

Marketing Management End OF Pathway Review of Concepts

Practice Test/Study Guide

ANSWER KET FOR TEACHERS

Part 1. Duty E: Economics

1. (E01) Define marketing.
(Answer - Marketing is a process of developing, promoting, pricing, and distributing goods and services to customers in order to satisfy customer needs and wants.)
2. (E02) Which of the following is most related to the marketing concept?
 - a. Make a profit
 - b. **Satisfy Customers**
 - c. Gain market share
 - d. Increase sales
3. (E03) Fill in the following blanks to explain how marketing has helped consumers by
 - a. Lowering _____ of goods through competition
 - b. _____ customers about goods and services
 - c. Offering a _____ of products and services**(Answers- Prices, Informing, wide variety)**
4. (E04) Obtaining the money needed to start and operate a business is a marketing function known as _____. **(Answer - Financing)**
5. (E04) When Apple decides to improve features of the IPOD by developing a newer, more up-to-date version, they have conducted the marketing function known as _____. **(Answer = Product/Service Management)**
6. (E04) Six Flags Amusement Park wants to start offering more games in the game area that will attract more teenagers. While at the park, you are asked to complete a questionnaire about games you would like them to offer. This is an example of the _____ marketing function. **(Answer - Market Research)**
7. (E04) You were just hired at PetSmart to be a cashier. Your job includes running the cash register and assisting customers with their needs. This job is an example of the _____ marketing function. **(Answer - Selling)**
8. (E04) The marketing function of _____ is used when Mayfield Milk decides how many trucks to use to transport its products in a timely manner to reduce product spoilage. **(Answer - distribution)**
9. (E04) Annie has decided to mark up the cost of the newest bathing suit line she just ordered for her boutique by 50%. This is an example of the _____ marketing function. **(Answer - Pricing)**

10. (E04) When Lois, a small business owner, decides to become a sponsor in his local community's annual Cancer Walk in order to create publicity for his company, he is making decisions in relation to the _____ marketing function. **(Answer - promotion)**

11. (E05) Fill in the chart below for each of the 7 functions of marketing:

Marketing Function	Explain its importance
Product/Service Management	Answer - The process of planning, improving, and/or adding to a firm's product line.
Distribution	Answer – Decisions surrounding the transportation and storage of goods from producer to consumer.
Finance	Answer – Decisions about how to find the money to invest in the business and helping customers to find ways to purchase the product.
Marketing Information Systems/Market Research	Answer – Collecting and analyzing information in order to make decisions about a product/service.
Pricing	Answer – Deciding the amount to charge customers for products/services based on demand, completion, and the costs of raw materials.
Promotion	Answer – Informing, reminding or persuading customers about a product, the company or a social cause that is important to the company.
Selling	Answer – Personally communicating with the customer in order to help them purchase a product.

12. (E06) The channel of distribution for a product, or path that a product takes to get from producer to consumer, should be _____, _____ and _____ in order for a company to move their products effectively .

(Answer: Fast, cost effective and controlled for quality)

13. (E07) Which intermediary obtains goods in order to sell them directly to consumers?

- a. **Retailer**
- b. Wholesaler

- c. Agent
14. (E07) Which intermediary brings buyers and sellers together but does not take ownership of the actual product?
- a. Retailer
 - b. Wholesaler
 - c. **Agent**
15. (E07) Which intermediary obtains goods to sell to industrial users?
- a. Retailer
 - b. **Wholesaler**
 - c. Agent
16. (E08) Economics is the study of how a nation uses its resources. The resources, or factors of production, in an economy include
- a. Money, Factories, Tools, Labor
 - b. Machines and Workers
 - c. **Land, Labor, Capital and Entrepreneurship**
 - d. Businesses and consumers
17. (E08) Supply is the quantity of goods and services that:
- a. Consumers are willing and able to purchase
 - b. **Producers are willing and able to manufacture**
18. (E08) Demand is the quantity of goods and services that:
- a. **Consumers are willing and able to purchase**
 - b. Producers are willing and able to manufacture
19. (E09) In an economy, individuals, businesses and the government have a variety of choices on which to spend their money. Once the choice is made, the alternative choices given up are considered:
- a. Opportunity Costs
 - b. **Trade Offs**
 - c. Decisions
 - d. Possibilities
20. (E09) William decides to purchase a baseball bat for \$50. The opportunity cost of the decision to purchase the bat is which of the following?
- a. \$50 cash
 - b. The time spent making the decision on which bat to purchase
 - c. **Another item William could have purchased for \$50**
 - d. The time William spent saving for the bat
21. (E10) In an economic system, which of the following is the decision to purchase raw materials and make it into an item to sell?

- a. **What to produce?** c. How to produce?
 b. For whom to produce? d. When to produce?
22. (E10) In an economic system, the decision to hire more employees in order to make more products is answering which economic choice?
 a. What to produce? c. **How to produce?**
 b. For whom to produce? d. When to produce?
23. (E10) In an economic system, the decision to sell products to middle class teenagers whose hobbies include sports answers which economic choice?
 a. What to produce? c. How to produce?
 b. **For whom to produce?** d. When to produce?
24. (E11) Hu Jintao, the dictator of China, makes the decisions which affect the jobs and living conditions of people living in China. The economic system in China is closer to which economic system?
 a. **Command** c. Traditionalist
 b. Market d. Mixed
25. (E11) New Zealand promotes private ownership of businesses where competition among business owners drives prices. They are considered to be closer to which type of economic system?
 a. **market** c. command
 b. traditional d. mixed
26. (E11) Haiti's economy is based mainly on agricultural products such as coffee. This is considered which type of economic system?
 a. Market c. Command
 b. **Traditional** d. mixed
27. (E11) Which type of economic system occurs when both the government and individuals own factors of production?
 a. Market c. Command
 b. Traditional d. **Mixed**
28. (E12) Who makes the decisions for the 3 economic questions for each economic system below?

Economic System	
Command	Answer – Government
Market	Answer – Consumers
Traditional	Answer – Based upon customs, beliefs, religion and habits
Mixed	Answer – Both government and consumers

29. (E13) Honda recently opened a plant in a town in hopes of building their vehicles cheaper. When Honda began interviewing potential employees, they found there were few educated and trained employees in the area. The limited number of potential employees compared to Honda's need for trained and educated employees is considered to be the economic problem of _____.

- a. Deficit
- b. Surplus
- c. Resources
- d. **Scarcity**

30. (E14) Below are the 4 types of economic classifications for consumer products and their explanation. Give an example and explain how the 4P's might be different for that type of product.

Classification of Consumer Product	Explanation	Provide Example	Discuss how the 4P's may be different
Convenience	Products purchased without much planning because they are purchased frequently.	Milk, eggs	Packaging may be plain, advertising is minimal, prices are usually stable, and products are sold at a variety of locations
Shopping	Products purchased less frequently and whereby research is invested into the process. Consumer looks at both price and quality.	Shoes, clothing, make up	Advertising budgets are high, prices are set at a price that consumers will agree the product is valuable yet good quality; product will come in a variety of colors, styles, etc, and can be bought at a variety of stores.
Specialty	Products that consumers will go out of their way to purchase because of the unique characteristics or brand loyalty. Focus is on quality.	Laptops, cameras, high end make up	High amount of money is spent on advertising, prices are generally higher to indicate quality, focus is on brand recognition, products sold at specialty stores
Unsought	Products that consumers do not know a lot about or they do not think of purchasing until they are needed.	Home theater system such as Bose.	Products will be fairly new to the market and found exclusively at high end specialty shops, prices are high, and advertising is

			exclusively targeted to potential customers.
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31. (E14) Below are the 5 types of economic classifications for industrial products and their explanations. Give an example of an item purchased by a company and state the purpose of the purchase.

Classification of industrial products	Explanation	Example	How would a business use it?
Materials	Parts and raw materials that are purchased by a business in order to turn them into products to eventually sell to consumers	Wood,, Water	To make a final product such as a rocking chair or water to use in shampoo or lotion
Parts	Items that are purchased by a business to add to their own product without making any changes to the part.	Bottles	A hair care company purchases to put their shampoo and conditioner in.
Installation	Major machinery that is purchased by a business that will be used to produce products for the business.	Industrial size washing machine	A hotel would use it to wash their linens on a daily basis.
Equipment	Less expensive tools that are used in the production process or indirectly for the business. These goods will not last as long as installation items.	Vacuums, carts	For a hotel chain to use in cleaning the rooms of the hotel.
Supplies	Items that are frequently purchased by businesses that are indirectly related to the production process.	Office supplies such as staples, paper, pens, etc.	Used in managing a business.

32. (E15) Briefly explain each of the economic utilities:

- a. Form (**Answer – turning raw materials into a product that is more valuable – raw wood into a chair**)

- b. Time (**Answer – Making products available at certain times of day or year so it is available to customers**)
 - c. Information (**Answer – Providing instructions, warnings, etc on products to make it easier to understand or work with a product such as owner’s manuals or tags in clothing**)
 - d. Place (**Answer – Having products available in a location easy for customers to find and purchase**)
 - e. Possession (**Answer – Providing ways for customers to conveniently purchase a product such as lay away, credit cards, etc**)
33. (E16) Which economic utility increased when Jerry’s 24-Hour Diner recently began accepting credit cards?
- a. Information utility
 - b. **Time Utility**
 - c. Form Utility
 - d. **Possession Utility**
34. (E16) The owners of the trendy teen shop, Totally Outrageous Shoe Store, decided to rent store space next to a smoothie shop where teenagers frequently hang out. What did the owners’ decision add to their product?
- a. **Place utility**
 - b. Time Utility
 - c. Form Utility
 - d. Possession Utility
35. (E16) The employees of a home decorating store are expert decorators who enjoy giving customers advice about updating spaces in the home. The employees’ advice given to customers increases the _____ utility of their goods.
- a. **Information utility**
 - b. Time Utility
 - c. Form Utility
 - d. Possession Utility
36. (E16) During the last three months of the year, a grocery store stocks its shelves with plenty of frozen turkeys in order to increase the turkey’s _____ utility.
- a. Information utility
 - b. **Time Utility**
 - c. Form Utility
 - d. Possession Utility
37. (E16) Changing old wood into a tree house for little kids is an example of _____ utility.
- a. Information utility
 - b. Time Utility
 - c. **Form Utility**
 - d. Possession Utility
38. (E17) The struggle for customers between two or more companies is considered _____.
- a. Business
 - b. Market
 - c. Market Share
 - d. **Competition**
39. (E17) Which of the following is considered an indirect competitor of Outback Steakhouse?
- a. Longhorn’s
 - b. **Red Lobster**
 - c. Steak & Ale
 - d. None of the Above
40. (E17) Which of the following is considered a direct competitor of Kroger Supermarkets?

- a. Wal-Mart
 - b. WalGreen's
 - c. **Publix**
 - d. Target
41. (E18) Competition usually leads to which of the following?
- a. High Prices, Lower Quality Products
 - b. Lower Prices, Lower Quality Products
 - c. Higher Prices, Higher Quality Products
 - d. **Lower Prices, Higher Quality Products**
42. (E18) This type of competition focuses on the sale price of a product.
- a. Nonprice competition
 - b. Monopoly
 - c. **Price Competition**
 - d. Market
43. (E18) This type of competition focuses on the quality or brand loyalty of a product.
- a. **Nonprice Competition**
 - b. Monopoly
 - c. Price Competition
 - d. Market
44. (E19) What is a free enterprise economy?
- a. An economy whose economic decisions are made by the government
 - b. **An economy in which both consumers and private businesses make the majority of the economic decisions**
 - c. An economy that is free of enterprises
45. (E19) Explain the 4 elements of the free enterprise system:
- a. Risk - **The potential for loss or failure. For example, when investing in a new business venture, there is no guarantee of success.**
 - b. Competition - **A rivalry between two or more businesses to gain as much of the total market sales or customer acceptance as possible. It helps to maintain reasonable prices, provide consumers with new and improved products, and results in a wide selection of products from which to choose. It forces businesses to operate efficiently.**
 - c. Profit: **The money earned from conducting business after all costs and expenses have been paid.**
 - d. Freedom of Ownership - **The ability to choose a house, car, job or business. For example, Evadale likes golf so she opens a driving range. However, there are restrictions on how and where her business can operate. For example, if the area is zoned as residential, she cannot open her driving range in that area.**
46. (E20) In a free enterprise system, there are various types of freedom. Listed below are the three freedoms of our free enterprise system. Explain how these freedoms affects our economy:
- a. Freedom to own private property: **Answer – Consumers can purchase and own private property such as homes, cars, buildings, etc. This increases our standard of our living and independence.**
 - b. Freedom to buy: **Answer – Consumers have the choice of what to purchase because of competition. This choice helps to lower costs to consumers because companies will use lower prices to entice consumers.**
 - c. Freedom to sell – **Answer – Businesses can sell all types of products to help improve our standard of living as well as provide jobs to society.**

47. (E21) Write the profit calculation below: **(Answer – Total Revenues – Total Expenses = Profit)**

48. (E21) Why is profit important in a free enterprise economy? **(Answer – It is the money used to invest in the business, purchase materials, pay employees, and provide incentive for the owner)**

49. (E22) Based on the following scenarios, would profit for a company increase or decrease if everything else remained the same?

Scenario	Profit Increase or Decrease?
Labor Costs Increased	Decrease
Costs of Raw Materials Decreased	Increase
Units Sold Increased	Increase
Utilities Decreased	Increase

50. (E23) People in this category are looking for the highest prices because their motive is to make the most profit.

- a. **Seller's Market**
- b. Buyer's Market
- c. Government
- d. Market

51. (E23) People in this category are looking for the lowest prices because they want the best value for their money.

- a. Seller's Market
- b. **Buyer's Market**
- c. Government
- d. Market

52. (E23) As prices for a product increase,

- a. **Supply Increase & Demand Decreases**
- b. Supply Increases & Demand Increases
- c. Supply Decreases & Demand Increases
- d. Supply Decreases & Demand Decreases

53. (E23) As prices for a product decrease:

- a. Supply Increase & Demand Decreases
- b. Supply Increases & Demand Increases
- c. **Supply Decreases & Demand Increases**
- d. Supply Decreases & Demand Decreases

54. (E23) The price at which both buyers and sellers agree is known as _____.

- a. Scarcity
- b. Opportunity Cost
- c. **Market Clearing price or equilibrium**
- d. Derived Demand

55. (E24) List the factors that can affect supply & demand.

(Answer –Factors affecting supply include the possibility of profit, amount of competition and the capability of developing and marketing the products and services. Factors affecting demand include Strength of want or need, availability of supply, availability of alternative products that consumers believe will satisfy their need/want)

56. (E25 & H39) Fill in the table below regarding the four types of business risks:

Business Risk	Explain
Avoid	Anticipating the risk before it happens for example safety training.
Retain	Sometimes risk is impossible to avoid We will accept some financial responsibility for the risk (damaged goods)
Shift	Putting the responsibility onto someone else Buy Insurance
Reduce	Preventing risk by taking a precaution Putting wet floor signs out so people won't fall

57. (E26) When a company has a chance of losing money, this is an example of which of the following:

- a. Competition
- b. Risk**
- c. Monopoly
- d. Productivity

58. (E26) Training employees on safety procedures is an example of which of the following ways to manage risk?

- a. Avoid**
- b. Shift
- c. Retain
- d. Reduce

59. (E26) Buying insurance for a business in case of theft or fire is which of the following ways to manage risk?

- a. Avoid
- b. Shift**
- c. Retain
- d. Reduce

60. (E26) Putting out “Wet Floor” signs is one way to handle risk and is known as which of the following?

- a. Avoid
- b. Shift
- c. Retain
- d. Reduce**

61. (E27 & 29) Briefly discuss how the government regulates businesses in the following categories:

Category	Explain & Give specific laws/regulations
Protection of Ideas	Trademarks (Logos), trade secrets (recipes or formulas), copyright (ideas and/or writings) , patents (inventions)
Employee Protection	Equal Employment Opportunity Commission

	prohibits discrimination in the hiring and/or firing of employees
Lending Practices	Fair Lending act protects consumers seeking credit by requiring lenders to disclose the full conditions of a loan.
Environment	Environmental Protection Agency protects the environment from pollution and other harmful activities that could happen to the environment.
Taxes	Businesses must pay local, federal and state taxes including sales tax, income tax, payroll, self employment, social security (FICA), and Medicare
Consumer Protection	Clayton Act & Robinson Patman Act prohibit price discrimination; Food and Drug Administration inspects and researches manufacturers of foods and drugs for consumer safety.
Business Start-Up	You must register your business with the state and local authorities and obtain a business incense before opening for business.

62. (E28) The U.S. government intervenes in business for two main reasons: Social equality and fair business transactions. Give an example for each:

(Answer – Social Quality – The government regulates the energy market to make sure there the pollution rate is monitored when power companies burn coal to produce electricity.

Business Transactions – The government regulates the sale of one company to another to ensure that the new company will not be a monopoly.)

63. (E30) GDP is the value of goods and services in a country for a period of time. List the components of GDP.

- a.
- b.
- c.
- d.
- e.

(Answer – consumption, investment, net exports, government purchases, and inventories)

64. (E31) Why would the following be considered problems encountered with measuring GDP?

- a. Statistical error – **(Answer – it would give false results)**
- b. Unreported/Self doing activities **(Answer –The GDP would actually be higher due to the unreported items.)**
- c. Illegal economy **(Answer – The money spent on illegal products/services would cause the GDP to appear lower than it actually is because that money would have been used for legal consumption of goods if it had not been spent illegally.)**

65. (E32) GDP is an indicator of economic growth. What has happened to the following that resulted in an increase in GDP?

	Increase/Decrease
Worker Output	Increased
Production of goods	Increased
Profits	Increased
Wages	Increased
Standard of Living	Increased

66. (E33) Why is price important to the success or failure of business? **(Answer – Prices must be set at a level where customers will purchase it and see the value in their product. If prices are too high, customers will find another product at a lower price. If prices are too low, customers will not see the value in the product and search for a product that is of higher value.)**

67. (E33) Give real-world examples of how a company uses pricing to establish a firm's:
- Quality of products **(Answer – When a restaurant charges \$20 for a meal instead of \$19.99 to make customers think their meal is high quality. Example – Ruth's Chris Steakhouse)**
 - Image of the firm **(Answer – A name brand product is priced higher so that the brand image will be thought of as high quality – Nike)**
 - Profits – **(Answer – The prices charged multiplied by the quantity sold will create profits for the company. With quantity sold being the same, the higher the prices charged, the higher the profits for a company and vice versa.)**

68. (E34) When a company sets a price for a product, which of the following are considered?
- Consumer perception and supply & demand
 - Cost of raw materials, supply & demand, competitor's price, consumer perception**
 - Supply & Demand and Competitor's Price
 - Cost of raw materials and consumer perception

69. (E34) Determine the retail prices for the items listed below. Use the retail method.

<u>Item</u>	<u>Cost</u>	<u>% Markup on retail</u>	<u>Retail Price</u>
Flip-Flops	\$6.50	40%	(\$9.10)
Shirts	\$7.50	50%	(\$11.25)
Bathing Suit & Wrap	\$19.00	35%	(\$25.65)

70. (E34) Fill in the blanks for the following equations:

_____ - Markup = Cost **(Answer = Retail Price)**

Cost + _____ = Retail price **(Answer = Markup)**

_____ - Cost = Markup (**Answer = Retail Price**)

You will be given 5 characteristics of different phases of the business cycle. Match the characteristic to the appropriate business cycle

- | | |
|---|---------------|
| 71. (E35) Very high unemployment | |
| 72. (E35) High consumer spending | A. Recession |
| 73. (E35) Indicates that a recovery is near | B. Recovery |
| 74. (E35) Period of economic slowdown
that lasts for at least 6 months | C. Trough |
| 75. (E35) Unemployed people begin to find
jobs | D. Expansion |
| | E. Depression |

(Answers in order – E, D, C, A, B)

76. (E36) Describe the following causes of business cycles:
- Government – **Government can place restrictions on output for regulatory purposes or they can deregulate an economy, thus causing fluctuations in a business cycle.**
 - Inflation – **Higher inflation can cause fluctuations in the business cycle to go into a recession or lower inflation can help bring about a recovery.**
 - Politics – Change in politics, elections, etc can cause fluctuations in the business cycle.
 - Global Issues (War, etc) – **Negative issues can cause an economy to go into a recession and further into a depression and vice versa.**
 - Weather/Natural Disasters – **Good weather can help crops and thus helping to grow raw materials to use for products, but bad weather can affect crops, tourism, etc. thus causing fluctuations in the business cycle.**
77. (E37) What is the measure of the output of a worker, machine, or an entire national economy in relation to the creation of goods and services to produce wealth?
- Economy
 - Efficiency
 - GDP
 - Productivity**
78. (E37) As a small business owner, your productivity goal would be for productivity to:
- Increase**
 - Decrease
 - Stay the Same
79. (E37) Why does a company measure productivity?
- Understand the capacity of a company at a given time**
 - To see who is a good worker
 - Reduce costs
 - Increase sales
80. (E38) As output of each worker increases,

- a. **Productivity increases and profits increase**
- b. Productivity decreases and profits increase
- c. Productivity increases and profits decrease
- d. Productivity decreases and profits decrease

81. (E39) List at least 4 ways to increase worker productivity.

(Answer – Training, Increase technology. Offer financial incentives, increase employee responsibility)

Part 2. Duty F: Promotion

76. (F01 & F03) Promotion is any form of _____ a business uses to _____, _____, and/or _____ consumers about its products or to improve its image.

(Answer - Communication, inform, persuade or remind)

77. (F02) Provide examples of how businesses have demonstrated the role of promotion in their companies using the following categories:

Role of Promotion	Example of Company demonstrating that role
To explain the features and benefits of a product or service	Some magazine ads and/or informational literature at stores near the product, Website of company
Advertise sales and inform customers of where products are sold	Sunday paper ads
Introduce new products, services or other offerings	TV or radio commercials
Answer questions customers may have about the company and its products or services	Salesperson
Create a favorable image for the company	A company offering scholarships for college students.
Make a stand for a social cause or issue	A company sponsoring a walk for a social cause.
Help advocate for change	Public service announcements for things such as stop smoking and not doing drugs.

78. (F04) What type of promotion is used by Nike to convince potential customers to buy their shoes & sports wear from them as opposed to its competitors?

- a. Institutional Promotion
- b. **Product Promotion**

79. (F04) What type of promotion is used by Publix when they update and maintain a website with their weekly sales, recipes and ideas in order to maintain a positive image with customers?

- a. **Institutional Promotion**
- b. Product Promotion

80. (F04, F05 & F06) Describe the following types of promotion below:

Type of Promotion	Description	Advantage	Disadvantage
Advertising	Paid form of non-personal communication of a product, service or idea from an acknowledged sponsor.	Control of message	Expensive
Public Relations/Publicity	Activities performed or organized by a company in order to promote a positive image for a company.	Least expensive form of promotion.	No control over message
Personal Selling	Personal communication between a customer and the sales person of a product.	Personal	Must have the right sales person with the right qualities and traits. Most expensive form of promotion.
Sales Promotion	Any type of promotion other than personal selling, advertising, publicity, and visual merchandising that is used in the promotion of goods and/or services	Can stimulate sales quickly.	Intended to last for a short amount of time.
Visual Merchandising	Physical elements in the placement of products in a store that promotes a favorable image to a customer.	Draws customers to a store	May not be effective if it does not tie in to the vision of the company or if it is not coordinated.

81. (F07) Which type of promotion is used by companies to stimulate sales by offering coupons, giveaways and rebates?
- a. Advertising
 - b. Publicity
 - c. Visual Merchandising
 - d. Personal Selling
 - e. **Sales Promotion**
82. (F07) Which type of promotion would a company choose in order to raise the image of the company and/or its products?
- a. Advertising
 - b. **Publicity**
 - c. Visual Merchandising
 - d. Personal Selling
 - e. Sales Promotion
83. (F07) Which type of promotion would a company choose in order to reach a mass audience to inform customers about a new product?
- a. **Advertising**
 - b. Publicity
 - c. Visual Merchandising
 - d. Personal Selling
 - e. Sales Promotion

84. (F07) What type of promotion would a company use in order to provide one-on-one contact with the customer to inform them about potential products?
- Advertising
 - Publicity
 - Visual Merchandising
 - Personal Selling**
 - Sales Promotion
85. (F07) What type of promotion would a company use to stimulate interest in a company or its product by physically displaying products that draws potential customers?
- Advertising
 - Publicity
 - Visual Merchandising**
 - Personal Selling
 - Sales Promotion
86. (F08) Due to the increase in the number of box stores, super stores, and self-service stores, the importance of _____ has also increased because products must be able to sell themselves. **(Answer- Visual Merchandising)**
87. (F08) Which type of display is used to promote the sale of one product by displaying that product by itself?
- One-Item Display**
 - Line-of-Goods Display
 - Related Merchandise Display
 - Assortment Display
88. (F08) Which type of display would be used to promote the sale of a variety of items such as the Buy-one-Get-One free table of products at Publix Supermarkets each week?
- One-Item Display
 - Line-of-Goods Display
 - Related Merchandise Display
 - Assortment Display**
89. (F08) What type of display is used when a store shows bathing suits, flip flops, and sunglasses together?
- One-Item Display
 - Line-of-Goods Display
 - Related Merchandise Display**
 - Assortment Display
90. (F08) What type of display is used when Wal-Mart displays all of its digital clocks that are made by a variety of manufacturers?
- One-Item Display
 - Line-of-Goods Display**
 - Related Merchandise Display
 - Assortment Display
91. (F09) Below are nine principles of design. Briefly explain each one:
- Line **(Answer – Allows the customer to follow the direction of the display from left to right)**
 - Color **(Answer – Should be coordinated so that the colors in the display are not too close to the colors in the store surroundings that customers do not notice the display, but they should not be too bold so it turns customers away.)**
 - Texture **(Answer – A variety of smooth and rough textures arranged appropriately can be appealing to the customer’s eye)**
 - Shape **(Answer – Consider the units to display as well as the props and furniture used in the display so that it is appealing to the eye.)**

- e. Direction (**Answer – The display should allow the customer to follow the parts of the display smoothly**)
- f. Lighting (**Answer – Lighting in a display should be coordinated with the type of display so it is not too bright and not too dull in order to make merchandise appear more attractive**)
- g. Movement/Motion (**Answer – Motorized fixtures may be used in order to add motion to a display to make it more appealing.**)
- h. Proportion (**Answer – It should be clear in a display that there is merchandise to be sold. Props, lighting, etc should be proportionate so it does not drowned out the merchandise.**)
- i. Balance (**Answer – Using both large and small items in a display to create a visually appealing display.**)

92. (F09) List the types of display used by a business to draw customers to the store or a sale.

- a. **Architectural**
- b. **Store Decorations**
- c. **Open Display**
- d. **Closed Display**
- e. **Point-of-Purchase Display**

93. (F10) Color must be used effectively in a display in order to meet its goal of stimulating sales. Fill in the chart below regarding the use of color in a display.

	Why is the concept important in a display?	Give an example
Contrast of colors	Too many similar colors will cause display to be dull and boring however too many contrasting colors will cause display to appear too busy	Answers will vary
Customer Expectations	Customers will expect calm and cooling colors for stores with that image such as spas and baby stores. Teens will expect to see bright colors in a teen music store	

94. (F10) Lighting must also be used effectively. Describe the proper use of lighting for the following examples of retail stores:

- a. Jewelry Store – **Bright colors to reflect jewelry**
- b. Fitting Room – **Not too bright yet not too dark so that the clothing will look flattering to the customer**
- c. Sports Store – **Fluorescent lights**
- d. Teen Clothing Store – **Bright perhaps even colored lights to draw attention**

95. (F11 & F12)) For the following items that a pool store is trying to display, create a simple theme for each one by describing your setting and ideas.

Item	Theme	Materials Needed
Swimming Floats	“Floating in Paradise”	Variety of floats, leis,

		umbrella, sand
Pool Cleaners	“Clean with ease”	Variety of cleaners, picture of a dirty pool and a clean pool with a person showing its ease of use.
Grills for an outdoor barbecue	“Summer to Grill”	Grill, grill seasoning, barbecue utensils, apron, fake food to put on grill, a picture of a happy family enjoying a barbecue.

96. (F13) When evaluating a display, merchandisers should consider several factors. List them below:
- Does it enhance the store image?
 - Does it appeal to customers?
 - Does it promote the products
 - Is it creative?
 - Is the theme appropriate?
 - Is it clean and orderly?
 - Is it artistically appealing?
97. (F14 & 15) List four major types of promotional media and provide at least one example.
- Print Media – Sports Illustrated Magazine**
 - Broadcast Media – Television or radio commercial**
 - Online Media – Ads on Facebook**
 - Specialty Media – T-shirts advertising the business**
98. (F16) List factors to consider when selecting promotional media.
- Reach vs. cost**
 - Ability to illustrate product**
 - Ability to present adequate selling message**
 - Special problems with media?**
 - Flexibility for last-minute changes**
 - Ability to use with special promotions**
 - Image of business/desired image**
 - Coverage of targeted area**
99. (F17) What are the 3 basic questions advertisers must ask when selecting the proper media to use for a company?
- Does the type of media in consideration able to present the product and the company image appropriately?**
 - Is the type of media able to target the appropriate target audience?**
 - Does the type of media have the ability to achieve the desired response rate?**
100. (F18) For each type of advertising listed below, list a few factors that will affect the cost of using that particular medium:
- Newspaper (**Answer – How large the ad is – number of lines and columns**)
 - Magazine (**Answer – How large the ad is – ¼ page, ½ page, whole page. Color, etc**)
 - Online (**Answer – How large the ad is – banner on a page or side of page, etc**)

- d. Radio (**Answer – Time period on the radio such as morning rush hour, and length of ad**)
 - e. Television (**Answer – Time period on the television such as prime time (7 pm), length of commercial and number of times aired**)
101. (F19) Calculate the newspaper rate for a display ad for the AJC if the column inch rate is \$25 and the advertiser wishes to have an ad that is 5 inches long by 6 columns wide.
(Answer = \$25 x 5 inches x 6 columns = \$750)
102. (F19) What is the CPM or cost per thousand rate for a local community magazine ad that costs \$750 and has a circulation of 8,000 readers?
(Answer = \$750 x 1,000/8,000 = \$93.75per 1,000 readers)
103. (F20) Below is a sample picture of a print advertisement taken from vandelaydesign.com/.../product-ad-tutorials/. Label the parts of the advertisement using the following:
- a. Headline
 - b. Copy,
 - c. Illustration



104. (F21) An effective headline should attract the attention of the reader, select an audience, offer a benefit to the reader and lead to the illustration and the copy. How does the print advertisement meet or not meet those objectives? **(Answer - The headline and illustration are close together, the headline is says dance which would get the attention of the target market.)**
105. (F21) The copy should be a call to action and be in active voice. How does the print advertisement above meet or not meet those objectives? **(Answer – The copy is in the active voice)**
106. (F21) Illustrations should communicate to the reader what words are unable to do. It should provide a favorable image to the reader and show the product itself. Does the above print advertisement meet or not meet those objectives? **(Answer – The picture is of dancers and the headline is about dancing and shows the product)**
107. (F21) A signature, or logo, is important in a print advertisement and should be obvious to the reader. In the above print advertisement, how is the signature placed so that it is evident to the reader? **(Answer – There is no signature so it is not effective)**
108. (F22) List four characteristics of publicity.
- a. **Credible Message**
 - b. **No Media Costs**
 - c. **Business cannot control publication type**
 - d. **Business cannot control message**
 - e. **Business cannot control timing**
109. (F23) The most important goal of publicity is to do which of the following for a company?
- a. **Increase image of firm**
 - b. Inform consumers about an upcoming sale

- c. Criticize competitors
 - d. Defend the firm's products
110. (F24) List the six questions that should be answered when writing a news release.
- a. **Who**
 - b. **What**
 - c. **When**
 - d. **Where**
 - e. **Why**
 - f. **How**
111. (F25) The copy in a print advertisement is the main selling message. What are factors that affect the copy in a print advertisement?
- a. **Product**
 - b. **Target audience**
 - c. **Competition**
 - d. **Promotional objectives of business**
 - e. **Objectives of ads**
 - f. **Characteristics of ad**
 - g. **Legal considerations**
112. (F26) Put the following guidelines for effective copy in proper order:
- a. Study the information
 - b. Prepare an outline
 - c. Write the first draft
 - d. Collect information
 - e. Generate ideas
 - f. Obtain feedback and rewrite or refine copy
 - g. Evaluate copy
- (Answer – D, A, E, C, G, F)**
113. (F27) Pick a product of your choice and write an effective copy for a print advertisement. **Answers will vary**

Part 3: Duty G – Distribution

114. (G01) Which form of external theft listed below involves stealing merchandise from a store?
- a. Shrinkage
 - b. **Employee Theft**
 - c. Shoplifting
 - d. Robbery
115. (G01) Which of external theft listed below involves stealing money or merchandise from a store using violence or threats?
- a. Shrinkage
 - b. Employee Theft

- c. Shoplifting
- d. **Robbery**

116. (G01) Mark true or false next to each scenario below to indicate if it is employee theft or not.
- a. An employee takes paper, pens, and a calculator to use in their college class **T**
 - b. An employee is given a dress from the bridal store she works at by the owner of the company as a bonus. **F**
 - c. An employee eats food during his break at a fast food chain and then pays for it that afternoon when he gets paid **T**
 - d. An employee takes \$20 from the cash register and returns it next week. **T**
 - e. An employee gives her friends a free product from the company as her way of saying thanks for being a good friend. **T**

117. (G02) For each security precaution listed below, indicate if it would help deter shoplifting, robbery, or employee theft. Use S, R, and ET to indicate your choice

Security Precaution	Type of theft prevention
Have employees stationed in various parts of the store	S, ET
Educate employees	S, R, ET
Use of two-way mirrors	S, ET
Use of cameras and closed circuit television to monitor	S, R, ET
Hire security personnel	S, R, ET
Use mystery shoppers	S, ET
Have an effective store layout with good lighting	S, R, ET
Lock display cases	S, R
Limit amount of cash on site	R
Never leave employees to work alone	S, R, ET

118. (G03) What four activities are involved in distribution?
(Answer – physical distribution, purchasing, and inventory storage and inventory control)
119. (G04) What makes distribution an important function in marketing?
- a. It helps inform customers
 - b. It helps customers make a decision about a purchase
 - c. **It gets the product to the consumer at the right time and place.**
 - d. It helps the company make good marketing decisions
120. (G05) There are several purposes for a business to use inventory control systems. Briefly explain each one below:
- a. Manage the amount of products– **Companies must be careful not to order too many products because it costs the company a lot of money and the products could go bad if they are not sold. However, the company must also meet demand and have it available for customers to purchase.**
 - b. Theft – **By controlling how much products are in inventory will help businesses identify theft in their company.**

c. Errors – **Companies will be able to identify errors in the point-of-sale system**

121. (G05 & G06) Compare and contrast the two basic types of inventory control systems below. Be sure to note advantages and disadvantages of each one.

122.

Perpetual Inventory	Physical Inventory Control
Companies use a computer system to keep up with inventory over a period of time.	Companies usually have a contracted company to come in and physically count the products on shelves and in the warehouse. This is done usually on an annual basis.
Advantage – Saves time, data can be analyzed quickly in reports, ordering new products to replace shortages can be done efficiently	Advantage – Most accurate
Disadvantage – Computer errors, Not always accurate if there are errors in putting information.	Disadvantage – Time consuming, labor intensive

123. (G08) Which of the following help a business keep stock based on sales and allow them to spend money based on a planned budget?

- a. Dollar Control
- b. **Unit Control**
- c. Stock Turnover
- d. Stock lists

124. (G09) For each type of inventory control system, list examples that a company may use:

- a. Perpetual Inventory Control – **(Manual and/or computer based)**
- b. Physical Inventory Control – **(Visual Control, Tickler, Annual Inventory Control)**

125. (G10) Theft, human error, technological errors, and damages are all a cause of _____.

- a. Surplus
- b. Shortage
- c. **Shrinkage**
- d. Stock Turnover

126. (G11) Describe at least 3 ways a business can reduce inventory shrinkage.

(Answer: Check inventory more often, prevent theft, when taking physical inventory, double check figures, maintain POS system, etc)

127. (G12 & G13) If the Point-of-Sale system shows ending inventory as 890 items and the physical inventory shows 876. What is the shrinkage at that point in time?

(Answer – 890 – 876 = 14 items)

128. (G14 & G15) Given the formula for stock turnover as Net Sales / Average inventory. Use algebra to solve the following problem: What was the average inventory if the stock turnover rate is 5 and the net sales were \$76,850?

(Answer = \$76,850/ 5 = 15370)

129. (G16) Purchasing, or the buying process is very important in a company. Identify each step of the purchasing process:
- Identifying the type of purchase**
 - Choosing suppliers**
 - Negotiating terms**
 - Using electronic purchasing systems**

130. (G17 & G18) Compare and contrast Industrial purchasing and purchasing for resale below:

Industrial Purchasing	Purchasing for Retail
Companies purchase items to use in the production of materials and for the daily operations in a company.	Purchasing for retail is when companies purchase products to resell in a retail store to the end customer.

131. (G19) Briefly explain the four merchandising-related discounts below:
- Cash Discounts (**Answer – Percentage or dollar reduction in the retail price**)
 - Quantity Discounts (**Answer – Reduction in price as a result of buying in larger quantities**)
 - Trade Discounts (**Answer – Discounts given by manufacturers or retailers given to a company in the same trade**)
 - Seasonal Discounts – (**Answer – Discounts given on end of the season products as an incentive to clear out inventory and make room for the new inventory**)

132. (G20) The cash discount terms appearing on an invoice are 3/10, N 30. The invoice is dated January 16. The invoice amount is \$3,580.50. Determine the following:
- deadline date for taking discount _____ (**January 26**)
- deadline date for paying in full _____ (**February 16**)
- discount amount _____ (**3% or 107.42**)
- invoice amount w/ discount _____ (**3,473.09**)

133. (G21) The local Ace Hardware decides to purchase the newest shovels from the manufacturer Craftsman. Craftsman prices the racks wholesale at \$7.50. However, there is a quantity discount of 5% for orders of 25-50, 10% for orders of 51-100, and 15% on any order over 100. What is the cash discount if the local Ace Hardware purchases 75 new shovels?
(**Answer - \$506.25 = (75*\$7.50) – 10%**)

134. (G22) Rank the receiving process components in order below:
- Goods are marked and priced to be sent out into the store
 - Boxes are recorded on a receiving record
 - Merchandise is checked
 - Truck arrives at store
 - Any damages are reported
 - Order is placed

(Answer – F, D, B, C, E, A)

135. (G23) Explain the importance of the receiving process. **(Answer – It is to ensure that the products ordered are in fact what was delivered to the company, check for damages, report damages, check for quality of the product, check for pricing errors, prepare items for display in the store, etc)**

Part 3: Duty H – Business Ownership

136. (H01) The most common form of business ownership in the United States is _____.
- Partnership
 - Sole Proprietorship**
 - Corporation
 - Limited Liability Corporation

137. (H02) Briefly summarize the advantages and disadvantages of the following types of business ownership:

Type	Advantage	Disadvantage
Sole Proprietorship	One owner who makes all of the business decisions	The owner of the company has unlimited liability.
Partnership	Because there are two or more owners, the partners share in the costs, decisions, and responsibility.	The partners may disagree thus causing problems in the business.
Corporation	Money is easily raised by shareholders although most decisions are made by the board of directors.	Double taxation
Limited Liability Corporation	Run like a partnership and a corporation limited the responsibility of the partners	May be difficult to raise money compared to a corporation.

138. (H03) What are the three main factors to consider when selecting a form of business ownership?

(Answer – How much liability protection do I need?; Do I need start up capital?; How will taxes and the form of business ownership affect me?)

139. (H04) Below are several ways how businesses serve society. Briefly explain the impact it has on society.

- Providing jobs – **(Answer – people have money to spend and live)**
- Turns demand into supply – (Answer – we have products to make living)**
- Changes society – **(Answer – inventions of products that help make life easier such as the personal computer**

140. (H05) List an example of the following types of businesses in our society

- Services **(Nail Salon)**
- Global **(Coca-Cola)**
- Retail **(Wal-Mart or Target)**
- Online **(Ebay)**
- Franchise **(Chick-fil-a)**

141. (H06) Why is it important to identify your market, or potential customers?
(Answer – so that the business can focus the marketing efforts in a cost effective and efficient manner)
142. (H07) What type of segmentation occurs when McDonald’s creates a new value meal product that is for children ages 6-9 offering a double cheeseburger, small fries and a small soda?
- Demographics
 - Psychographics**
 - Geographics
 - Product Benefits
143. (H07) What type of segmentation occurs when Bath & Body Works sells a new lotion that will leave skin feeling smooth and younger looking?
- Demographics
 - Psychographics
 - Geographics
 - Product Benefits**
144. (H07) What type of segmentation occurs when Publix runs a “Going Green” promotion to promote Earth Day and environmentally safe products?
- Demographics
 - Psychographics**
 - Geographics
 - Product Benefits
145. (H07) What type of segmentation occurs when a business researches particular regions of the US to market its products to in order to reach the most people?
- Demographics
 - Psychographics
 - Geographics**
 - Product Benefits
146. (H08) What is the term used to describe the coordination of all marketing strategies in a company known as product, price, place and promotion?
- Market Segmentation
 - Marketing
 - Marketing Mix**
 - Economics
147. (H09) Why are marketing strategies important to a company? **(Answer – It helps a company to the how to sell the right product at the right price, at the right place and at the right time most effectively)**
148. (H10) What is the term that describes the decisions a company makes regarding all of the different types of products the company will sell?
- Marketing Mix
 - Marketing Management
 - Product/Service Mix**
 - Market Segmentation
149. (H11) Briefly explain the following product mix strategies:
- Developing new products **(Answer – Companies will develop new products to meet a need that has not yet been met or to compete with another company.)**

- b. Updating existing products (**Answer – Companies will make changes or upgrades to existing products to make it “new” again with customers who bought the 1st version of the product as in the example of the iPhone.)**)
 - c. Deleting product lines (**Answer – Companies will choose to delete or remove products from their product line when sales fall below a certain level because there is no demand for it.)**)
150. (H12 & 15) When McDonald’s decided to begin offering healthier menu options by selling salads, fruit, and oatmeal in order to increase sales by attracting healthy conscious customers, they were making decisions that are a part of which marketing function?
- a. Promotion
 - b. **Product/Service Management**
 - c. Finance
 - d. Marketing Information Management
151. (H13 & H15) In this stage of the product life cycle, investment expenses are extremely high and there are no sales yet.
- a. Growth
 - b. Introduction
 - c. **Product Development**
 - d. Maturity
 - e. Decline
152. (H13 & H15) In this stage of the product life cycle, sales are low and competition is low. Customers who seek innovative products are attracted to the company.
- a. Growth
 - b. **Introduction**
 - c. Product Development
 - d. Maturity
 - e. Decline
153. (H13 & H15) In this stage of the product life cycle, sales of the product fall and companies cut prices as well as advertising and promotions of the product.
- a. Growth
 - b. Introduction
 - c. Product Development
 - d. Maturity
 - e. **Decline**
154. (H13 & H15) In this stage of the product life cycle, advertising is focused on attracting the mass markets and marketers focus on building heavy distribution outlets to meet consumer demand.
- a. **Growth**
 - b. Introduction
 - c. Product Development
 - d. Maturity
 - e. Decline
155. (H13 & H15) In this stage of the product life cycle, marketers develop extensions of products and prices are set to beat or match the completion. Sales are at the highest and branding is highly important.
- a. Growth
 - b. Introduction
 - c. Product Development
 - d. **Maturity**
 - e. Decline
156. (H14) Explain how each of the following factors affect product/service planning:

Factor	Explanation
Product Line (Depth, Extension & Contraction)	Companies want more than one product to reach customers. For example, the Nintendo Wii has not just the console, but accessories, games, etc.
Branding	Marketers spend a lot of money and research on creating a brand image that customers will recognize and remain loyal to.

Packaging	Packaging is important so that it grabs the customer's attention and has correct information on it.
Product Modification	Companies will modify or change their products to meet the needs of customers based upon research and customers comments. It is important that they keep up with demand.
Repositioning	Companies will change the position of their product in the market in order to better compete.

157. (H16) Management is important in an organization because it actually
- Determines what customers will be targeted.
 - Maintains financial statements for a business
 - Produces products and runs machinery
 - Establishes rules and policies as well as puts operating plans into action**
158. (H17) Explain the following purposes of the management
- Managing Operations **–(Answer – managers must make sure that the daily operations of a company are running efficiently and effectively)**
 - Staffing **(Answer- Managers must ensure that there is the right amount of staff and they are paid fair wages so that the company is not over or under staffed.)**
 - Company Policies **(Answer – Managers must ensure that the policies of the company are appropriate and in line with the goals and vision of the company in the area of employees, customers, and other shareholders in the company.)**
 - Human Resources **(Answer – Managers must ensure the safety of employees and that they are adhering to the company policies.)**
159. (H18) What is the importance of having a new employee orientation program?
(Answers may include – to communicate the policies and expectations effectively to all employees in a company)
160. (H19 & 20) List at least 5 items that would be included in a new employee orientation program.
(Answers can include – discuss clock in/out policies, break policies, discuss the culture of the company, Discuss safety policies, ethics policies, promotion policy, history of company, expectations, payroll methods, specific job responsibilities, etc.)
161. (H21) Conduct a job orientation program.
162. (H22) TRUE OR FALSE: Training and development of managers in a company is important because training develops efficient and effective leaders who can analyze situations, motivate employees and make and implement goals. **(True)**
163. (H23) List the different types of instructional methods used for training managers and supervisors.
(Answers may include – classroom lecture, online classes, simulations/role plays, case studies, etc)
164. (H24) Training and developing managers
- Is most effective during one class session
 - Occurs over a period of time to offer leaders a variety of experiential opportunities and feedback**
 - Is best using online classes
 - Is done on the job with one lead trainer

165. (H25) In management, motivation is the ability of a leader
- To make all employees happy.
 - To get employees to complete a task.**
 - To keep employees from quitting their job.
 - To be nice.
166. (H26) Theory X managers have the idea that
- Employees need to be closely supervised**
 - Employees need to feel empowered to be creative in their job and set goals
 - Employees need to feel appreciated
 - Employees need recognition
167. (H26) Theory Y managers have the idea that
- Employees need to be closely supervised
 - Employees need to feel empowered to be creative in their job and set goals**
 - Employees need to feel appreciated
 - Employees need recognition
168. (H26) Explain Herzberg's two-factor motivation theory. **(Answer – There are factors in the workplace that leads to dissatisfaction such as company policies, relationships with boss and employees, salary, and others and others such as recognition, awards, growth and advancement that lead to satisfaction in the workplace.)**
169. (H27) Circle all of the following that affect motivation according to management theory
- Meaningful Work**
 - Bring your children to work
 - Regular increases in pay**
 - Recognition**
 - Providing a company car
 - Shared decision making between employee and manager**
 - Good parking spaces
 - Flexibility in scheduling**
 - Performance Evaluations**
170. (H28) Remedial action occurs when an employee
- Violates one or more company policies**
 - Has the highest amount of sales for the day
 - Helps another employee with a process
 - Shows initiative on the job (H28) Why is remedial action needed?
171. (H29) This competency was left off of the Oklahoma Blue Print)
172. (H30) When taking remedial action, a manager should
- Document the behavior and action taken**
 - Provide verbal warnings only
 - Fire the employee immediately
 - Have the employee write a statement defending their action
173. (H31) What is a formal procedure that should be communicated to employees for handling complaints made by employees such as disputes between employees, sexual harassment issues, and safety issues?
- Performance Evaluation
 - Suggestion Box for Questions & Answers
 - Formal Conference
 - Employee Complaint Procedure**
174. (H32) List the steps to follow for an employee complaint.

(Answer – Employees should 1st know the process that they should go to their immediate supervisor, then the next level supervisor and ultimately to the owner (depending on how many managers are involved. A problem solving process should be used by all parties involved.)

175. (H33) What are an employee's overall attitude, outlook, satisfaction, and confidence in themselves and the organization in which they work?
- a. Motivation
 - b. Responsibility
 - c. **Morale**
 - d. Ethics
176. (H34) Describe 5 factors that can affect employee morale.
(Answers may include office environment, communication levels between managers and employees, amount of work load on the individual employee, teamwork levels, employee benefits, etc)
177. (H35) List some ways that a manager or owner of a company can boost employee morale.
(Answers may include, bad economic times, respect of employee & manager, communication, feeling of empowerment by employee to make decisions, recognition, setting goals, coaching and feedback, and providing company team building activities.)
178. (H36) Briefly explain each policy listed below that may affect a customer:
- a. Customer Service **(Answer – Customers should know what the company policies are for price issues, service issues, and product issues.)**
 - b. Privacy **(Answer – Customers will know if their information will be kept private or sold to 3rd party companies.)**
 - c. Returns & Exchanges **(Answer – Customers will understand the rules regarding returning unwanted merchandise or exchanging merchandise.)**
 - d. Credit Policies **(Answer – Customers will know the criteria for obtaining credit from a company in order to purchase a product.)**
179. (H37) Tim's production company would not do business with a local artist because of the amount of violence the artist wanted to use in his video. This is an example of a
- a. Customer service policy
 - b. **Business policy**
 - c. Safety policy
 - d. Credit Policy
180. (H38) Processes or actions a business owner will implement in order to prevent or reduce risk is called _____.
- a. Marketing
 - b. Finance
 - c. Management
 - d. **Risk Management**
181. (H40) What is the process of transmitting information between people?
- a. Planning
 - b. **Communication**
 - c. Management
 - d. Evaluation
182. (H40) Effective communication can positively influence an employee's
- a. **Motivation and Morale**
 - b. Policy
 - c. Skills
 - d. Image
183. (H41) Describe the following methods for communicating with employees"

- a. Interpersonal
 - b. Departmental
 - c. Interdepartmental
 - d. Company-Wide
184. (H42) Explain the following strategies for using communication to motivate employees
- a. Listening (**Answer – Managers whose employees feel as though they are being heard and acknowledged feel more valued.**)
 - b. Providing feedback on performance evaluations (**Answer – These help grow employees to produce better results each year and to know where they stand with the company in regards to their performance.**)
 - c. Open Door Policies (**Answer – Employees feel open communication makes a less stressful work environment because their opinion is valued.**)
 - d. Building Trust (**Answer – Trust is vital in a working relationship and is one that is highly valued in the motivation process.**)
 - e. Positive Thinking/Speech (**Answer – More positive communication results in higher performance than negative thinking or communication.**)
185. (H43) Managers who bring together the similarities and differences among the people in their organization for the common good of the organization is utilizing
- a. Motivation Factors
 - b. Staff Communication
 - c. **Workplace Diversity**
 - d. Employee Relations
186. (H44) Describe how the following benefits of workplace diversity can help an organization reach its goal.
- a. Different Perspectives (**Answer – different perspectives can often provide different solutions that can be evaluated in the decision making process.**)
 - b. Variety of Solutions to problems (**Answer – The variety of solutions can be analyzed to see which one would be most efficient for the organization.**)
 - c. Avoidance of Legal Issues (**Answer- It would avoid discrimination issues.**)
187. (H45) Describe how the manager at a local grocery store can ensure equitable opportunities for employees in the organization.
(Answers may include job rotation, open communication policies with managers and employees, regular reviews of job performance, ensuring company policies are being enforced by managers, regular screenings of schedules and job duties, management awareness of day to day operations and employees)

Part 4: Duty I – Pricing

188. (I01) Marketers study the psychological significance of pricing because the price
- a. **Leads to value and quality perceptions to a customer**
 - b. Helps suppliers know how much to charge a business for purchasing their product
 - c. Gives managers an opportunity to learn things about customers
 - d. Offers customers the ability to purchase a product
189. (I02) Explain the following techniques used in pricing products and give an example:

Technique	Explain	Example
Odd-Even Pricing	Setting prices that end in either odd numbers to send a message of value or ending	\$19.99 – Value \$20 – High Quality

	in positive numbers to send the message of high quality.	
Prestige Pricing	Setting higher than average prices to send a message to customers that the product has a status and is prestigious.	Sneakers of a particular brand that cost \$120
Multiple-Unit Pricing	Pricing multiple products together rather than by themselves to send a message of value and increase sales volume.	3 donuts for \$1
Bundle Pricing	Pricing several complementary products together for one price.	Pricing a video game console, accessories and 2 games all together for \$160.
Promotional Pricing	Pricing products lower than average in order to stimulate sales or just to get customers to come in and purchase not just the lower priced items, but other items as well.	Pricing a gallon of milk for \$1 when normally it sells for \$2.50
Everyday Low Price (EDLP)	Charging a low price everyday without ever planning on discounting it in the future to provide consistent sales of that item over a period of time.	Charging the same price for eggs on a consistent basis. The eggs never go on sale nor are they ever discounted.
Pricing Lining	Pricing products in a given category at a particular price.	Pricing all pants at \$25, \$45, and \$65.

190. (I03) What is the function of marketing that studies customer demand and product features in order to place a value of money on a product?
- Finance
 - Price**
 - Product/Service Management
 - Selling
191. (I04) Pricing helps determine _____. **(Answer – Profits)**
192. (I04) Pricing is often used in a firm’s _____ strategy. **(Answer – Advertising)**
193. (I05) Customers often use price to evaluate the _____ of a product or a firm’s _____. **(Answer – value & image)**
194. (i06) What is the term that is used to describe the amount of sales that Coca-Cola has in the soft drink market that is a direct goal of pricing?
- Market Share**
 - Return on Investment
 - Competition
 - Cost-Benefit Analysis
195. (I06) What is the term that is used to determine the profitability of a product that is another goal of pricing?
- Market Share
 - Return on Investment**
 - Competition

- d. Cost-Benefit Analysis
196. (I06) The policy at Will's Hardware store is that if you find a lower price at a competitor's store, they will match the price. This is known as a goal in pricing where the firm will meet the _____.
- a. Market Share
 b. Return on Investment
 c. **Competition**
 d. Cost-Benefit Analysis
197. (I07) Explain how the following factors affect pricing.

Factor	Explanation
Costs & Expenses	(As these increase, so will the price and vice versa)
Supply & Demand	(As supply increases, prices should decrease, if demand increases, prices should increase and vice versa)
Consumer Perception	(As consumer perception increases, so will the price and vice versa)
Competition	(As competition increases, the price will decrease and vice versa)
Government	(As government gets more involved and poses requirements, prices can increase. However, the government can also set a price ceiling such as in the natural gas market)

Part 6: Duty J – Selling

198. (J01) This type of customer personality usually requires a significant amount of information and facts before making a purchase.
- a. Aggressive
 b. **Systematic**
 c. Impulsive
 d. Social
199. (J01) What type of customer personality is interested in knowing who else may be buying the product so it will usually take a little time for them to make a purchase?
- a. Aggressive
 b. Systematic
 c. Impulsive
 d. **Social**
200. (J01) What type of customer personality knows exactly what they are looking for and can usually make a decision quickly?
- a. **Aggressive**
 b. Systematic
 c. Impulsive
 d. Social
201. (J01) What type of customer personality does not have a particular item to shop for, but if a product appeals to them, they will purchase it?
- a. Aggressive
 b. Systematic
 c. **Impulsive**
 d. Social
202. (J02) When creating an online store to sell virtual games, Tyler made sure to add reviews from customers in order to appeal to the _____ customer personality type.
- a. Aggressive
 b. Systematic
 c. Impulsive
 d. **Social**
203. (J02) Handling this type of customer will require a sales staff to direct the customer to the location of the product and handle questions about the product.
- a. **Aggressive**
 b. Systematic

- c. Impulsive
d. Social
204. (J02) When handing this type of customer, it is important to have products displayed effectively and have sales staff ready to tell of the products benefits to customers.
a. Aggressive
b. Systematic
c. **Impulsive**
d. Social
205. (J02) What type of customer personality type is handled best with a knowledgeable sales staff that has extensive product knowledge?
a. Aggressive
b. **Systematic**
c. Impulsive
d. Social
206. (J03) What term describes repeat customers to a business because they have been so satisfied with previous purchases from the business that they will not consider other alternatives?
a. Brand Recognition
b. Duplicity
c. Prospect
d. **Loyalty**
207. (J04) Explain how a frequent buyer program can help a business build repeat customers.
(Answer – It can increase customer loyalty by offering discounts and incentives thus causing customers to want to come back to shop at that particular store)
208. (J05) What term is used to describe the important act of finding potential customers in order to increase sales in a company?
a. Preapproach
b. **Prospecting**
c. Approaching the Customer
d. Selling
209. (J06) Explain the following ways of finding potential customers.

Employer Leads	
Telephone Directories (Print & Online)	Answer – Salespeople may call people from the telephone directory at random in a certain territory (such as city, zip code, etc)
Trade & Professional Directories	Answer – Salespeople may purchase trade or professional directories that provide more information than a phone number.
Newspapers	Answer – Salespeople may get business information from the newspaper ads or articles.
Commercial Lists	Answer - Salespeople may purchase lists from research companies that provides them specific target market data
Customer Referrals	Answer - Salespeople will obtain information about potential customers who are friends or family members of their current customers.
Cold Canvassing	Answer – Salespeople go door to door trying to gain new customers.

210. (J07) Describe how a salesperson would use a prospect list. **(Answer – They would use their list to call on or visit potential customers)**
211. (J08) In order to motivate sales people to sell a particular level of sales items or dollars, management may implement a _____ policy.
a. Discount
b. **Sales Quota**
c. Promotion
d. Pricing
212. (J09) Briefly explain how the following are used by management to establish a sales quota:

- a. Units **(Answer – Sales people are required to sell a certain number of products per month, year or other time period)**
 - b. Dollars **(Answer – Sales people are required to sell a certain dollar amount of sales per month, year or time period.)**
 - c. Time limits **(Answer – Sales people are required to sell a certain amount of products in a particular timer period designated by the company)**
 - d. Types of products involved **(Answer – Sales people are required to sell a particular a type of product in a specific period of time)**
 - e. Particular Territory **(Answer – Sales people are required to sell a certain amount in a particular region of their territory either locally, regionally, nationally or globally.)**
213. (J10) Explain the importance of probing for information, or questioning in the sales process.
(Answers may include to get the customer talking in order to determine their needs)
214. (J11) What types of questions should be used when probing for information in order to determine the customer needs?
- a. Short Answer
 - b. **Open Ended Questions**
 - c. Closed Ended Questions
 - d. Have the customer fill out a questionnaire
215. (J12) List at least 3 questions a sales person can ask in order to determine their needs.
(Answers may include – For whom are you shopping for today?, What particular brand are you looking for? And What particular style are you looking for?)
216. (J13) What does a sales policy do for a company?
- a. Assists the sales people in making commission
 - b. Directly increases sales
 - c. **Ensures a positive shopping experience for customers**
 - d. Encourages suppliers to provide more products to the firm
217. (J14) Briefly explain how the following might be included in a firm’s sales policy.
- a. Returns & Exchanges – **(Answer – the company may only exchange or return an item with a receipt or within a specified time range.)**
 - b. Warranties **(Answer – The company may replace a damaged product within a specified time period.)**
 - c. Payment Methods **(Answer – The company may accept cash, check, credit cards, debit cards, monthly payments, and layaway.)**
 - d. Discounts **(Answer – The company may accept manufacturer’s coupons, store coupons, and competitor coupons, it may also give bulk discounts, etc.)**
218. (J15) Which of the following is not a reason that sales people must be trained in an organization?
- a. **They help reduce costs**
 - b. They inform customers about a product
 - c. They are often the only experience the customer may have with a particular company
 - d. Come in direct contact with customers and build revenues for a firm
219. (J16) What are the major components of a sales training program?
- a. **Effective sales Techniques & Product information**
 - b. Dealing with sales management of a firm
 - c. How to contact suppliers for product information
 - d. Learning how to find prospects
220. (J17) List the methods in which a company may administer a sales training program.

- (Answers may include on the job training, coaching/mentoring, in class, online, etc)**
221. (J18) List some specific guidelines that a sales manager may use to create a sales training program for his/her sales staff.

(Answers may include – selection of sales staff & class size, goals of program, recruiting outside help, level of involvement of participants, length of class, program evaluation)

Part 7: Duty K- Marketing Information Management

222. (K01) Which of the following is NOT a reason for importance of marketing information?
- It identifies market opportunities
 - It solves marketing problems
 - Monitors performance
 - It persuades, reminds or informs customers about a product**
223. (K02) Briefly explain the following characteristics of a marketing information system:
- Company Data **(Answer – Data collected by a company regarding sales of a particular product or time period, etc)**
 - Competitor Data **(Answer – Data regarding competitors, their products, and their territory, etc that can be used to improve a company's market position)**
 - Government Data **(Answer – Data that can help company's understand consumer wealth, demographic data (US Census), etc to drive business decisions.)**
 - Market Research Data **(Answer – Data that is collected by an outside agency to help understand more about the consumer perception of products, etc)**
224. (K03) Marketing information management connects _____, _____, and the _____ to a firm through information.
(Answer – Consumers, Customers, and Public)
225. (K04) How are sales forecasts calculated?
(Answer – A firm estimates the total market and then estimates their share of that market to determine a sales forecast of a particular product)
226. (K04) What might affect a sales forecast?
(Answers may include distribution strategy, effective sales force, increased promotion, different prices)
227. (K05) Why would a business use a sales forecast?
(Answers may include to budget for sales/revenues, to identify new marketing strategies, to set sales quotas for sales staff, etc)