



SAMPLE EXAM

MARKETING CAREER CLUSTER

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

APPAREL AND ACCESSORIES MARKETING SERIES **AAM**

AUTOMOTIVE SERVICES MARKETING SERIES **ASM**

BUSINESS SERVICES MARKETING SERIES **BSM**

BUYING AND MERCHANDISING TEAM DECISION MAKING **BTDM**

FOOD MARKETING SERIES **FMS**

INTEGRATED MARKETING CAMPAIGN-EVENT **IMCE**

INTEGRATED MARKETING CAMPAIGN-PRODUCT **IMCP**

INTEGRATED MARKETING CAMPAIGN-SERVICE **IMCS**

MARKETING COMMUNICATIONS SERIES **MCS**

MARKETING MANAGEMENT TEAM DECISION MAKING **MTDM**

PROFESSIONAL SELLING **PSE**

RETAIL MERCHANDISING SERIES **RMS**

SPORTS AND ENTERTAINMENT MARKETING SERIES **SEM**

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

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

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1. When writing a persuasive business message, you should remember to
 - A. communicate your personal goals.
 - B. open the message with a meaningful quote.
 - C. place the least important information at the beginning.
 - D. describe the benefits to the audience.

2. Which of the following is an example of a legal issue associated with information management:
 - A. Quality assurance
 - B. Customer privacy
 - C. Employee training
 - D. Company reputation

3. Allowing customers to voluntarily provide their own information in customer relationship management programs is beneficial in which of the following ways:
 - A. It enables the sales department to prioritize sales leads.
 - B. It enables customers to offer suggestions for new services.
 - C. It enables the marketing department to tailor ads to those customers.
 - D. It enables customers to feel that the business is in control of their information.

4. Which of the following areas of management and administration is often referred to as "support staff":
 - A. Human resource management
 - B. Business information management
 - C. General management
 - D. Administrative services

5. How can a consumer typically determine the best interest rates for personal savings accounts and personal loans?
 - A. Contact a brokerage firm to get advice.
 - B. Evaluate commercial banks' requirements and rates.
 - C. Evaluate rates offered by uninsured online banks.
 - D. Evaluate credit union requirements and rates.

6. Is it ever appropriate for an individual looking for a job to send a cover letter to a business that has not advertised a job opening?
 - A. No; the business will discard the letter if it has no openings.
 - B. Yes; the worker should write to each business in the industry.
 - C. Yes; the worker can write if they have heard about a job opening.
 - D. No; a letter is used only in response to job advertisements.

7. When you are able to respect and appreciate other people's unique viewpoints, you can
 - A. have constructive dialogue with others.
 - B. take on more responsibility at work.
 - C. work more efficiently at your job.
 - D. expect people to take advantage of you.

8. The human resources manager sends an email to all employees stating that they will need to park on the street on Tuesday because the maintenance department will be repairing the company's parking lot. This is an example of a(n)
- A. formal inquiry.
 - B. projection report.
 - C. informational message.
 - D. business proposal.
9. When using an online search engine to obtain business information, employees should enter _____ in the search engine's _____ field.
- A. keywords; query
 - B. ordinary slang; subject
 - C. vague terms; reply
 - D. general phrases; answer
10. What requirement of a legally enforceable contract requires that both of the parties who are entering into the contract are sane, sober, and of legal age?
- A. Capacity
 - B. Genuineness of assent
 - C. Consideration
 - D. Legality of purpose
11. A business that produces products for which there is a steady, predictable demand for large quantities is most likely to use which of the following production processes:
- A. Batch
 - B. Unit
 - C. Intermittent
 - D. Continuous
12. Annie recently started a new business. When selecting employees, she chose the applicants she knew personally rather than the individuals she had never met before. This is an example of
- A. objectivity.
 - B. nepotism.
 - C. puffery.
 - D. fairness.
13. A restaurant has guidelines outlining how frequently employees should wash their hands and how often they should wipe down tables. These guidelines are examples of
- A. policies.
 - B. protocols.
 - C. precedents.
 - D. procedures.

14. Before leaving for the night, employees of Double Scoop Ice Cream Shop are required to clean the counters, sweep the floor, and move leftover ice cream to overnight freezers. This closing process is an example of a(n)
- A. procedure.
 - B. policy.
 - C. agreement.
 - D. contract.
15. Which of the following statements is true of diversity:
- A. Diversity applies only to minorities.
 - B. In group settings, diversity increases creativity and innovation.
 - C. Diversity in the workplace is decreasing.
 - D. Valuing diversity means ignoring or minimizing differences.
16. A primary reason that governments regulate the ways in which businesses must report financial data is to
- A. reduce taxes.
 - B. stimulate market growth.
 - C. ensure transparency.
 - D. eliminate mistakes.
17. Iliana is running a charity raffle for her church, and she determines that she needs a roll of 200 tickets. What should she do next?
- A. See if the church already has tickets available.
 - B. Buy the roll of tickets online.
 - C. Come up with an alternative to using tickets.
 - D. Estimate the costs of the raffle.
18. Which of the following activities consumes most of a retail buyer's time:
- A. Promotion
 - B. Merchandise pricing
 - C. Merchandise selection
 - D. Sales force management
19. Which approach to fairness includes treating others how they deserve to be treated according to an ethical understanding of what is right?
- A. Empathy
 - B. Equality
 - C. Consistency
 - D. Justice
20. When developing a presentation, it is important that each slide contain
- A. colorful graphics.
 - B. numerical data.
 - C. creative transitions.
 - D. key points.

21. Luke is writing a complex report that will be submitted to the company's board of directors. He has collected relevant information that he would like to provide to the audience—information that is not necessary to include in the body of the report. In what section of the report should Luke include this supplemental information?
- A. Appendix
 - B. Table of contents
 - C. Executive summary
 - D. Bibliography
22. Which of the following statements best describes the difference between an occupation and a career:
- A. Your occupation is your lifelong work journey, whereas your career is a short-term job.
 - B. Occupation is a broad term that describes the field you work in, whereas your career is your lifelong work journey.
 - C. Occupations generally bring you a sense of satisfaction or accomplishment, whereas careers are generally just for a paycheck.
 - D. An occupation is a short-term work endeavor, whereas a career is a long-term work endeavor.
23. Fellow employees come back from lunch late consistently, forcing you to cover their responsibilities. Which of the following is an example of using assertiveness to handle this problem:
- A. Reporting the problem to a supervisor
 - B. Applying for a different job
 - C. Ignoring the problem
 - D. Confronting the coworkers about the problem
24. One reason why creditors review a business's income statement is to decide if the business will be able to
- A. develop new products.
 - B. repay a loan.
 - C. increase staff.
 - D. expand operations.
25. Companies that implement a clear chain of command often experience a _____ workflow with less
- A. smoother; communication.
 - B. more flexible; redundancy.
 - C. smoother; redundancy.
 - D. more flexible; communication.
26. One way that businesses can reduce the risk of credit card fraud at the point of sale is by
- A. establishing credit limits for card usage.
 - B. verifying the cardholder's identification.
 - C. reviewing sales receipts during closing procedures.
 - D. conducting a financial audit.
27. The migration of people from one location to another that affects the types of products that businesses sell is an example of a
- A. population trend.
 - B. social lifestyle.
 - C. geography issue.
 - D. transportation route.

28. A business's ethics determine whether an action is acceptable for that business, especially if the action
- A. contributes to the business's profitability.
 - B. has a negative impact on others.
 - C. is illegal.
 - D. affects the environment.
29. What is the most important piece of information that a cash flow statement provides?
- A. Amount of money expected
 - B. Beginning of tax year
 - C. Cost of maintenance
 - D. Statistics from industry
30. As a team leader, taking responsibility for your team's success or failure in achieving the vision is part of
- A. being an example.
 - B. being a good listener.
 - C. establishing good working relationships.
 - D. being enthusiastic.
31. Making required textbooks available at a campus bookstore is an example of creating _____ utility.
- A. time
 - B. form
 - C. place
 - D. possession
32. A country can often produce goods more cheaply than other nations because it
- A. places limits on its imports.
 - B. has easy access to raw materials.
 - C. possesses a very high standard of living.
 - D. is not subject to tariffs and quotas.
33. Which of the following factors have provided businesses with more opportunities to buy and sell products at the international level:
- A. Language barriers
 - B. Strict safety standards
 - C. Free trade agreements
 - D. Protectionism
34. Monitoring your progress is an important step in improving self-control because it allows you to
- A. adjust your efforts if necessary.
 - B. set new goals.
 - C. identify a target behavior.
 - D. change your environment.

35. Which of the following levels of managers spend most of their time staffing, directing, and controlling the day-to-day activities of the business:
- A. Mid-level
 - B. Executive
 - C. First-line
 - D. Regional
36. When Emily posts an advertisement for a job opening on an employment website, she is using technology for _____ purposes.
- A. performance-management
 - B. training
 - C. selection
 - D. recruitment
37. A business that fails to protect its employees from unnecessary risk or health hazards on the job may be sued for
- A. negligence.
 - B. incompetence.
 - C. libel.
 - D. misrepresentation.
38. What is one of the reasons that economic systems are necessary?
- A. Products are expensive.
 - B. Governments are unstable.
 - C. People are interdependent.
 - D. Resources are unlimited.
39. Ashley owns a small hardware shop. Every month, she reviews her inventory lists to see which products are popular and which are not. Using this information, Ashley is able to order the appropriate amount of each product for her store. This is an example of the importance of
- A. stocking a diverse array of products.
 - B. monitoring internal records.
 - C. over-purchasing certain products.
 - D. ignoring inventory when ordering.
40. Which of the following is a disadvantage of consensus building:
- A. Discussing different points of view
 - B. Encouraging unnecessary compromise
 - C. Relying on group members' persuasive skills
 - D. Making each person speak in front of the group

41. Marley is working with a group member who's explaining her part of a project. Marley wants to make sure her group member knows she's listening, so she says things like, "I see," "uh-huh," and "I understand." Which active listening skill is Marley demonstrating?
- A. Using a verbal acknowledgment response
 - B. Repeating critical information
 - C. Collecting all the information possible
 - D. Paraphrasing the message to test her understanding
42. Tallulah's coworkers describe her as adaptable, cooperative, enthusiastic, and optimistic. When she comes across a problem at work, Tallulah figures out how to solve it without being asked. In other words, Tallulah shows
- A. initiative.
 - B. respect.
 - C. aggressiveness.
 - D. empathy.
43. It is difficult to make decisions that can cause you harm, which is why financial professionals often act unethically due to
- A. loss aversion.
 - B. sunk costs.
 - C. conformity.
 - D. self-interest.
44. Sales commissions are a _____ expense.
- A. fixed
 - B. variable
 - C. one-time
 - D. capital
45. What should you do if a customer is being difficult or demanding?
- A. Tell the customer that their attitude is inappropriate.
 - B. Promise to give the customer a significant discount.
 - C. Continue to treat them with courtesy and respect.
 - D. Ignore them and focus on another customer.
46. Emma is reviewing the sales budget in relation to the actual sales generated for a set time frame. How is Emma using financial information in this situation?
- A. To analyze the impact of aging accounts
 - B. To compare estimated performance with actual performance
 - C. To establish new quality standards and benchmarks
 - D. To identify external economic trends
47. Marketing is described as creating
- A. gaps.
 - B. exchanges.
 - C. advertisements.
 - D. needs.

48. As an employee, you should accept your supervisor's suggestions for improvement and then
- A. forget the suggestions.
 - B. change your behavior.
 - C. go your own way.
 - D. complain to your coworkers.
49. The employees of the DER corporation have personally helped establish quality control guidelines to follow when serving customers. When problems occur, they discuss ways to further improve customer service with their supervisors. What type of quality control strategy is the DER corporation using?
- A. Feedback control
 - B. External control
 - C. Concurrent control
 - D. Internal control
50. Which of the following is an advantage of opening a franchise:
- A. Paying royalties
 - B. Reliance on raw materials
 - C. Restrictions on products, prices, and location
 - D. A well-known brand name
51. What type of planned obsolescence is generally considered socially and economically desirable because the replacement product offers more benefits or a lower cost?
- A. Technological
 - B. Style
 - C. Psychological
 - D. Fashion
52. Which of the following is an element of an effective survey:
- A. An explanation of its purpose
 - B. A long set of instructions
 - C. Biased questions
 - D. Vague questions
53. A company's strategy, culture, and communication combine to form brand
- A. identity.
 - B. touchpoints.
 - C. promise.
 - D. cues.
54. Naomi uses quality market research methods, is open about those methods, and backs up the research with transparent, objective analysis. Naomi is establishing
- A. privacy.
 - B. credibility.
 - C. competition.
 - D. adaptability.

55. Which of the following is the most common distribution channel for consumer goods:
- A. Producer to ultimate consumer to agent to retailer
 - B. Producer to wholesaler to retailer to ultimate consumer
 - C. Wholesaler to producer to retailer to ultimate consumer
 - D. Retailer to agent to ultimate consumer to producer
56. A business's expense reports and cash-register receipts are sources of _____ research data.
- A. internal, quantitative
 - B. external, quantitative
 - C. elementary, qualitative
 - D. organic, qualitative
57. During the first year that Rick owned his new car, the vehicle seemed to spend more time in the repair shop than it did on the road. Rick contacted the auto manufacturer and demanded his money back because the car seemed to be defective, but the manufacturer refused. A member of the Better Business Bureau agreed to act as an impartial third party in the dispute. The BBB member studied the facts of the case, determined that the car was indeed defective, and decided how much money the carmaker would be required to refund to Rick. This is an example of
- A. automation.
 - B. attrition.
 - C. arbitration.
 - D. arbitron.
58. What are businesses often able to do if they have a narrow product mix?
- A. To industrialize
 - B. To generalize
 - C. To specialize
 - D. To cannibalize
59. Which of the following is the type of branding that differentiates an organization from its competitors:
- A. Corporate
 - B. Product
 - C. Universal
 - D. Loyalty
60. During the decline stage, a company may choose to discontinue a product and sell off the remaining inventory in a process known as
- A. a super sale.
 - B. penetration pricing.
 - C. foreclosure.
 - D. liquidation.

61. A disadvantage to businesses that use email as a direct-mail strategy is that recipients may not get the message because many computers have
- A. invalid home addresses.
 - B. spam filters.
 - C. promotion controls.
 - D. reply options.
62. Which of the following is the main internal audience for public relations activities:
- A. Suppliers
 - B. Employees
 - C. Labor unions
 - D. Community leaders
63. Qualitative marketing data are valuable, but they can be limited because
- A. the data do not provide enough detail.
 - B. the data are objective rather than subjective.
 - C. the data usually only include a small portion of the target market.
 - D. participants' responses are constrained by limited options.
64. A pricing tactic used by some businesses that might be unethical is one that
- A. confuses customers.
 - B. advertises discounts.
 - C. offers rebates.
 - D. is competitive.
65. Which of the following is an aspect of coordinating the distribution of a product with other marketing activities:
- A. Setting an appropriate price
 - B. Analyzing customer satisfaction
 - C. Developing an operating budget
 - D. Recruiting qualified personnel
66. Providing favorable adjustment and return policies is one way that a _____ builds clientele.
- A. business
 - B. society
 - C. coalition
 - D. salesperson
67. A company's managers ask themselves, "Why is our market share dropping?" This is an example of a _____-oriented decision problem.
- A. discovery
 - B. strategy
 - C. situation
 - D. research

68. Which of the following might a salesperson rely on to obtain firsthand product knowledge:
- A. Customer opinion
 - B. Vendor information
 - C. Personal experience
 - D. Government reports
69. What type of promotional media is a business using when it sends out a postcard telling customers who recently purchased products that the business is adding a new line of products?
- A. Direct mail
 - B. Participative
 - C. Sales letter
 - D. Persuasive
70. One of the customer benefits of warranties and guarantees is the right to
- A. free training.
 - B. legal recourse.
 - C. lower prices.
 - D. personalized service.
71. One way that businesses use environmental monitoring in the marketing planning process is to
- A. obtain information about natural resources.
 - B. identify changes that might be opportunities.
 - C. locate health-conscious consumers.
 - D. review the safety status of physical facilities.
72. When marketers are developing the product element of the marketing mix, which of the following factors should they consider:
- A. When messages should be delivered
 - B. How to raise a product's value
 - C. Which brands should be used
 - D. How much of the product to order
73. Ryan works in marketing at a telecommunications company. His current assignment involves conducting research on customers' TV viewing preferences. He designs a survey to send to customers in the mail, holds a focus group to learn more about his customers' television activity, and recruits participants for a formal study using an in-home data tracking device. Ryan is displaying which of the following good research practices:
- A. Using multiple types of research methods
 - B. Defining and articulating a research question
 - C. Reevaluating the research question as needed
 - D. Engaging in research planning before starting
74. Six Thinking Hats is a creative-thinking technique that stimulates idea generation by
- A. categorizing information.
 - B. assigning each group member a different job.
 - C. playing the devil's advocate.
 - D. providing positive feedback.

75. Marketers can gain an understanding of how customers behave by studying
- A. physiology.
 - B. psychology.
 - C. geography.
 - D. demography.
76. Reaching closure is the phase in the selling process when salespeople often need to
- A. identify customer reactions.
 - B. sell product benefits.
 - C. answer remaining objections.
 - D. determine buying needs.
77. A large firm conducts a series of focus groups to determine if it should release a new product. What should the firm do with the data resulting from the focus groups?
- A. Use the data to make generalizations.
 - B. Analyze data with statistics.
 - C. Act immediately on the data.
 - D. Identify problems with the new product.
78. Barney's Computers advertises that the company provides delivery and instruction to purchasers of computer packages. Barney's is offering _____ services.
- A. design
 - B. pure
 - C. product-screening
 - D. product-related
79. Which of the following is a benefit of using technology in channel management:
- A. It eliminates the need for employees.
 - B. It increases delivery times.
 - C. It increases efficiency.
 - D. It decreases the accuracy of orders.
80. With a high level of selling ethics, you would typically ask which of the following questions in an ethical situation:
- A. What is the right thing to do?
 - B. What is required of me?
 - C. What can I get away with?
 - D. What would others advise?
81. When a channel member has the means to provide certain financial incentives to cooperative intermediaries in the supply chain, the channel member is exerting its power through
- A. a reward system.
 - B. sanctions and tariffs.
 - C. tying agreements.
 - D. its expertise.

82. Leena reviews Remy's advertisement draft and notes that it looks too cluttered and busy. "Customers would feel overwhelmed looking at this!" she explains. How should Remy revise his advertisement?
- A. Decrease the margins.
 - B. Decrease the font size.
 - C. Add white space.
 - D. Add more images.
83. When a business lowered its prices during a bad economic time, it demonstrated _____ pricing.
- A. realistic
 - B. exchange
 - C. competitive
 - D. flexible
84. The owner of Doxie Dog Rescue wrote an article about the organization's latest fundraising campaign and emailed it to three local newspapers. She hopes that at least one of the three papers will run the article for free in their publication. Doxie Dog's owner is using a _____ to promote her organization's activities.
- A. editorial
 - B. press kit
 - C. matte release
 - D. letter to the editor
85. What is the primary goal of corporate promotion?
- A. To explain a specific feature
 - B. To create a certain image
 - C. To publicize a service
 - D. To sell a product
86. When Jamie develops a questionnaire, she places very broad questions at the beginning of the questionnaire and progressively includes questions that are narrower in scope toward the end of it. What sequencing format is Jamie using to develop the questionnaire?
- A. Branching
 - B. Funnel
 - C. Bridging
 - D. Remote
87. A characteristic of product bundling is that a business sells several products together for a(n)
- A. higher interest rate.
 - B. higher profit margin.
 - C. reduced price.
 - D. unlimited time.
88. A business might be involved in the illegal activity of deceptive pricing if it
- A. misleads customers about the true value of a product.
 - B. changes prices according to current demand.
 - C. offers special prices on a discontinued item.
 - D. sells products at a limited number of predetermined price points.

89. The Calisto Cafe franchise calculated how many times its new menu item sold. What type of research data did the company collect?
- A. Quantitative
 - B. Qualitative
 - C. Descriptive
 - D. Exploratory
90. An electronic data interchange (EDI) system facilitates a company's ability to
- A. test product quality.
 - B. manage product availability.
 - C. improve product durability.
 - D. develop new products.
91. Traits of successful salespeople include self-motivation, persistence, and
- A. impatience.
 - B. self-confidence.
 - C. insecurity.
 - D. selective listening skills.
92. Which of the following is a benefit to consumers of promotion:
- A. Building a clientele
 - B. Creating a specific image
 - C. Increasing sales of products
 - D. Learning new ways to use products
93. Which of the following is an example of salespeople using customer service to facilitate sales relationships:
- A. Following up only when necessary
 - B. Sending information about competitors
 - C. Responding to complaints promptly
 - D. Recommending expensive new products
94. What do advertising regulations usually require businesses to disclose about the products they advertise?
- A. Hidden features
 - B. Endorsements
 - C. Limitations
 - D. Personal benefits
95. Effective marketing-research projects have certain specific characteristics that apply to all research regardless of scope or complexity. Two characteristics of effective marketing research are
- A. thorough and debatable.
 - B. systematic and timely.
 - C. objective and superficial.
 - D. accurate and incomprehensive.

96. A company features an ad of a man doing common household tasks like washing the dishes and doing laundry. What recommended ethical promotion practice is demonstrated in this commercial?
- A. Avoid stereotypes and sexism.
 - B. Consider social responsibility.
 - C. Handle customer information responsibly.
 - D. Exaggerate product benefits.
97. What activity involves transforming facts and figures into a useful format?
- A. Data processing
 - B. Information gathering
 - C. Data mining
 - D. Information reporting
98. One of the purposes of the situational analysis component of a marketing plan is to determine a business's
- A. operating objectives.
 - B. distribution channels.
 - C. expansion options.
 - D. current weaknesses.
99. A maker of detergents, soaps, and cleaning supplies divides its market according to consumers' response to the company's products. This business is using _____ segmentation.
- A. demographic
 - B. behavioral
 - C. psychographic
 - D. geographic
100. A minor league sports team displays the logo of a local business on its jerseys in exchange for sponsorship money. This collaboration is an example of a(n)
- A. public relations campaign.
 - B. customer support network.
 - C. supply chain.
 - D. affinity partnership.

1. D

Describe the benefits to the audience. The primary goal of a persuasive message is to influence behavior. Influencing others involves communicating benefits of taking action. The readers are more likely to respond favorably to the message if they know how the action will impact or help them. Communicating benefits is a central element to all types of persuasive messages. The beginning of the message should catch the readers' attention and encourage them to read more. Depending on the type of message, this might involve a quote. The message should be concise, so it should not contain unimportant information. The message should be written to communicate the business's goals rather than personal ones.

SOURCE: CO:031 Write persuasive messages

SOURCE: Williams, E. (2025). *Effective persuasive communication*. Retrieved August 11, 2025, from <https://smallbusiness.chron.com/effective-persuasive-communication-56248.html>

2. B

Customer privacy. Most governments have regulations regarding the privacy rights of customers. For example, a law may state that companies may not give out the personal information of customers unless they receive permission. This is an example of a legal issue associated with information management. Company reputation, quality assurance, and employee training are not necessarily legal issues related to information management.

SOURCE: NF:076 Explain legal issues associated with information management

SOURCE: Gillis, A.S. (2023, August 8). *Consumer privacy (Customer privacy)*. Retrieved August 11, 2025, from <https://www.techtarget.com/searchdatamanagement/definition/consumer-privacy>

3. B

It enables customers to offer suggestions for new services. Businesses benefit from feedback and new ideas when customers voluntarily offer suggestions for new services. Allowing customers to voluntarily provide their own information does not directly benefit the sales or marketing departments. Customers voluntarily providing their own information allows the customers to feel they are the ones in control of their information, not the business.

SOURCE: CR:016 Discuss the nature of customer relationship management

SOURCE: LAP-CR-016—Know When to Hold 'Em (Nature of Customer Relationship Management)

4. D

Administrative services. Employees working in administrative services facilitate business operations through a variety of administrative and clerical duties, including information and communication management, data processing and collection, and project tracking. These positions are often referred to as support staff positions. Business information technology employees help to align business and IT goals. Careers in general management focus on planning, organizing, directing, and evaluating part or all of a business organization through the allocation and use of financial, human, and material resources. Human resource management careers focus on the staffing activities that involve planning, recruitment, selection, orientation, training, performance appraisal, compensation, and safety of employees.

SOURCE: PD:025 Explain employment opportunities in business

SOURCE: LAP-PD-025—Go For It! (Careers in Business)

5. D

Evaluate credit union requirements and rates. Credit unions typically provide the highest interest rates on savings accounts and the lowest interest rates on loans. Commercial banks typically do not offer consumers the beneficial interest rates that credit unions can provide. Uninsured online banks sometimes offer better rates, but they also carry more risk. Brokerage firms buy and sell different types of securities and do not typically provide information about interest rates offered by banking institutions.

SOURCE: FI:075 Describe types of financial-services providers

SOURCE: Webber, M.R. (2024, September 13). *How does a credit union personal loan work?* Retrieved August 11, 2025, from <https://www.investopedia.com/how-does-a-credit-union-personal-loan-work-7562084>

6. C

Yes; the worker can write if they have heard about a job opening. In some cases, a worker looking for a job will hear about a job opening from a source other than a job advertisement. It is acceptable for the worker to write a letter stating that they have heard of an opening and ask to be considered for the position. In some cases, this results in an interview and a job. Most companies do not discard such letters but keep them on file in case of future need. It would not be appropriate or practical to send letters to all businesses in the industry.

SOURCE: PD:030 Write a cover letter

SOURCE: Indeed. (2025, July 26). *Why should you send a cover letter to an employer?* Retrieved August 11, 2025, from <https://www.indeed.com/career-advice/resumes-cover-letters/what-is-the-point-of-a-cover-letter>

7. A

Have constructive dialogue with others. An important component of effective communication is respect. When you are able to respect and appreciate other people's unique viewpoints, you can have constructive dialogue with people of all backgrounds. Being able to respect and appreciate other people's unique viewpoints does not necessarily allow you to take on more responsibility at work; however, the ability to handle diverse viewpoints is a valuable skill that can make you an attractive job applicant. Your ability to work efficiently is not related to your ability to appreciate other viewpoints. People will not take advantage of you when you respect and appreciate their opinions. Rather, they will most likely return the favor and respect and appreciate your own opinions.

SOURCE: EI:136 Consider conflicting viewpoints

SOURCE: LAP-EI-136—Pick a Side (Considering Conflicting Viewpoints)

8. C

Informational message. Communicating information involves providing others with facts. In the example, the human resources manager is informing the company's employees about an issue with the company's parking lot. The human resources manager is not writing a projection report, business proposal, or formal inquiry.

SOURCE: CO:039 Write informational messages

SOURCE: Indeed. (2025, July 24). *8 examples of business writing.* Retrieved August 11, 2025, from <https://www.indeed.com/career-advice/career-development/examples-of-business-writing>

9. A

Keywords, query. A search engine is a software program that automatically crawls the web looking for information pertaining to specified search terms and then displays a list of results. To conduct an online search, the employee enters specific or keywords (terms, phrases, slang) that pertain to the topic of interest into the query field and clicks on the search button. The search will provide results that include the keywords in the description. The words entered into the query field should be specific enough to generate desired results. For example, entering the term, "Washington," will likely generate responses about the U.S. state, the U.S. capitol, and the first U.S. president. If the researcher wanted information about manufacturers in Washington state, entering the words "Washington state manufacturers" into the query field would more likely provide the desired results; therefore, the more specific the keywords, the more applicable the results. The field in which a person enters keywords is not called a reply, answer, or subject field. Slang may or may not be a keyword.

SOURCE: NF:006 Demonstrate basic web-search skills

SOURCE: Google. (2025). *Search on Google*. Retrieved August 11, 2025, from <https://support.google.com/websearch/answer/134479?hl=en>

10. A

Capacity. Certain conditions must be met for a contract to be legally enforceable. Capacity involves having the mental and cognitive ability to make and understand the agreement and the consequences of their actions. If one party is a child or is found to be mentally challenged or impaired, the contract is invalid and unenforceable. Consideration means that the agreement must include something of value that both parties bargain for. Genuineness of assent means that all parties know what they are agreeing to. Legality of purpose means that the agreement must not violate any laws.

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

SOURCE: Stim, R. (2022, April 4). *Who lacks the capacity to contract?* Retrieved August 11, 2025, from <https://www.nolo.com/legal-encyclopedia/lack-capacity-to-contract-32647.html>

11. D

Continuous. A continuous production process is one that turns out products without stopping. The process is used by businesses that make such products as soft drinks that are in steady demand by consumers and can be held in stock as necessary. An intermittent production system is shut down from time to time for various reasons, such as a decline in demand or an oversupply of stock. A batch production process produces specific quantities of a product as needed (e.g., restaurant entrees). A unit production process focuses on producing one or a few products at a time.

SOURCE: OP:017 Explain the concept of production

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

12. B

Nepotism. Nepotism is the practice of using one's power or influence to benefit one's friends or relatives. Choosing your friends and family members for a job, like Annie did, is an example of nepotism in action. This is not an example of fairness or objectivity; rather, it is an example of unfairness and subjectivity. Puffery involves making an unsubstantiated claim for personal gain, such as overstating a business's year-one profits to attract potential investors. Puffery is not demonstrated in this example.

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

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

13. A

Policies. A policy is any guideline explaining how employees are to act. For example, a restaurant may have a strict policy regarding employee hygiene. The policy might outline how frequently employees should wash their hands and how often they should wipe down tables. A procedure, on the other hand, is a step-by-step process that employees must follow while performing a specific task. "Protocol" is often used to describe an organization's overall set of guidelines rather than a specific rule. A precedent is an earlier event used as an example for subsequent action.

SOURCE: PD:250 Adhere to company protocols and policies

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

14. A

Procedure. A procedure is a step-by-step process that personnel must follow in performing a specific task. Procedures and policies are similar but not the same. Procedures outline step-by-step processes, while policies are more general. A policy is any guideline that explains how employees are to act. The closing process of Double Scoop Ice Cream Shop is an example of a procedure, not a policy, contract, or agreement.

SOURCE: CO:057 Analyze company resources to ascertain policies and procedures

SOURCE: PowerDMS. (2025, June 10). *What is a policy vs. a procedure?* Retrieved August 11, 2025, from <https://www.powerdms.com/policy-learning-center/what-is-a-policy-vs.-a-procedure>

15. B

In group settings, diversity increases creativity and innovation. Diversity brings different views, experiences, and strengths to the table. This is invaluable in a group setting. Think of it this way: If you fill a brainstorming session with people who are exactly like you, you won't get any new ideas. However, if you find people who have different backgrounds and experiences, they will likely have solutions you might not have thought of. Diversity doesn't just apply to minorities, and it doesn't refer only to race or ethnicity. Diversity includes everyone, which is why it's so important to learn to value diversity. Although some people think that valuing diversity means ignoring or minimizing differences, that's not the case. Instead, we should openly acknowledge differences and see them as assets, not problems. Diversity in the workplace is actually greatly increasing. A few decades ago, the workforce consisted predominantly of white men. Today, white men make up a much smaller portion of the workforce in the United States than before. That's why employees who value diversity are in high demand, and companies without them will find it difficult to succeed.

SOURCE: EI:033 Exhibit cultural sensitivity

SOURCE: LAP-EI-033—Getting To Know You (Cultural Sensitivity)

16. C

Ensure transparency. Governments require businesses to provide certain types of financial information to regulatory agencies and shareholders. The accounting function collects and records the financial information in the appropriate format. Transparency involves fully disclosing the required information so it is understandable to the intended audience. Governments do not regulate the ways in which businesses report financial data to reduce taxes or stimulate market growth. The consequences of incorrect information (e.g., fines) may reduce the risk of mistakes on the report, but the risk of mistakes cannot be eliminated.

SOURCE: FI:353 Explain legal considerations for accounting

SOURCE: OneAdvanced PR. (2022, May 17). *The importance of financial transparency.* Retrieved August 14, 2025, from <https://www.oneadvanced.com/resources/the-importance-of-financial-transparency/>

17. A

See if the church already has tickets available. After determining the specifications of the tangible resources she needs, Iliana should then determine what resources she already has. She should not buy the tickets online or come up with an alternative to using tickets before checking to see if the church already has the tickets available. Finally, estimating the costs of the raffle is not the next step to take after determining the specifications of needed tangible resources.

SOURCE: OP:003 Identify resources needed for project

SOURCE: LAP-OP-003—Get What You Need (Identifying Project Resources)

18. C

Merchandise selection. Selection of merchandise includes identifying merchandise with the greatest potential for resale, deciding what items to buy, calculating the appropriate quantities, choosing vendors, and determining when to buy. Managing the sales force, pricing goods, and planning promotions may also be part of the buyer's responsibility, but selecting merchandise is the buyer's primary task.

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

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

19. D

Justice. In the context of fairness, justice means treating others how they deserve to be treated according to an ethical understanding of what is right. When you act with justice in mind, you are taking people's unique needs into account when determining what is fair for that individual. The equality approach to fairness means treating people consistently regardless of their individual characteristics, traits, and circumstances. Empathy is understanding and identifying with the thoughts, feelings, values, attitudes, and/or actions of another person. Consistency is the state of being unchanging.

SOURCE: EI:127 Demonstrate fairness

SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)

20. D

Key points. Employees use presentation software to develop visual aids that support an oral presentation. Slides for the presentation should include key points that highlight or reinforce the most important information, which may or may not include numerical data. Colorful graphics and creative transitions often make a presentation more interesting, but they are not necessary elements for each slide.

SOURCE: NF:008 Demonstrate basic presentation applications

SOURCE: Ashby, D. (2025, April 29). *5 golden rules of PowerPoint design*. Retrieved August 11, 2025, from <https://create.microsoft.com/en-us/learn/articles/5-golden-rules-powerpoint-design>

21. A

Appendix. Supplemental information for long or complex reports is presented in an appendix, which is a separate section placed at the end of a report. The information in the appendix might contain graphs, text, or a combination of both elements. A bibliography is a component of a report that summarizes the information sources that the writer used to prepare the report. An executive summary is an overview of the entire report. The table of contents is the portion of a long report in which the sections are listed with their page numbers.

SOURCE: CO:088 Select and utilize appropriate formats for professional writing

SOURCE: Indeed Editorial Team. (2025, July 24). *How to write a formal business report in 11 steps with examples*. Retrieved August 11, 2025, from <https://www.indeed.com/career-advice/career-development/formal-business-report-example>

22. B

Occupation is a broad term that describes the field you work in, whereas your career is your lifelong work journey. An occupation is a category of work, such as “educator.” Within an occupation, there may be several different types of jobs, such as teacher, principal, guidance counselor, or reading specialist. Someone with an occupation of “educator” may have a career that includes several of those job titles. Careers often span an entire lifetime and are comprised of an individual's various jobs over time. Occupations and careers are generally long-term, whereas individual jobs may be short-term. Your occupation and your career may both bring you great satisfaction and accomplishment.

SOURCE: PD:034 Explain possible advancement patterns for jobs

SOURCE: Big Future. (2025). *Career vs. occupation vs. job: What's the difference?* Retrieved August 11, 2025, from <https://bigfuture.collegeboard.org/explore-careers/get-started/career-vs-occupation-vs-job>

23. D

Confronting the coworkers about the problem. Assertiveness is the ability to express yourself; communicate your point of view; and stand up for your rights, principles, and beliefs. Confronting the coworkers about the extra work you are doing for them and the fact that they are taking advantage of you and the company is healthy, assertive behavior. Reporting the problem, ignoring the issue, or changing jobs avoids a confrontation but does not solve the problem.

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

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

24. B

Repay a loan. Creditors are responsible for deciding whether a business should be given a loan. The income statement helps creditors assess the business's creditworthiness and the risk of extending credit to the business. It provides the evidence needed to prove that the business can pay back the loan. Expanding operations, developing new products, and increasing staff are some of the reasons why a business might apply for a loan and need to provide creditors with its income statement.

SOURCE: FI:094 Describe the nature of income statements

SOURCE: LAP-FI-094—Watch Your Bottom Line (Income Statements)

25. C

Smoother; redundancy. Organizations with effective chains of command see a smoother workflow and tend to have fewer workflow problems such as redundancy and confusion. A strong chain of command can improve overall communication among employees, not lessen it—the chain of command ensures that communication within a company is methodical, orderly, and efficient. A chain of command does not make workflow more flexible because it implements a hierarchy that should be followed.

SOURCE: PD:252 Follow chain of command

SOURCE: LAP-PD-252—Don't Cheat the Chain (Following Chain of Command)

26. B

Verifying the cardholder's identification. During a sales transaction, employees should ask customers to present another form of identification when they pay for items with a credit or debit card. By comparing the signature on the credit card that the customer presents with the signature or photo of another form of identification (e.g., driver's license), employees can verify that the customer is the authorized cardholder. Credit card issuers establish the credit limits for credit card holders. Reviewing sales receipts during closing procedures, conducting a financial audit, and establishing credit limits for card usage are not ways to reduce risks associated with credit card fraud at the point of sale.

SOURCE: OP:013 Explain routine security precautions

SOURCE: Meyers, J. (2025). *How can my business prevent credit card fraud?* Retrieved August 11, 2025, from <https://smallbusiness.chron.com/can-business-prevent-credit-card-fraud-1524.html>

27. A

Population trend. Migration is a population trend that indicates the movement of people throughout the country as well as into and out of the country. Migration trends are important to businesses because businesses need to know where their customers are located. For example, many people are leaving colder climates and migrating to what is considered the Sunbelt. This movement affects businesses because the types of products they sell and the way they sell them will change. Also, the increased migration of ethnic groups into the country creates a need for new goods and services that meet the needs of a multicultural population. The migration of people from one location to another is not a geography issue, a transportation route, or a social lifestyle.

SOURCE: NF:013 Describe current business trends

SOURCE: Bloch, B. J. (2022, June 20). *How demographic trends could affect your portfolio.* Retrieved August 11, 2025, from <https://www.investopedia.com/articles/pf/06/demographictrends.asp#toc-monitor-population-trends>

28. B

Has a negative impact on others. A business's ethics determine whether an action is acceptable for that business, especially if the action has a negative impact on others—employees, customers, community members, etc. Sometimes, a business's ethics influence its decision on an environmental issue, but the environment is not a more important factor in ethics than any other issue. Anything illegal should be unacceptable for a business, regardless of its ethics. Sometimes, unethical practices may contribute to a business's profitability, but this is not necessarily a more important factor than others in determining a business's actions.

SOURCE: EC:106 Explain the nature of business ethics

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

29. A

Amount of money expected. How much money will flow into and out of a business is typically the most important piece of information that a cash flow statement provides. Businesses need to know whether they will have enough cash coming in to meet monthly obligations. For example, if businesses discover that they will not collect enough money, they can plan a sale to generate more income or tighten their credit policies. Predicting the cost of maintenance is only a small part of estimating expenses in a cash flow statement. Businesses decide when their tax year will begin. Many businesses use industry statistics when developing their cash flow statements.

SOURCE: FI:091 Describe the nature of cash flow statements

SOURCE: LAP-FI-091—Count the Cash (Cash Flow Statements)

30. A

Being an example. Taking responsibility for your team's success or failure as it works toward the vision is being an example and a sure sign of solid leadership. This responsibility does not necessarily relate to establishing good working relationships, being enthusiastic, or being a good listener.

SOURCE: EI:060 Enlist others in working toward a shared vision

SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)

31. C

Place. Place utility is usefulness created by making sure that products are available at the place where they are wanted or needed by consumers. Textbooks are needed on campus and will be sold there to students and faculty. Time utility is usefulness created when products are made available at the time they are needed or wanted by consumers. Form utility is usefulness created by altering or changing the form or shape of a good to make it more useful to the consumer. Possession utility is usefulness created when ownership of a product is transferred from the seller to the user.

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

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

32. B

Has easy access to raw materials. Because countries have different resources, they trade with one another to get what they want and need. Countries can often produce goods more cheaply than other countries because they have easy access to raw materials, up-to-date technology, or workers with special skills. Countries are more efficient when they produce products for which their resources are best suited. Placing limits on imports, lack of tariffs and quotas, and a very high standard of living do not necessarily affect a nation's ability to produce goods cheaply.

SOURCE: EC:016 Explain the nature of global trade

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

33. C

Free trade agreements. Free trade agreements lessen the trade restrictions (e.g., tariffs, quotas, licenses) among countries. For example, the United States-Mexico-Canada Agreement (USMCA) is a trade agreement among the United States, Canada, and Mexico that has eliminated trade barriers. When fewer trade barriers exist, there are more opportunities for businesses to buy and sell products in other countries. Protectionism is a government's policy to protect domestic industries and businesses against foreign competition. Protectionism, language barriers, and strict safety standards often hinder a business's ability to enter international markets.

SOURCE: EC:104 Discuss the global environment in which businesses operate

SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

34. A

Adjust your efforts if necessary. Only by monitoring your progress can you determine whether the methods you are using are working or need to be changed. Changing your environment is not always possible. Identifying the target behavior involves selecting the behavior you wish to change. New goals should be set at the beginning of the process.

SOURCE: EI:025 Demonstrate self-control

SOURCE: LAP-EI-025—Control Yourself! (Demonstrating Self-Control)

35. C

First-line. First-line or supervisory managers work directly with the employees who carry out the business's routine work. First-line managers report to the mid-level managers. Mid-level managers are responsible for implementing the goals set by executive (top-level) managers, and are the link between supervisory and executive (top-level) managers. Mid-level managers report to the executive managers. Executive managers are responsible for the whole organization and spend most of their time setting organizational goals and conducting strategic planning. A regional manager manages employees in a specific location or region. Regional managers are usually considered mid-level managers.

SOURCE: SM:001 Explain the concept of management

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

36. D

Recruitment. Recruitment involves seeking out and attracting potential employees. Primary technological tools that human-resources professionals use to recruit job candidates include their company websites and employment websites such as Monster and Indeed. The employee-selection process involves identifying the most qualified candidates for a job through screening and interviewing processes. Performance management facilitates the activities and processes used to evaluate employees' job performance. Training uses different methods to teach employees how to perform their jobs. Emily is not using technology for employee-selection, performance-management, or training activities.

SOURCE: HR:412 Describe the use of technology in human resources management

SOURCE: HR Executive. (2025). *The role of technology in human resource management*. Retrieved August 11, 2025, from <https://hrexecutive.com/technology-in-human-resource-management/>

37. A

Negligence. A business might be sued for negligence if it does not take reasonable precautions to protect workers from risks or health hazards on the job. The basis of negligence is that the problems could have been easily avoided if the business had made some minor adjustments. Consequently, businesses usually try to make the workplace as safe as possible in order to avoid being sued for negligence. Misrepresentation involves making unrealistic claims about products. Libel is making false statements that harm an individual's reputation. Incompetence involves not having the skills or abilities necessary to perform satisfactorily.

SOURCE: BL:001 Describe legal issues affecting businesses

SOURCE: FindLaw. (2024, December 3). *Negligence*. Retrieved August 11, 2025, from <https://injury.findlaw.com/accident-injury-law/negligence.html>

38. C

People are interdependent. People in all economic systems are interdependent. In other words, they must depend on each other to obtain the things they need. The economic system provides a way for this to happen. For example, people work to produce goods and services for others but also earn incomes that they use to buy goods and services that they cannot make for themselves. Many resources are limited rather than unlimited. Some governments are unstable, but many are stable. The cost of products ranges from inexpensive to expensive. These factors are not the reasons that economic systems are needed.

SOURCE: EC:007 Explain the types of economic systems

SOURCE: LAP-EC-907—Who's the Boss? (Economic Systems)

39. B

Monitoring internal records. Monitoring internal records for business information is an important practice for business owners. By tracking records such as inventory, business owners can gain valuable business information such as which products are doing well and which products are less popular. This example demonstrated the importance of monitoring internal records, not over-purchasing certain products, stocking a diverse array of products, or ignoring inventory when ordering.

SOURCE: NF:014 Monitor internal records for business information

SOURCE: Kenton, W. (2025, August 2). *Understanding internal controls: Essentials and their importance*. Retrieved August 11, 2025, from <https://www.investopedia.com/terms/i/internalcontrols.asp>

40. B

Encouraging unnecessary compromise. A disadvantage of consensus building is that it encourages group members to compromise even when it might not be wise for a group member to compromise on their personal beliefs. Persuasive skills should not be a part of consensus building. But, if they are, consensus building certainly does not rely on them. Some group members may speak in front of the group, but no one is required to. Everyone is given equal say, but how a group member presents their information can vary. Discussing different points of view is not a drawback to consensus building. In fact, it promotes consensus.

SOURCE: EI:011 Use consensus-building skills

SOURCE: LAP-EI-911—It's a Group Thing (Consensus Building)

41. A

Using a verbal acknowledgment response. In one-on-one or small group conversations like Marley's, a short verbal response lets the speaker know you are paying close attention. By saying things like "I see" or "uh-huh," you let the other person know that you're actively listening. Repeating critical information is another important active listening skill that involves repeating things like phone numbers, names, or websites. When you paraphrase the message, you repeat what the other person said but in your own words. When you collect all the information possible, you observe gestures, interpret body language, and listen to the person's tone of voice. All of these are important active listening skills, but they aren't what Marley is doing in this example.

SOURCE: CO:017 Demonstrate active listening skills

SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)

42. A

Initiative. Initiative is the willingness to act without having to be told to do so. People who demonstrate initiative are willing to accept and seek out additional or even unpleasant duties. By figuring out how to solve a problem at work without being asked, Tallulah is demonstrating initiative, not necessarily aggressiveness, empathy, or respect.

SOURCE: EI:024 Explain the importance of demonstrating initiative

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

43. D

Self-interest. It is natural to look out for yourself! Self-interest, however, can bias decision-making. It is difficult to make the ethical choice if it goes against your own well-being, which is why finance professionals sometimes act unethically to protect themselves. Loss aversion is the tendency to avoid a loss at all costs, even when attempting to avoid that loss can lead to negative consequences. Conformity is the tendency to behave in the same way that everyone else does rather than exercising one's own judgment. Sunk costs are costs that have already been incurred and thus cannot be recovered.

SOURCE: FI:355 Discuss the role of ethics in finance

SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

44. B

Variable. Sales commissions are a variable expense—they usually fluctuate with changes in production. They are not a one-time expense—businesses pay them on a continual basis. They are not a capital expense—these are one-time purchases a business makes, such as land or equipment. They are not a fixed expense—fixed expenses do not change along with changes in production.

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

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

45. C

Continue to treat them with courtesy and respect. Even if a customer is difficult and demanding, they should still be treated well. You should never ignore a customer, and it's out of line to tell a customer that their attitude is inappropriate. You also shouldn't confront customers. Even if they're being rude, you still must treat them respectfully. Be careful about making promises to the customer that you might not be able to fulfill. Broken promises are poor customer relations, so avoid promising anything unless you're sure that your manager would approve.

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

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

46. B

To compare estimated performance with actual performance. Businesses rely on accurate financial information to make sound business decisions. In the situation provided, Emma is comparing one financial report (budget) with another financial report (actual sales) to determine if the business performed as expected—if it achieved its sales goals. Although external economic conditions can affect sales, Emma is analyzing internal financial information rather than identifying external economic trends. Emma is not establishing new quality standards and benchmarks or analyzing the impact of aging accounts.

SOURCE: FI:579 Describe the need for financial information

SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

47. B

Exchanges. Marketing is described as creating exchanges—or encouraging trade by providing opportunities. Regarding the other options, marketing satisfies needs, uses advertisements, and bridges the gap between producers and customers.

SOURCE: MK:001 Explain marketing and its importance in a global economy

SOURCE: LAP-MK-901—Have It Your Way! (Nature of Marketing)

48. B

Change your behavior. Constructive criticism is evaluative information designed to help someone improve. Changing your behavior is both the intent of the feedback and the desired outcome. Forgetting about the suggestions and going your own way or complaining about them will not benefit you and may cause you problems.

SOURCE: EI:003 Explain the use of feedback for personal growth

SOURCE: LAP-EI-903—Grin and Bear It (Using Feedback for Personal Growth)

49. D

Internal control. Quality guidelines established by employees to solve problems are a type of internal control strategy. External control refers to rewards tied to performance and the supervision of employees by managers. Concurrent control monitors activities during their performance and makes corrective suggestions. Feedback control evaluates an activity afterwards and points out what may have gone wrong.

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: Kenton, W. (2025, August 2). *Understanding internal controls: Essentials and their importance*. Retrieved August 11, 2025, from <https://www.investopedia.com/terms/i/internalcontrols.asp>

50. D

A well-known brand name. Often, opening a franchise brings an existing customer base that is familiar with the brand name, which can increase the possibility of success in comparison to a new, unknown business. Paying royalties and restrictions on products, prices, and location would be considered disadvantages of opening a franchise. Reliance on raw materials is a disadvantage of the manufacturing business model.

SOURCE: EC:138 Describe types of business models

SOURCE: Entrepreneur. (2025). *Franchising*. Retrieved August 11, 2025, from <https://www.entrepreneur.com/encyclopedia/franchising>

51. A

Technological. Technological obsolescence equates to significant technological improvements that result in a more effective product (e.g., CDs, from cassettes, from phonograph records). Style obsolescence refers to superficial changes to a product resulting in a new product. The new model is intended to make users of the older model feel out-of-date and encourage them to purchase the new model. This is typical in fashion merchandise. Psychological and fashion are synonymous with style obsolescence.

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

SOURCE: Kenton, W. (2022, December 27). *What is planned obsolescence? How strategy works and example*. Retrieved August 12, 2025, from https://www.investopedia.com/terms/p/planned_obsolescence.asp

52. A

An explanation of its purpose. It's important to let survey participants know why a survey is being administered. This means explaining what information is being collected and how it will be used. Questions should be unbiased and as clear as possible. Instructions should be as short and concise as possible.

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

SOURCE: Kuhn, G. (2020, October 30). *4 basic components of a market research survey*. Retrieved August 13, 2025, from <https://www.driverresearch.com/market-research-company-blog/4-basic-components-of-a-market-research-survey/>

53. A

Identity. Brand identity is the culmination of what a company wants to be—what it says about who it is. Strategy, culture, and communication all contribute to brand identity. Brand touchpoints are any instances in which the customers encounter the brand, such as a promotional message or a company website. Brand cues are messages that affect buying behavior in regard to a brand, such as a certain word that makes a customer think of a product. A brand promise is a commitment made by a brand to its customers about what it intends to deliver.

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

SOURCE: Lim, S. (2025, May 15). *Brand identity: What it is and how to build one*. Retrieved August 12, 2025, from <https://www.investopedia.com/terms/b/brand-identity.asp>

54. B

Credibility. Credibility is believability. It is critical that marketers ensure the information they manage is believable. Otherwise, no one will trust the information, and it won't be useful. Marketers can establish credibility by using quality research methods, being open about those methods, and backing up the research with transparent, objective analysis. Naomi is not establishing competition, privacy, or adaptability in this scenario.

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

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

55. B

Producer to wholesaler to retailer to ultimate consumer. Producer to wholesaler to retailer to ultimate consumer is the most common distribution channel for consumer goods. First, the producer makes the good. Next, the wholesaler moves the good from the producer to the retailer. Then, the retailer sells the good, and finally, the ultimate consumer purchases it. An agent is a business or individual that assists in the sale and/or promotion of goods and services but does not buy them from the producer. If an agent is used, their involvement is typically the second step of the process after producer.

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

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

56. A

Internal, quantitative. Internal data, such as expense reports and cash-register receipts, are generated within the business. Because expense reports and cash-register receipts contain specific, numerical, measurable data, they are quantitative data. Businesses collect external data from outside sources such as competitors' web sites and government publications. Qualitative data are based on emotions, feeling, thoughts, and experiences. Elementary and organic are not types of data.

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

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

57. C

Arbitration. When two parties engage in a dispute that they are unlikely to resolve on their own, an impartial third party may step in. The impartial third party, called an arbitrator, hears both sides' arguments, studies the facts of the case, and then determines a remedy for the situation. This process is called arbitration. The Arbitron Ratings Company uses consumer-generated data to analyze radio advertising. Attrition is a natural reduction in numbers of people due to death, retirement, job changes, etc. Automation is a production method in which machines do tasks automatically.

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

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

58. C

To specialize. Businesses having a narrow product mix often are able to specialize, which allows them to produce efficiently and concentrate on marketing their limited number of product lines. Businesses with only a few product lines are able to focus all their efforts on their limited specialties. Cannibalization is the situation that exists when the sale of one of a company's products takes away sales from another of its products. Generalization is the opposite of specialization. Industrialization is the changeover from producing goods by hand labor to the use of machines and the organization of such production into industries.

SOURCE: PM:003 Explain the concept of product mix

SOURCE: LAP-PM-003—Mix & Match (Nature of Product Mix)

59. A

Corporate. A corporate brand is all of the combined impressions, images, or experiences associated with a company or parent entity. Disney is an example of a corporate brand. The Disney theme parks and resorts, Marvel Entertainment, ABC and ESPN television networks, and consumer products are areas within the Disney corporate brand. Product brands are the combined impressions, images, and experiences associated with a particular good, service, or product line. Loyalty and universal are not types of brands.

SOURCE: PM:206 Explain the nature of corporate branding

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

60. D

Liquidation. During the decline stage, a company may choose to discontinue a product and sell off the remaining inventory in a process known as liquidation (converting assets to cash). Penetration pricing is a strategy used during the introduction stage, where marketers price a product low to achieve rapid market acceptance. A company may or may not sell inventory in a super sale—they often sell it to another company, not retail customers. A foreclosure occurs when a person or business can no longer make payments on a piece of property.

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

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

61. B

Spam filters. Direct mail is a promotional medium that comes to consumers' homes and businesses. Email is a form of direct mail that businesses send by computer. Spam is junk email that the recipient does not request and does not allow the recipient to request removal from the subscriber list. To reduce the amount of spam recipients receive, businesses and consumers are installing software programs that filter the spam, which keeps it from reaching the intended recipients. Invalid email addresses, rather than home addresses, would prevent email recipients from receiving email. Reply options do not keep email from reaching the intended message recipients. Promotion control is a fictitious term.

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

SOURCE: Mailchimp. (2025). *Guide to direct email marketing*. Retrieved August 12, 2025, from <https://mailchimp.com/resources/direct-email-marketing/>

62. B

Employees. Most businesses provide information to employees, the business's main internal audience. Providing information is a public relations activity because it is intended to maintain good relations with employees. Employees tend to work more effectively and have higher morale when they are well informed and have accurate information about the business's plans and goals. Providing accurate information also reduces rumors, which may have a negative impact on employees. Suppliers, labor unions, and community leaders are not internal audiences, although they have direct contact with many businesses.

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

SOURCE: Anderson, S. (2025, August 4). *Public relations (PR): Definitions, types, and real-world examples*. Retrieved August 12, 2025, from <https://www.investopedia.com/terms/p/public-relations-pr.asp>

63. C

The data usually only include a small portion of the target market. Qualitative data provide researchers with valuable knowledge to use in planning marketing activities. The scope, however, is limited. Since qualitative research usually only includes a very small portion of the target market, it is often not enough to make generalizations about an entire population. In qualitative data, participants' responses are not necessarily constrained by the limited options. Qualitative data tend to provide more detail than quantitative data. Finally, qualitative data are subjective rather than objective.

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

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

64. A

Confuses customers. A business that deliberately tries to confuse customers about the price of goods and services may be behaving unethically. Some pricing structures may be complex, which makes them difficult for customers to understand. As a result, customers usually are unable to figure out how to get a lower price and end up spending more than they should. This practice is considered unethical because customers don't have a fair chance to get the best price. Most pricing tactics are intended to be competitive. It is also common for businesses to advertise discounts and offer rebates. These tactics are not unethical.

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

SOURCE: Stiving, M. (2025). *Fair and ethical pricing strategies*. Retrieved August 12, 2025, from <https://www.pragmaticinstitute.com/resources/articles/product/identifying-ethical-practices-in-pricing/>

65. A

Setting an appropriate price. Setting the price of a product is one of the marketing activities that a business should coordinate with distribution in order to successfully sell to customers. Not only does a business need to make its product available, but it also must sell it at a price that consumers are willing to pay. If a product is not priced appropriately, customers usually will not buy it even if it is widely distributed. Businesses often analyze customer satisfaction after a product is marketed to determine if any changes need to be made. Developing an operating budget and recruiting qualified personnel are not marketing activities.

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

SOURCE: AIContentify. (2024, August 10). *The benefits of integrating distribution with overall marketing strategy*. Retrieved August 13, 2025, from <https://aicontentfy.com/en/blog/benefits-of-integrating-distribution-with-overall-marketing-strategy>

66. A

Business. Without a loyal customer base, a business cannot thrive in the marketplace. A business that develops and implements favorable adjustment and return policies not only makes the customer happy, but helps the salesperson sell the product and improves the business's overall ability to build a loyal clientele. A society is a group of individuals that shares an environment. A coalition is a group of individuals who gather for a specific purpose. Societies and coalitions do not exist for the purpose of building clientele.

SOURCE: SE:828 Explain key factors in building a clientele

SOURCE: LAP-SE-828—Keep Them Loyal (Key Factors in Building Clientele)

67. A

Discovery. Discovery-oriented decision problems are aimed at answering the questions “what?” or “why?” Strategy-oriented questions are aimed at answering the questions “how?” or “which?” A research problem asks what research needs to be done to solve the decision problem. This is not referred to as a situation-oriented problem.

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

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

68. C

Personal experience. An effective way of obtaining firsthand product knowledge is for a salesperson to use the product personally. Salespeople who use the products they sell find out exactly how the product works and often are better able to answer customers' questions. Personal experience is a good way of learning about products. Customer opinion, vendor information, and government reports are not ways of obtaining firsthand product knowledge.

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

SOURCE: Prabhakaran, J. (2025, July 28). *What is product knowledge for sales teams?* Retrieved August 13, 2025, from <https://document360.com/blog/product-knowledge-for-sales/>

69. A

Direct mail. Direct mail is a promotional medium that comes to consumers' homes and businesses. Businesses that use direct mail often send it to current customers who are likely to buy more products. Persuasive direct mail encourages immediate action such as mail orders or inquiries. A sales letter is a type of printed direct mail, as is a postcard. Participative is not a type of direct mail.

SOURCE: PR:007 Explain types of advertising media

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

70. B

Legal recourse. There are many different kinds of benefits from warranties and guarantees. Consumer benefits from warranties and guarantees include legal recourse if a company does not fulfill its obligations under a warranty or a guarantee. The courts will uphold a legitimate claim and see that the customer obtains satisfaction. The benefits of warranties and guarantees do not include lower prices, personalized service, and free training.

SOURCE: PM:020 Explain warranties and guarantees

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

71. B

Identify changes that might be opportunities. Environmental monitoring involves tracking external forces, such as population statistics, to determine if there are new trends that indicate changes. By identifying any changes in the external environment, businesses can decide if these changes might be opportunities for the business. For example, statistics might show that there has been a 50% decrease in milk consumption in the last 10 years. A business that produces and sells other types of beverages might decide that this change is an opportunity for the business to reach the market that no longer drinks milk. Businesses do not use environmental monitoring in the marketing planning process to obtain information about natural resources, locate health-conscious consumers, or review the safety status of physical facilities.

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

SOURCE: Gosnell, K. (2025, June 12). *Environmental scanning: How CEOs can stay ahead of the curve and beat the competition.* Retrieved August 13, 2025, from <https://www.business.com/articles/what-is-environmental-scanning>

72. C

Which brands should be used. The product element of the marketing mix focuses on the goods, services, or ideas a business will offer its customers. When developing the product element, marketers should consider which brands should be used, what level of quality should be produced or provided, and how the product should be packaged, among other things. How to raise a product's value is something that marketers would consider when developing the price element of the marketing mix. How much of the product to order is something marketers would consider in the place element. When messages should be delivered would be considered part of the promotion element.

SOURCE: MP:001 Explain the concept of marketing strategies

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

73. A

Using multiple types of research methods. Mixed methods research is a research methodology that involves collecting and analyzing data from various sources using various methods. This type of research usually involves both qualitative (descriptive) and quantitative (numerical) data. Researchers who utilize various methods to gather information gain a better understanding of the topic they are studying than if they had used a single research method. Defining and articulating a research question, engaging in research planning, and reevaluating the research question as needed are also examples of good research practices; however, they are not demonstrated in this scenario.

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

SOURCE: Shedlock, A. (2025, May 12). *Mixed method marketing research: A complete guide*. Retrieved August 13, 2025, from <https://www.greenbook.org/insights/research-methodologies/mixed-method-marketing-research-a-complete-guide>

74. A

Categorizing information. The Six Thinking Hats technique is a creative-thinking technique that utilizes different ways of approaching a problem. Each of the six hats represents one aspect of the situation. For example, the white hat looks at all the facts and data available. The blue hat summarizes and organizes thoughts and information. By placing each aspect into different categories, the situation can be evaluated by using various viewpoints. Playing the devil's advocate or looking at the negatives of the situation is one part of the overall technique. The Six Thinking Hats technique can be used in a group or alone. Therefore, it cannot be assumed that this method of creative thinking is always conducted in a group situation where each group member is assigned a different job. Positive feedback is a general term and is not necessarily a step in the Six Thinking Hats creative-thinking technique.

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

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

75. B

Psychology. Psychology is the science that deals with the characteristics of human behavior. Marketers can gain an understanding of how and why people behave the way they do by studying psychology. Understanding customers' buying behavior and what makes them tick helps marketers to better meet their needs. Demography is the study of the characteristics of populations. Physiology is the biological study of the functions of living organisms. Geography is the study of the earth.

SOURCE: PD:024 Explain employment opportunities in marketing

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

76. C

Answer remaining objections. Reaching closure is the fourth phase of the selling process. It often involves answering any remaining objections the customer may have. Salespeople should anticipate objections and learn to use them to their advantage in a sales presentation. When customers are satisfied that their objections have been satisfactorily addressed, they often give off signals that the time has come to close the sale. Salespeople sell product benefits when prescribing solutions to customer needs. Salespeople do not determine buying needs or identify customer reactions during the reaching closure phase of the selling process.

SOURCE: SE:048 Explain the selling process

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

77. D

Identify problems with the product. The data results from focus groups are qualitative data, which are difficult to analyze statistically. This is because focus groups use small sample sizes and are relatively unstructured, as opposed to a survey of a large portion of the population. The firm should not use the data to make generalizations about the entire population because the sample size is small. The firm should definitely not act immediately on the data because there is no way to analyze the results.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: Twin, A. (2025, June 15). *How to do market research, types, and examples*. Retrieved August 13, 2025, from <https://www.investopedia.com/terms/m/market-research.asp>

78. D

Product-related. There are two kinds of services that businesses offer: pure services and product-related services. Pure services do not include a tangible product, while product-related services are services that are offered with a product. Product screening is not a type of service but the process of considering each idea for a new product and discarding those that seem unworkable. Design is the way in which a product functions or the way it looks.

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)

79. C

It increases efficiency. Technology can be used to increase the efficiency of channel management. Although it can save a company time and money, it does not mean that no employees are needed. It increases the accuracy of orders and decreases delivery times.

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

SOURCE: Ingram, D. (2025). *Channel management techniques*. Retrieved August 13, 2025, from <https://smallbusiness.chron.com/channel-management-techniques-3072.html>

80. A

What is the right thing to do? With a high level of selling ethics, you would typically ask, "What is the right thing to do?" You would not consider what you could get away with, and you would not do only what is required. Although you might consider someone else's advice, the right thing to do may be different from that advice.

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)

81. A

A reward system. All of the businesses and individuals that move goods and services through a product's supply chain are the distribution channel members. The channel members depend on each other to make sure the end users receive the products when they need them and where they need them. Depending on the product and the nature of the channel relationship, one channel member may have a power source that the other channel members do not have. For example, a channel member that can offer financial incentives to one or more channel members to move products has power based on the ability to provide rewards. If a channel member has knowledge that other channel members don't have, that channel member's power base is expertise. Sanctions are the ability to penalize a channel member. A tying agreement is an illegal agreement requiring a customer to buy other products in order to obtain desired goods and services.

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

SOURCE: Fernando, J. (2024, July 29). *What is a distribution channel in business and how does it work?* Retrieved August 13, 2025, from <https://www.investopedia.com/terms/d/distribution-channel.asp>

82. C

Add white space. Adding white space will help improve readability, create balance, and focus readers' attention. Decreasing the font size, adding more images, and decreasing the margins would make the advertisement more difficult to read and less effective. An advertisement should make the best use of space, characters, and imagery to clearly communicate the message.

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

SOURCE: Corrigan, S. (2025). *The importance of whitespace in design (with examples)*. Retrieved August 13, 2025, from <https://www.flux-academy.com/blog/the-importance-of-whitespace-in-design-with-examples>

83. D

Flexible. Because pricing is a tug-of-war and a constant quest for balance, businesses must be willing to be flexible and adjust their prices as necessary. For example, during bad economic times, customers are cautious about how they spend their money, and businesses may need to lower prices to attract these customers. Realistic pricing means prices are what customers expect to pay. Competitive pricing involves being aware of the prices others are charging and pricing your own products accordingly. Exchange price is the amount of money that the buyer is willing to pay and the seller is willing to accept for a good or service.

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

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

84. C

Matte release. Generally used as filler material in written publication, a matte release is an article that is not generated by a publication's staff. Instead, businesses write these matte releases and submit the material to be printed by one or more media outlets. The business benefits from free promotion, and the publication benefits because the content takes up space. A matte release may be contained in a press kit. An editorial is generally written by a staff member of a publication. A letter to the editor is a form of editorial that is generally written by readers of the publication.

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

SOURCE: Brandpoint. (2024, January 12). *What is the difference between a MAT release and a press release?* Retrieved August 13, 2025, from <https://www.brandpoint.com/blog/differences-between-mat-releases-and-press-releases/>

85. B

To create a certain image. The primary goal of corporate promotion is to create a certain image of the company in the eyes of the consumer. This is accomplished by informing consumers about the company, its ideas, and its philosophy. Unlike product promotion, institutional or corporate promotion does not attempt to sell a good or service. The goal of corporate promotion is not to explain a specific feature.

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

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

86. B

Funnel. The funnel approach involves asking very broad questions at the beginning of the questionnaire. This helps the respondents focus and get comfortable with the survey. Then, the questionnaire progressively asks the questions that are narrower in scope toward the end of the questionnaire. The funnel approach helps researchers organize the questionnaire in a way that prevents question-order bias. Branching is a technique that requires respondents to go to another place in the questionnaire to answer specific questions if they respond a certain way to the initial question. Bridging and remote are not questionnaire formats.

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

SOURCE: Sawtooth Software. (2024, December 4). *Masterclass in survey design best practices for survey research*. Retrieved August 13, 2025, from <https://sawtoothsoftware.com/resources/blog/posts/survey-design-best-practices#The-Funnel-Approach-to-Survey-Structure>

87. C

Reduced price. Product bundling is the practice of putting together a number of goods/services to create a one-price package. Most often, the bundled package is priced so it costs the customer less than if they purchased each product separately. The goal of product bundling is to increase sales and to get customers to try something that they normally wouldn't purchase. The interest rate is the percentage figure used in calculating interest charges, which are money payments for borrowed money. Product bundling does not always provide the business with a higher profit margin, nor does it always require the business to consider interest rates. The amount of time a business bundles particular products depends on the type of product and the business's objectives.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Liberto, D. (2024, June 7). *Bundling: Definition as marketing strategy and example*. Retrieved August 13, 2025, from <https://www.investopedia.com/terms/b/bundling.asp>

88. A

Misleads customers about the true value of a product. Deceptive pricing is an illegal pricing tactic because it misleads customers about the true value of a product. An example of deceptive pricing is setting a high price on a product and then advertising a big discount which actually reduces the price to a realistic, or normal, level. Customers buy the item because they think they are saving money when, in fact, they are paying what the item is actually worth. Price lining involves selling products at a limited number of predetermined price points. Variable pricing involves changing prices according to current demand. Promotional pricing involves offering special prices on certain products such as discontinued items. These pricing activities are not illegal.

SOURCE: PI:017 Explain legal considerations for pricing

SOURCE: SendPulse. (2025). *Deceptive pricing*. Retrieved August 13, 2025, from <https://library.fiveable.me/key-terms/fundamentals-marketing/deceptive-pricing>

89. A

Quantitative. Calisto Cafe collected numeric data to determine how many times its new menu item sold. Therefore, it collected quantitative data, which are specific and measurable. The franchise did not collect qualitative data based on thoughts, opinions, feelings, or experiences. Exploratory and descriptive are types of research, not types of data.

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 Design)

90. B

Manage product availability. An electronic data interchange (EDI) system allows a company to monitor its inventory and order products through a computer connection that it shares with its vendors. An EDI system helps a company monitor its inventory to ensure that enough products are available when and where they are needed. An EDI system does not facilitate a company's ability to improve product durability, test product quality, or develop new products.

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

SOURCE: EDI Basics. (2025). *What is EDI (Electronic Data Interchange)?* Retrieved August 13, 2025, from <https://www.edibasics.com/what-is-edi/>

91. B

Self-confidence. The success and profitability of a business depends on how well the product sells. As employees, salespeople must be successful in persuading customers to purchase the company's products. Successful salespeople exhibit self-confidence; that is, they believe in their talents, skills, and objectives during the selling process. And by exhibiting self-confidence, salespeople communicate a sense of knowledge and credibility to the customer. Traits of successful salespeople also include patience, positive self-esteem, and comprehensive listening skills.

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

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

92. D

Learning new ways to use products. Consumers often learn new or better ways to use the products they purchase from the promotions for the products. This helps them to receive full value for their money. Increasing sales of products, creating an image, and building a clientele are promotional activities that benefit the business.

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

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

93. C

Responding to complaints promptly. Salespeople invest a lot of time in acquiring customers; therefore, it is important that they concentrate on developing those relationships. One way to maintain and improve a sales relationship is to provide excellent customer service, such as responding to complaints promptly. Salespeople who respond promptly are telling their customers that they are important and that their business is valuable. Customers appreciate the prompt attention and usually respond by continuing to do business with the salesperson. Salespeople should follow up with customers frequently rather than only when necessary. Salespeople do not send information about competitors or recommend expensive new products that their customers don't need.

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)

94. C

Limitations. Certain products have limitations, such as producing side effects in some people or being potentially hazardous. When businesses advertise these products, they are usually required to disclose the limitations so consumers can make an informed decision about whether to buy. Businesses that violate these regulations run the risk of being sued by consumers who were harmed by the products. Advertisements usually describe the benefits of the products and often contain endorsements. Advertisements often point out important features, especially if they are hidden.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: Luthor. (2025, May 23). *FTC advertising and marketing guidelines: Compliance from A to Z*. Retrieved August 13, 2025, from <https://www.luthor.ai/blog-post/ftc-advertising-guidelines>

95. B

Systematic and timely. Two ways to describe effective marketing research are systematic and timely. Marketing research is systematic because it follows a step-by-step process that involves gathering, recording, and analyzing information. Marketing research is timely because there are usually due dates associated with it. Other ways to describe effective marketing research include accurate, objective, thorough, reliable, and valid. Incomprehensive, superficial, and debatable are not terms used to describe effective marketing research.

SOURCE: IM:010 Explain the nature of marketing research

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

96. A

Avoid stereotypes and sexism. Ethical marketers seek diversity in both representation and decision-making teams. They avoid sexist or ableist language and imagery and gather feedback from diverse focus groups. Marketers need to consider impact over intent. Society often assumes common household tasks are done by women, so an ad depicting a man washing the dishes and doing laundry follows the recommended ethical promotion practice of avoiding stereotypes and sexism. This commercial does not demonstrate the recommended ethical promotion practices of considering social responsibility or handling customer information responsibly. Exaggerating product benefits is not a recommended ethical promotion practice.

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

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

97. A

Data processing. Data processing is an important activity in the marketing-information management function because data are typically not useful in their original form. Data processing takes the raw data and transforms them into organized, meaningful marketing information. After transforming the data into useable information, marketers gather the information and prepare reports to facilitate decision making. Data mining is the process of searching computer databases to look for patterns and relationships among information.

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)

98. D

Current weaknesses. A situational analysis is a determination of a firm's current business situation and the direction in which the business is headed. Both internal and external environmental conditions are evaluated to determine the business's current strengths, weaknesses, opportunities, and threats. It is important for a business to identify and understand its weaknesses to make adjustments in the marketing plan. If businesses fail to address their weaknesses, they may lose customers to competitors. Determining distribution channels, operating objectives, and expansion options are not the purposes of the situational analysis component of a marketing plan.

SOURCE: MP:007 Explain the nature of marketing plans

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

99. B

Behavioral. Behavioral segmentation groups consumers into categories on the basis of what they are looking for in a product and why they buy the product. Demographic segmentation divides a market by characteristics people have in common that affect their purchasing power. Geographic segmentation groups consumers according to where they are located. Psychographic segmentation groups people into markets on the basis of lifestyles and personalities.

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

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

100. D

Affinity partnership. Affinity partnerships are strategic relationships formed among companies or organizations for mutual benefit. A sports team displaying a business logo on its jerseys is an example of an affinity partnership. The sports team benefits from the sponsorship money, while the business benefits from the increased brand exposure. This collaboration is not an example of a supply chain, which is a system of processes involved in the production and distribution of a product. It is not an example of a customer support network or a public relations campaign.

SOURCE: CM:021 Explain the nature of affinity partner relationships

SOURCE: Bhasin, H. (2024, December 18). *What is affinity marketing? Definition and strategies for success*. Retrieved August 13, 2025, from <https://www.marketing91.com/affinity-marketing/>