relevant questions are those questions that pertain to the issue at hand. They are asked to obtain information. Employees should ask relevant questions in order to clarify the meaning of statements or instructions. By asking relevant questions, employees can obtain additional explanations to help them understand what they are expected to do. Employees do not ask questions to send messages, offer suggestions, or make statements.

SOURCE: CO:058 Ask relevant questions

SOURCE: Indeed. (2025, July 24). *Asking the right questions: Importance, steps, and tips*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/asking-the-right-questions>

40. B

Objectivity and attentiveness. Adaptable people have many traits in common. Some characteristics of adaptable people include objectivity, attentiveness, empathy, confidence, respect, positivity, self-corrective behavior, risk-taking, a sense of humor, and persistence. Resistance, disrespect, and fear are not attributes of adaptable people. Increased creativity is considered a positive outcome of adaptable behavior rather than a characteristic of adaptability.

SOURCE: EI:006 Demonstrate adaptability

SOURCE: LAP-EI-006—Go With the Flow (Demonstrating Adaptability)

41. C

People often use multiple computers throughout their day. Marketers often use internet cookies to determine which ads to deliver to which customers based on previous websites that customers have visited. Because a person often uses more than one computer during a typical day (e.g., home computer, laptop computer, business computer), advertisers cannot get a very accurate, clear picture of what the person's interests really are. Therefore, advertisers may target ads towards the wrong consumers. Computers do not commonly “eat” cookies, but consumers may erase the cookies from their computers whenever they please. Consumers do not pay for cookies. In fact, consumers often do not know that they are the recipients of cookies. The government does not routinely use cookies to spy on its citizens.

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

SOURCE: Kaspersky. (2025). *What are cookies?* Retrieved October 7, 2025, from <https://usa.kaspersky.com/resource-center/definitions/cookies>

42. D

Two competing businesses agree to set the same price for similar items in their product lines. Price fixing is an illegal business agreement in which businesses agree on prices of their goods or services resulting in little choice for the consumer. Selling a brand item for less than a competitor sells the item, acquiring another business, and two businesses selling different products below cost are not examples of price fixing.

SOURCE: PI:017 Explain legal considerations for pricing

SOURCE: Federal Trade Commission. (n.d.). *Price fixing*. Retrieved October 7, 2025, from <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/dealings-competitors/price-fixing>

43. C

Analysis. Coding is a process which assigns a score to each response within a data set. This is done to make analysis easier. Collecting data includes processes like conducting surveys. Presentation is the step where the conclusions of the research are presented to the business so that the business can act upon the results of the research. Preparation is the step where questions for the surveys are chosen, the sample size is chosen, and the method of data collection is decided upon.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: Smart Bug. (2023, March 14). *The 5-step marketing research process*. Retrieved October 7, 2025, from <https://www.smartbugmedia.com/blog/the-5-step-marketing-research-process>

44. B

Recession. A recession is a contraction of the GDP (gross domestic product) that lasts at least six months. During this phase of the business cycle, business activity slows down. As a result, unemployment occurs and consumers tend to buy less because they have less disposable income, which lowers demand. In response to lower demand, businesses often reduce their prices in order to survive until demand increases. Recovery and prosperity are phases of the business cycle that experience an increase in demand and spending. It is during these phases that demand can exceed supply. As a result, businesses are more likely to increase their prices. Deflation is not a common term used to describe a phase in the business cycle.

SOURCE: PI:002 Explain factors affecting pricing decisions

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

45. D

Rebate. Sales-promotion techniques are activities other than advertising, selling, and personal selling that stimulate customer purchases. A rebate is a sales-promotion technique in which a business (manufacturer) returns part of the price that a customer (Ben) pays for a good (cell phone) or service. Rebates stimulate sales because customers want to receive money back for their purchases. Couponing involves the use of printed certificates that entitle the holder to a reduced purchase price. Coupons are generally processed at the point of sale. Sweepstakes involve a game of chance in which a customer wins a prize. A warranty is a promise made by the seller to the customer that the seller will repair or replace a product that does not perform as expected. A warranty is a benefit of purchase rather than a sales-promotion technique.

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

SOURCE: Hayes, A. (2025, October 4). *Understanding rebates: Definition, types, and comparison to discounts*. Retrieved October 7, 2025, from <https://www.investopedia.com/terms/r/rebate>

46. C

Mass customization. Computerization and the technology of mass production have created the method of mass customization which allows businesses to produce customized products for one customer or only a very few customers. Businesses that use a mass-customization method can produce large quantities of one product in many different varieties. This method allows businesses to meet the individual needs of many customers by making variations of one product. Automatic production, computerized robotics, and intermittent conversion are not methods that allow businesses to produce products that are specialized for very few customers.

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

SOURCE: Indeed. (2025, June 6). *What is customization in marketing? (4 types and benefits)*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/customization-in-marketing>

47. C

Explaining the money-back guarantee. Ethics are the basic principles that govern a salesperson's behavior. Salespeople who are ethical treat customers fairly, present their products truthfully, and provide as much information as possible. Explaining the money-back guarantee is an example of ethical behavior because salespeople are reassuring customers that their money will be refunded if they are not satisfied with the product. Offering an expensive weekend trip might be unethical if it is actually a bribe. Saying the product will increase profit might be unethical if the salesperson is exaggerating or misrepresenting the product's capabilities. Giving an unusually high discount might be illegal if the same type of discount is not available to all customers who buy the same quantity of the same product.

SOURCE: SE:106 Explain legal and ethical considerations in selling

SOURCE: LAP-SE-106—Keep It Real—In Sales (Legal and Ethical Considerations in Selling)

48. B

To allow the company to specialize. A company that has a narrow product mix offers a limited number of product lines. This enables the company to specialize effectively, to produce efficiently, and to concentrate on marketing the product lines. The needs of a variety of consumers and the use of a wide range of prices are addressed with a deep product mix. A broad product mix reduces the costs of goods a company purchases for resale.

SOURCE: PM:003 Explain the concept of product mix

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

49. C

The value that most frequently occurs. In descriptive statistics, the mode refers to the value that occurs most frequently in a data set. The average of a data set is the mean, which is calculated by adding all numbers in the data set and then dividing by the number of values in the set. The median refers to the middle value of a data set when it is ordered from least to greatest. The range of a data set is simply the highest value in a data set minus the lowest value.

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

SOURCE: Indeed. (2025, June 24). *How to calculate mode in statistics (with examples)*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/calculate-mode>

50. A

Addressing the root of a marketing problem. If a business tries to address the symptoms of a problem without actually discovering the real problem, the business risks wasting valuable time and resources. Jen's decision to jump into a plan of action without doing sufficient research demonstrates the importance of addressing the root of a marketing problem. If Jen had known that the weather was the reason for declining sales, she could come up with a more effective strategy to combat the issue. This example does not necessarily demonstrate the importance of choosing a location away from other businesses, opening a business in the appropriate climate, or leveraging the business's strengths to help it succeed.

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

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

51. D

Optical scanning devices. An optical scanner is an electronic device that copies or reads documents and then transmits the information to a computer. Using optical scanning devices to summarize marketing research results saves time because the data does not need to be manually entered into the computer. Online security systems protect information that is transmitted through or stored on the internet. Spreadsheet software programs record and calculate various types of numerical data. Frequency distribution refers to the number of times a specific variable appears in marketing research data.

SOURCE: IM:183 Describe the use of technology in the marketing-information management function

SOURCE: Lenovo. (2025). *What is an optical reader?* Retrieved October 7, 2025, from <https://www.lenovo.com/us/en/glossary/what-is-optical-reader/>

52. C

Basic objectives. Objectives are the goals a business wants to achieve. Before a business can proceed with the marketing planning process, it must first develop its basic objectives such as to increase profits by a certain percent or increase market share by a certain amount. The most effective objectives clearly state what the business hopes to accomplish and within what time period. For example, an effective objective is to increase sales this year by 10% over last year. That is a clear goal to try to achieve. Once the objectives have been developed, businesses continue with the marketing planning process to design and implement strategies to achieve the goals. Elements of a marketing strategy might include pricing methods, promotional methods, and distribution systems.

SOURCE: MP:006 Explain the nature of marketing planning

SOURCE: Indeed. (2025, June 6). *10 marketing plan objectives to consider and the KPIs to measure them*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/marketing-planning-objectives>

53. C

Value. A corporate brand is all of the impressions and images associated with a company in the minds of the consumers. To create these impressions and images, the company uses a series of activities; it positions the brand. This involves the company communicating its value to the target markets. The value is the amount of satisfaction that the good or service will provide the target markets. Slogans and logos are brand elements or touchpoints that marketers use to position the corporate brand. The brand's size is not usually a relevant factor.

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

SOURCE: Forbes. (2022, January 14). *What brand positioning is and why it's important for your business*. Retrieved October 7, 2025, from <https://www.forbes.com/councils/theyec/2022/01/14/what-brand-positioning-is-and-why-its-important-for-your-business/>

54. B

Unified message. Each component of an effective advertisement should work together to communicate a unified message. For example, if the graphic element does not relate to the copy or headline of an advertisement, the meaning of the ad becomes unclear and confusing for the audience. The use of humor, level of formality, and inclusion of an opinion depend on the nature or goal of the advertisement.

SOURCE: PR:251 Explain the importance of coordinating elements in advertisements

SOURCE: Indeed. (2025, March 26). *21 different types of marketing messages to consider*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/types-of-marketing-messages>

55. B

Planned obsolescence. Business ethics are the basic principles that govern a company's actions. Planned obsolescence occurs when a business releases a product and plans to discontinue it and replace it with an updated version of the item. This often occurs with technology-based products such as video games and computer software. When a business plans product updates on an annual basis, its customers are often required to purchase the new version in order to use the core product. This can be a financial burden on consumers and can present an ethical situation for the business. International markets, demographics, and taxation are not ethical issues that businesses often encounter when planning product updates and changes.

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

SOURCE: Kenton, W. (2022, December 27). *What is planned obsolescence? How strategy works and examples*. Retrieved October 7, 2025, from https://www.investopedia.com/terms/p/planned_obsolescence.asp

56. B

Selling skills. Selling skills involve the use of specific selling techniques that have been tried and proven over time to be effective. In this situation, Becky is using the proven techniques of display and suggestive selling to sell the remaining seasonal items from the winter stock. Personal appearance is the way individual sales associates dress and are groomed. Customer satisfaction is not a characteristic of a good salesperson, although good salespeople usually are able to provide customer satisfaction. Personalized communication is a form of personal selling.

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

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

57. C

To provide customer service. Distribution and marketing activities are closely related because goods must be available when and where customers want them. If businesses do not have the goods in stock, customers cannot buy. Businesses are only able to serve customers when they have the advertised items on hand and at the right price. Arranging transportation, planning warehouse space, and managing inventory levels are types of channel management activities that should be coordinated with marketing activities to provide customer service.

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

SOURCE: Indeed. (2025, July 24). *What is channel management? Definition and 10 strategies*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/channel-management>

58. B

Ways to use. Customers often are a good source of information about different ways to use products. While talking with customers, salespeople can find out how they use certain products. Customers may use products in ways that salespeople are unaware of, which is information that may prove to be useful in selling the product to others. Information about ingredients is often found on product labels. Information about the cost to develop may be available from manufacturers. Information about specifications is often included in an operating booklet.

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

SOURCE: Indeed. (2025, July 24). *Guide to client acquisition (with 20 effective strategies)*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/client-acquisition>

59. B

Perceive. Product positioning is the customer's image or impression of a product as compared to that of competitive products. A product's image influences how a customer views or perceives the product. Outsource refers to the practice of acquiring assistance from outside organizations or consultants to obtain goods or services to accomplish business objectives. Positioning does not necessarily affect how a person uses a product. In many cases, there is only one purpose or way to use a product, regardless of the way that it is positioned in the marketplace. Trade is defined as the process of exchanging one good/service for another.

SOURCE: PM:042 Describe factors used by marketers to position products/services

SOURCE: Indeed. (2024, July 24). *Customer perception: Definition and how to improve it*. Retrieved October 7, 2024, from <https://www.indeed.com/career-advice/career-development/customer-perception>

60. D

What are our customers buying? A situation analysis is a determination of a business's current situation and the direction in which the business is headed. A situation analysis evaluates many internal and external factors. The business's customers (target market) are an external factor the business considers when conducting a situation analysis. The business needs to know which products the customers are buying so it can determine if it needs to make product line changes, delete items, add items, etc. Answering questions about financing, efficiency, and shipping companies do not help the business obtain information about its target market.

SOURCE: MP:008 Explain the role of situation analysis in the marketing planning process

SOURCE: Indeed. (2025, June 6). *Situation analysis of a marketing plan: Example and definition*. Retrieved October 7, 2025, from <https://www.indeed.com/career-advice/career-development/situation-analysis-marketing-plan-example>

61. D

Promotion can encourage consumers to buy unwanted goods. Therefore, some people consider promotion to be manipulative. In many cases, promotion is considered either to be in bad taste, vulgar, or insulting to human intelligence. The fact that promotional activities educate, encourage a higher standard of living, and enhance a company's image are advantages of promotion.

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

SOURCE: LAP-PR-902—Know Your Options (Types of Promotion)

62. A

Pass on positive information. One of the main functions of a business's public relations activities is to reach external audiences, those groups that are outside of the company. These groups include the local community, government officials, customers, suppliers, creditors, etc. The external audience has a significant impact on the business because customers buy products, government officials enact rules and regulations, and creditors loan money. If the business does not maintain good relations with the external audience by providing positive information, it may have difficulty operating or even fail. Public relations activities are not intended to sell useful products, measure the community response, or compile customer databases.

SOURCE: PR:253 Discuss internal and external audiences for public-relations activities

SOURCE: American Marketing Association. (2024, April 9). *How to find your target audience*. Retrieved October 8, 2025, from <https://www.ama.org/marketing-news/target-audience/>

63. D

Indicate where the product will be sold. Manufacturers often use product grades to determine where they will offer their products for sale. Apparel manufacturers might sell below-standard items through discount outlets rather than through department stores. Standards and grades can also be used to indicate how the product can be used, help salespeople, and indicate product safety, but these uses are not illustrated in this example.

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

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

64. B

Qualitative. When qualitative forecasting methods are used, a business prepares its sales forecasts by asking knowledgeable people to state their opinions or predictions about sales. Many of these individuals have what is called a feel for the marketplace. Their predictions are based on what they have seen happen in the past as well as on current observations of the economy or of the industry. Quantitative methods of forecasting sales are based on the results of gathering and analyzing all kinds of numerical market data. Intermediate and long-term forecasting are time frames for forecasting sales that exceed one year.

SOURCE: MP:013 Explain the nature of sales forecasts

SOURCE: Indeed. (2025, June 6). *What is qualitative forecasting? Definition and methods*. Retrieved October 8, 2025, from <https://www.indeed.com/career-advice/career-development/qualitative-forecasting>

65. D

Channel stuffing. Channel stuffing is a deceptive business practice that involves forcing more products through a distribution channel than can realistically be sold to final consumers. It is used to inflate a company's sales and financial earnings. Because the producer shipped an excessive amount of inventory and booked it as sales, it is using channel stuffing. A monopoly is a type of market structure in which a market is controlled by one supplier, and there are no substitute goods or services readily available. Price discrimination is an illegal activity in which a business charges different customers different prices for the same product. The gray market refers to the legal sale of goods through unauthorized sales channels.

SOURCE: CM:006 Describe ethical considerations in channel management

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

66. D

Family. Family branding is using one brand name for a group of related products in a product line. A private brand is owned by the middleman. An individual brand is a brand in which different brand names are used for products owned by one company. Licensed branding occurs when a brand owner allows another company to use the brand for a fee.

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)

67. B

Can all exist at the same time. By understanding buyers' needs and the factors that motivate their purchases, salespeople can better help their customers. The ERG Theory indicates that needs fall into one of three categories—existence, relatedness, and growth. Similar to Maslow's Hierarchy of Needs Theory, the ERG Theory suggests that needs fall into various levels and that unsatisfied needs serve as motivators. However, the ERG Theory suggests that these unsatisfied needs can exist at the same time, whereas Maslow's theory suggests that only one level of needs can be active at a time. The ERG Theory does not imply that different types of needs have the same level of intensity or that all the needs require immediate fulfillment.

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

SOURCE: Bhasin, H. (2023, June 9). *ERG theory of motivation with its implications*. Retrieved October 8, 2025, from <https://www.marketing91.com/erg-theory-of-motivation/>

68. C

Clear and neutral. Good survey questions should be clear, neutral, balanced, appropriately broad or narrow in scope, etc. Ambiguity is a state of vagueness, double, and uncertainty; effective survey questions are not ambiguous. Effective survey questions are also not universal or complex, as each quality is likely to confuse the respondent and provide unhelpful answers to the survey facilitator.

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

SOURCE: Survey Monkey. (1999-2025). *Survey question types explained: Examples & expert tips*. Retrieved October 8, 2025, from <https://www.surveymonkey.com/mp/survey-question-types/>

69. A

It asks respondents to assess two different topics at the same time. The survey question "How would you rate our customer service and product quality?" is an example of a double-barreled question, which requests a single answer for two different topics (customer service and product quality). It is not an open-ended question, limiting the respondent's answer. The survey question does not insert an opinion or use unfamiliar terminology.

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

SOURCE: Survey Monkey. (1999-2025). *Survey question types explained: Examples & expert tips*. Retrieved October 8, 2025, from <https://www.surveymonkey.com/mp/survey-question-types/>

70. C

Online reservation systems. Online reservation systems enable consumers to purchase travel, tourism, and hospitality products directly from the service provider. By using a variety of computer devices such as phones, laptops, and tablets, consumers can access the hospitality and travel businesses' websites. This technology enables consumers to bypass traditional intermediaries such as travel agents. Router software enables computer devices to access the wireless internet within a certain area. Radio frequency identification (RFID) involves storing an order's product information on a computer chip and then attaching it to the shipment's box, container, or pallet. When a shipment arrives at a business, warehouse personnel use computer scanners to receive the items. An Intranet enables a company's employees to access and share information with others within an organization.

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

SOURCE: Maglione, A. (2024, July 17). *What exactly is an online booking system?* Retrieved October 8, 2025, from <https://www.checkfront.com/blog/what-is-an-online-booking-system/>

71. C

Final consumers. The goal of channels of distribution is to move products from producers to final consumers. Along the way, products may go through channel members known as intermediaries or middlemen. Industrial distributors are a type of intermediary.

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

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

72. D

Sample design. When collecting information, researchers usually select a sample of the target population to contact or include in the study. The design of this sample may lead to errors in the research. Researchers need to make sure the sample they select accurately represents the target population. For example, errors may occur if all those in the sample are 20-year-old males who live in one small city, but the research involves all men between the ages of 18 and 50. Interview location, key summary, and project purpose are not sources of error in the research process.

SOURCE: IM:292 Identify sources of error in a research project (e.g., response errors, interviewer errors, non-response errors, sample design)

SOURCE: Researcher Life. (2023, October 31). *Errors in research: 7 common mistakes to avoid in research projects*. Retrieved October 8, 2025, from <https://researcher.life/blog/article/errors-in-research-7-common-mistakes-to-avoid-in-research-projects/>

73. B

It is a relatively affordable form of marketing. Internet marketing is a popular direct marketing choice because it can be more affordable than other direct marketing methods. It is also more flexible, more targeted, and more responsive than other direct marketing choices. It does not necessarily eliminate the need for other types of marketing. Direct marketing via the internet does not involve face-to-face contact with customers, which is one of the reasons why it is so affordable.

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

SOURCE: Kenton, W. (2025, May 25). *Direct marketing: What it is and how it works*. Retrieved October 8, 2025, from <https://www.investopedia.com/terms/d/direct-marketing.asp>

74. D

Privacy. Businesses often sell lists of their customers to other companies that want to obtain information about consumers' buying preferences, habits, etc. If the businesses that sell the lists do not obtain permission from their customers before releasing their names in a list, they may be acting unethically and violating their customers' right to privacy. Primary ethical considerations associated with selling customer lists do not include publicity, exaggeration, or exclusivity.

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

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

75. D

Producer to consumer. The shortest channel of distribution is when producers or manufacturers sell their products directly to consumers. This is known as a direct channel of distribution. An example of this would be a farmer selling their produce directly to customers at a roadside stand. The other alternatives are all longer indirect channels that involve one or more intermediaries.

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

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

76. B

Self-regulation helps to build trust with customers. Market researchers or market research organizations impose their own regulations that are not legally binding to guide their actions and decision-making. One reason that they do so is to build trust with customers, who will see the self-regulation as a sign that the market researchers care about protecting their privacy. Self-regulation does not necessarily lead to a higher market share. Market researchers cannot overrule governmental regulations with their own self-regulations. Finally, market researchers do not impose self-regulations to limit and control customer influence.

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

SOURCE: International Council for Ad Self-Regulation. (2025). *Advertising self-regulation*. Retrieved October 8, 2025, from <https://icas.global/advertising-self-regulation/>

77. D

To make an occasional exception. Selling policies need to have a bit of flexibility so that an occasional exception can be made. For example, one policy might require customers to have sales receipts when exchanging items. However, a business might make an exception for a regular customer who buys all the time. Not making an exception in this case might offend the regular customer who lost a receipt only once. Selling policies must be interpreted and enforced in a reasonably firm manner. They should not be interpreted differently or randomly enforced. They should not be used to provide special treatment to certain customers.

SOURCE: SE:932 Explain company selling policies

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

78. A

Quantitative. The results of descriptive research are often quantitative or measurable. They are not qualitative, as exploratory research results are (that is, based on thoughts, feelings, or opinions). Since they are measurable, these results are not vague. If the research is conducted correctly, the results should be reliable.

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)

79. C

Community relations. Community relations focuses on developing a business's relationship with the local community, often by organizing events, visiting schools or businesses, giving back to the community, etc. Public affairs, or lobbying, focuses on government and legislative changes. Crisis management is a business's response after a disaster. Employee relations, or internal public relations, involves employee communications and events.

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

SOURCE: Macari, S. (2025, June 9). *8 types of public relations (plus functions and tips)*. Retrieved October 8, 2025, from <https://www.indeed.com/career-advice/finding-a-job/types-public-relations>

80. D

Research industry trends through trade publications. Trade publications provide information on the state of the industry, trends, and news in the field. Being informed about the industry in which a business operates is important when making marketing decisions. The number of site visits is data from digital marketing analytics that provides information about customers and the effectiveness of marketing campaigns, rather than about the external environment. Sales volume analysis is an internal analysis of sales performance and does not provide information about the outside environment. Service call records and product returns are internal sources of data.

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

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

81. A

Represents a larger group. A sampling plan is the course of action for gathering marketing information from a section or portion of a target market. A business gathers data from a portion of the target market because the market is often too large to obtain data from each market member. Therefore, researchers use the sample group's responses to represent the larger group's opinions and ideas. Sampling plans use different methods to select and gather information. The marketing research issue or problem and the way the sample data are collected influence but do not eliminate the respondents' bias and error rates. Observation is a method of collecting primary data, which may or may not be more reliable than other research methods.

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)

82. C

Being able to demonstrate success is essential to obtaining funding or moving forward. Marketing plans allow progress to be tracked in a measurable way, which is often necessary to demonstrate to upper management the need for funding or to continue with marketing efforts. Companies should not necessarily halt all marketing efforts if one strategy is not effective. Though marketing plans allow marketers to gather information about the target market better and to more easily remember goals, these benefits are not specifically linked to tracking the effectiveness of marketing efforts.

SOURCE: MP:007 Explain the nature of marketing plans

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

83. C

Government regulation. A business checking to make sure it is abiding by state and federal laws is an example of a business considering government regulation when setting prices. Government regulation is intended to promote competition and prevent monopolies, affecting marketers' selection of pricing strategies. This is not an example of a business considering competition, costs, or supply and demand when setting prices.

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

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

84. D

A company posts an offer on social media. Digital marketers find ways to promote their products and attract customers digitally—whether that's online, on social media, on their phones, or using another aspect of digital technology. Newspaper coupons, sending fliers in the mail, and TV commercials are all examples of marketing, but not digital marketing.

SOURCE: PD:024 Explain employment opportunities in marketing

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

85. C

An identified want exists. A market opportunity exists when an economic want exists, and there is an idea for a good or service for which people are willing and able to pay to fulfill that want. Market opportunity does not necessarily exist because an entrepreneur brainstorms ideas, or when supply exceeds demand. In addition, the level of productivity does not necessarily affect the level of demand.

SOURCE: PM:134 Identify product opportunities

SOURCE: Perco, A. (2024, January 10). *Market opportunity: Definition, examples, and analysis strategies*. Retrieved October 8, 2025, from <https://www.semrush.com/blog/market-opportunity/>

86. D

Obtain referrals. A referral is a method of prospecting that involves asking for names of individuals who might be interested in the business's products. Customers who have had positive service experiences with the business are more likely to provide the business with referrals. Referrals often lead to more sales and profits for the business. The business's profit margin depends on many factors, including the type of product and the business's objectives. Excellent customer service does not always involve providing rebates or expanding the business's product line.

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)

87. D

Types of products being advertised. Regulations regarding promotion differ throughout the world. When businesses want to promote their products in other countries, they need to be aware of different regulations. One regulatory factor often involves the types of products being advertised. For example, charities may not advertise on TV in the United Kingdom. In France, diet products may not be advertised on TV. The cost of media placement and the price of comparable products are not regulatory factors that affect promotion. Culture is not a regulatory factor; however, culture has an impact on the regulations that affect promotion on an international level.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: Indeed. (2025, June 9). *7 factors in a marketing environment defined and explained*. Retrieved October 8, 2025, from <https://ca.indeed.com/career-advice/career-development/7-factors-in-marketing-environment>

88. C

The brand is often profitable sooner. The costs of promotion to generate and increase demand can increase a firm's expenses, but when a brand is promoted heavily at its introduction, it is often profitable sooner. This means that the introduction stage will be shorter because the brand will move into the acceptance stage more quickly. Promotion is used in positioning, the creation of an image or impression of the brand as compared to those of competitors' brands.

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

SOURCE: Kenton, W. (2025, September 20). *How to build a successful brand identity: Types and strategies*. Retrieved October 8, 2025, from <https://www.investopedia.com/terms/b/brand.asp>

89. A

Arousing curiosity. Ambiguous, unexpected, or provocative headlines are intended to make the reader want to know more. This headline not only attracts attention, but makes the reader want to read the ad to determine what it means. When making a claim, the advertiser may claim that the product is the best. When the advertiser promises a benefit, it is an advantage that can be obtained by the consumer from using the product. Solving a problem helps the reader find a solution to the problem stated in the headline.

SOURCE: PR:014 Explain the components of advertisements

SOURCE: Indeed. (2025, June 6). *19 types of headlines*. Retrieved October 8, 2025, from <https://www.investopedia.com/terms/b/brand.asp>

90. D

Direct mail. The return of response cards and coupons or the volume of telephone calls are evidence of the effectiveness of direct mail promotions. The relationship of ads in newspapers, radio, and TV to sales volume is more difficult to establish. Sales increases through direct mail can be more easily tied to the ad itself.

SOURCE: PR:007 Explain types of advertising media

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

91. B

Services. Services (such as massages, cooking lessons, and internet connections) are intangible products and the customer benefits they offer; they cannot be tasted, felt, seen, heard, or smelled. Services are performed rather than produced. Product lines are groups of related product items. Private labels are labels or brands that belong to the seller and are sold under the chosen name of the seller rather than under the name of the producer. Brand-name products are items that bear the name or symbol of their manufacturers, distributors, or retailers.

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

SOURCE: LAP-PM-001—Serving Up Products (Nature of Product/Service Management)

92. C

Creative-thinking process. A company must continuously work to develop and improve products that consumers want and need, so it can remain competitive in the marketplace. The creative-thinking process is a way to encourage creativity to reveal itself, and it fosters the ability to generate unique ideas. Brainstorming is a technique that stimulates creative thinking, and companies often use brainstorming when they generate product ideas. Feasibility studies, screening, and marketing testing are product development activities that occur after the company generates product ideas.

SOURCE: PM:128 Generate product ideas

SOURCE: Fox, R. J. (2024, February 14). *The importance of the creative process in advertising: Stages and marketing strategies*. Retrieved October 8, 2025, from <https://bemowqli.com/strategy/creative-process-in-advertising-and-marketing-strategies-2023/>

93. C

To change promotions. Marketing information is all the marketing-related data available from inside and outside the business. These data include information about customers, the social and economic environment, and developing trends. Businesses use the marketing information to change and improve promotions that will appeal to customers and bring them into the business. For example, if marketing data indicated that customers were becoming more cost-conscious, a business might develop a promotional campaign based on low prices and value for the dollar. Businesses do not use marketing information to purchase brands, monitor customers, or handle objections.

SOURCE: IM:012 Describe the need for marketing data

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

94. C

Move the items from receiving directly to the sales floor. The Universal Product Code (UPC) label is encoded with product information such as price, brand, size, etc., to be read by an electronic scanner. Technology allows manufacturers to preprint this data on packages before shipping them to businesses. The preprinted data simplifies the price-marking function because the business does not need to mark a price on each product. As a result, the business is able to move the items from the receiving area directly to the sales floor without spending time marking prices on each item. Having products preprinted with UPC labels does not enable businesses to buy the products at a reduced rate, eliminate the need to examine each item upon delivery, or order only enough products for a short time.

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

SOURCE: The Global Language of Business. (2025). *What is a UPC code?* Retrieved October 8, 2025, from <https://www.gs1us.org/upcs-barcodes-prefixes/guide-to-upcs>

95. C

Consumer trends. A marketing information management system can help businesses discover new or expanded markets and use them. The system can gather and analyze information about consumer trends, target markets, changes in the environment, changing events, and the effects of these factors on consumers. A characteristic of useful marketing data is that it should be up-to-date. Historical data, therefore, would not usually be gathered. Employee absences are a management, rather than a marketing, consideration.

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)

96. C

Buy item Y and receive service W free for six months. Product bundling involves combining goods and/or services and offering them to customers as one product for a lower price than if the customers were to buy all of the products individually. Often, businesses bundle new products with existing products in order to create interest in the new product. A business that provides a free service for a certain amount of time hopes that the customer gets used to having the service and will pay to continue receiving the service once the free offer expires. Businesses may use rebates, invoice discounts, and coupons in conjunction with product-bundle strategies.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Dopson, E. (2024). *What is product branding? Steps and examples.* Retrieved October 8, 2025, from <https://www.shopify.com/retail/product-branding>

97. C

Supports the selling function. Many businesses develop websites that contain a variety of information that is useful to customers, such as information about products and pricing. Many sites also make it possible for customers to place orders online. The advantage of posting this type of information is that it supports the selling function and allows the business to be accessible to customers throughout the world at all times. By accessing the company's website, customers can review the products and/or buy even when the physical facility is closed. This often leads to increased sales because customers can buy at their convenience or obtain the information they need before meeting with a salesperson. Simply posting information on a website does not generate a customer list or identify a target market. However, a business can use tracking software to obtain information about individuals who visit the website. Posting information on a website does not necessarily create a positive image.

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

SOURCE: McMullen, L. (2025, February 19). *13 places to sell stuff online.* Retrieved October 8, 2025, from <https://www.nerdwallet.com/article/finance/where-to-sell-stuff-online>

98. D

Prepare advertising for clients. An advertising agency is an independent service business that specializes in preparing advertising and other types of promotion and providing related services. Its clients may be individuals, organizations, or businesses. Agencies charge commissions, markups, or fees for all of their services. They may operate within a specific geographic area, or they may have clients in all parts of the world. Agencies do not train advertisers.

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

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

99. B

Vertical. Vertical conflict occurs among different levels of the same channel of distribution, such as between a manufacturer and its authorized retailers. If a manufacturer begins to allow retailers other than those currently authorized to sell the brand-name products, the retailers may become upset because others now have the same products. Expanding the number of outlets for the products may be good for the manufacturer, but detrimental to the retailers because they will have more competition. Horizontal conflict occurs among businesses at the same channel level, such as between the authorized businesses in the same city. Contractual and industrial are not types of channel conflict.

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

SOURCE: Mack, S. (2025). *Horizontal & vertical marketing conflicts*. Retrieved October 8, 2025, from <https://smallbusiness.chron.com/horizontal-vertical-marketing-conflicts-65325.html>

100. B

You cannot help your teammates. Relay brainstorming resembles a relay race. It involves multiple individuals from competing teams responding in a certain order with no assistance from teammates.

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

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