

1. One business promising to do something for another business in return for receiving compensation is an example of a
 - A. treaty.
 - B. benefit.
 - C. contract.
 - D. enterprise.
2. A basic principle of procedural due process involves _____ before taking action.
 - A. obtaining witnesses
 - B. providing notice
 - C. awarding damages
 - D. creating evidence
3. Channels of distribution allow channel members to share
 - A. equipment.
 - B. profits.
 - C. risk.
 - D. employees.
4. Massimo's Corner Grocery sells a variety of fruits and vegetables to consumers within the community. Massimo's is considered a(n)
 - A. wholesaler.
 - B. retailer.
 - C. agent.
 - D. producer.
5. Radio frequency identification (RFID) increases channel efficiency because it stores product information on a computer chip that is attached to the
 - A. box or container.
 - B. delivery truck's antenna.
 - C. customer's inventory report.
 - D. receiving dock.
6. To assist and support another channel member's sales promotion in a particular area, a producer might work with the channel member to
 - A. coordinate a regional advertising campaign.
 - B. research and develop innovative products.
 - C. identify trends and market shifts.
 - D. develop a reliable accounting system.
7. What does a channel of distribution usually need to be able to manage or avoid conflict within the channel?
 - A. Limited competition
 - B. Updated technology
 - C. Equal authority
 - D. Strong leadership
8. One of the characteristics of effective verbal communication is
 - A. precise speech.
 - B. lack of clarity.
 - C. lack of tact.
 - D. good use of slang.
9. Before DiAnn presents her new idea to her boss, she searches the Internet and jots down two statistics that reinforce the idea. This is an example of
 - A. giving alternative ideas.
 - B. obtaining primary information.
 - C. supporting ideas with research.
 - D. clarifying a new idea.
10. What should you do if you phone an important customer and the customer indicates that you have called at a bad time?
 - A. Offer to schedule a second call.
 - B. Try to continue the conversation.
 - C. Ask the customer to call you back.
 - D. Explain that the call will be short.
11. When businesses need to formalize the information provided to employees, customers, or other businesses, they often use _____ communication.
 - A. verbal
 - B. lateral
 - C. upward
 - D. written

12. When writing e-mail correspondence to customers and coworkers, it is important to remember that the messages
- A. should include graphics to hold the reader's interest.
 - B. should be written in an entertaining, informal way.
 - C. are often seen by people other than the recipients.
 - D. are usually deleted as soon as they are read.
13. Which of the following is a characteristic of a persuasive sales message:
- A. Contains loaded language
 - B. Reminds customer of the product
 - C. Discredits the competition
 - D. Makes the product appealing
14. When Brian got a new job, he made sure he knew how to use the cash register, became familiar with all the products and prices, and kept his work station very organized. In which way did Brian demonstrate the customer-service mindset?
- A. Following-up
 - B. Following-through
 - C. Being efficient
 - D. Being accurate
15. Which of the following is the best way to handle slow/methodical customers:
- A. Let them have their say.
 - B. Don't jump to quick conclusions.
 - C. Help them along by not overwhelming them.
 - D. Serve them nonemotionally.
16. What is the most important economic resource?
- A. Equipment
 - B. Minerals
 - C. Energy
 - D. People
17. Which of the following is a reason that natural resources are considered limited:
- A. Some countries are unable to manufacture them.
 - B. Technology has advanced faster than training.
 - C. The earth has certain boundaries.
 - D. People lack training or skills needed to do a job.
18. One of the advantages of a market economy is
- A. freedom of competition.
 - B. absence of taxes.
 - C. government control.
 - D. assigned occupations.
19. Which of the following is not an advantage of labor specialization:
- A. Increased worker efficiency
 - B. Increased interdependency
 - C. Increased production rates
 - D. Simplified training of workers
20. Why is the concept of price stability an effective measurement of the state of the economy?
- A. Matches the effects with the causes
 - B. Reflects the rise in wages and benefits
 - C. Indicates positive and negative trends
 - D. Compares revenues with expenses
21. Which of the following is not a characteristic of the peak phase of a business cycle:
- A. High prices
 - B. High dividends
 - C. High unemployment
 - D. High interest rates
22. Which of the following characteristics describes a person who always arrives at work on time:
- A. Dependable
 - B. Creative
 - C. Honest
 - D. Independent
23. A responsible employee who realizes that s/he has given a fellow employee the wrong answer to a work question would handle the situation by
- A. apologizing and giving the right answer.
 - B. letting the other employee figure it out.
 - C. pretending that s/he gave the right answer.
 - D. refusing to answer questions in the future.

24. One way that businesses can protect the privacy of their customers is to limit the number of employees who have access to the customers'
- A. purchasing history.
 - B. personal information.
 - C. identification code.
 - D. telephone numbers.
25. When you ask coworkers for help and they aren't able to help you, which of the following responses would be most appropriate:
- A. "I guess you don't remember when I helped you."
 - B. "I don't know how I'll ever get done."
 - C. "Thanks anyway; I won't bother you again."
 - D. "Thanks anyway; maybe another time."
26. Which of the following is a characteristic of good visions:
- A. Concrete situations
 - B. Permanent results
 - C. Complicated ideas
 - D. Expensive processes
27. Achievement-oriented people rely on _____ to set the standards for their work.
- A. their bosses
 - B. their followers
 - C. their coworkers
 - D. themselves
28. A business manager who wants to lead change in the company needs to be
- A. forceful.
 - B. emotional.
 - C. persuasive.
 - D. conservative.
29. Pedro received a check in the amount of \$432.87 from the Tabor Corporation, a company in which he is a stockholder. This source of income is referred to as
- A. inheritance.
 - B. wages.
 - C. interest.
 - D. dividends.
30. Choosing to buy an item at the check-out counter is often an example of
- A. financial self-control.
 - B. poor use of credit.
 - C. impulsive spending.
 - D. smart shopping.
31. Investors take a risk for the potential of receiving which of the following:
- A. Return
 - B. Prize
 - C. Recognition
 - D. Bonus
32. Electrical storms, floods, and earthquakes are examples of _____ risk.
- A. human
 - B. marketing
 - C. natural
 - D. economic
33. A summarization of the total income and expense of a business for a period of time is called
- A. the profit-and-loss statement.
 - B. gross profit.
 - C. cost of goods sold.
 - D. balance sheet.
34. When return on capital is positive, the company is
- A. low on cash.
 - B. losing value.
 - C. growing in value.
 - D. paying out dividends.
35. To make sure that their budgets are effective, what should businesses do with budget information?
- A. Send it to all stockholders
 - B. Provide it to all top managers
 - C. Post it on bulletin boards
 - D. Communicate it to all employees

36. A human-resources manager is reviewing job applications for a marketing position to select which candidates to call for an interview. What process is the human-resources manager performing?
- A. Prospecting
 - B. On-boarding
 - C. Screening
 - D. Negotiating
37. The purpose of using a marketing-information management system to gather data on the activities and new products of other businesses is to
- A. compare warehouse procedures.
 - B. monitor the competition.
 - C. improve stock control.
 - D. analyze promotional methods.
38. Which of the following is an example of a business obtaining marketing information about consumers in a way that might be considered unethical:
- A. Offering a free product in exchange for personal data
 - B. Conducting a random survey
 - C. Sending questionnaires to a specific audience
 - D. Developing a scientific experiment
39. Secondary research is cost-effective for marketers because the data
- A. are incomplete.
 - B. are cheap to purchase.
 - C. are specific.
 - D. already exist.
40. Managers should avoid marketing-research projects that
- A. make little financial sense.
 - B. might give unfavorable results.
 - C. take a long time to complete.
 - D. involve new products.
41. The results of exploratory research are often
- A. unusable.
 - B. specific.
 - C. quantitative.
 - D. qualitative.
42. Marketers draw samples from
- A. current and former employees.
 - B. media stories.
 - C. their target population.
 - D. groups of university students.
43. Marketing researchers would use the Likert rating scale when its questionnaire's statements are designed to measure the respondents'
- A. feelings and knowledge.
 - B. level of agreement.
 - C. specific beliefs.
 - D. level of intuitiveness.
44. Which of the following is a technique that businesses can use to monitor their competitors' activities:
- A. Reading annual reports
 - B. Analyzing economic factors
 - C. Studying regional data
 - D. Reviewing buying motives
45. What is an example of a marketing-research method that is used to collect primary data?
- A. Census data
 - B. Customer survey
 - C. Trade-journal article
 - D. External reports
46. When should researchers ask potentially sensitive questions during an interview?
- A. Toward the end of the interview
 - B. At the beginning of the interview to get them out of the way
 - C. Throughout the interview
 - D. At the mid-point of the interview to allow time for the researcher to build rapport
47. One reason businesses often avoid using open-ended questions as a method of obtaining results from a marketing survey is because the results may be difficult to
- A. enter into a database.
 - B. store for future use.
 - C. code for evaluation.
 - D. distribute to management.

48. It is beneficial to a marketing researcher to use open-ended questions on a survey when
- A. maintaining structure is important.
 - B. the survey is long and technical.
 - C. conducting exploratory research.
 - D. objectivity is an important factor.
49. One of the strengths of using internal sources to collect marketing research information is that the information
- A. pertains directly to the issue.
 - B. is available to outside users.
 - C. relates to industry problems.
 - D. is organized by department.
50. Which of the following is a measure of how happy a customer is:
- A. Customer attitude
 - B. Customer behavior
 - C. Customer satisfaction
 - D. Customer loyalty
51. Changes that occur in the marketplace may cause an established business to _____ its marketing strategies.
- A. implement
 - B. identify
 - C. redesign
 - D. publicize
52. Which of the following is an example of market segmentation on the basis of product usage:
- A. What a person's heritage is
 - B. How often a person attends the opera
 - C. What activities a person enjoys
 - D. How old a person is
53. Why is it important for a business to conduct a situational analysis during the marketing planning process?
- A. To identify customers
 - B. To ward off problems
 - C. To forecast expenses
 - D. To redesign products
54. One way for businesses to obtain needed information efficiently is to
- A. read a book.
 - B. schedule an interview.
 - C. access a database.
 - D. contact a competitor.
55. When developing a computer-based presentation, it is important that each slide contain
- A. numerical data.
 - B. colorful graphics.
 - C. key points.
 - D. creative transitions.
56. What must businesses determine during the phases of record keeping?
- A. Which clients will be excluded from the records
 - B. Why employees dislike record keeping
 - C. Where competitors keep their records
 - D. Who will be responsible for record keeping
57. Which of the following is an ongoing population trend that affects how businesses market their goods and services:
- A. Lifestyle
 - B. Consumption
 - C. Behavior
 - D. Migration
58. Companies obtain internal information about their various business activities to operate effectively by monitoring
- A. industry trends.
 - B. trade publications.
 - C. internal records.
 - D. government statistics.
59. Which of the following is a true statement about the term "environment":
- A. It has no affect on your performance.
 - B. It refers only to the earth and its resources.
 - C. It consists of your surroundings.
 - D. It applies to individuals, not businesses.

60. Which of the following is an ethical issue that might affect the operations function:
- A. Flexibility
 - B. Utility
 - C. Creativity
 - D. Quality
61. Determine whether the following statement is true or false: Accidents in the workplace cannot be prevented or reduced.
- A. False, employees can be trained in accident prevention.
 - B. True, employees are always going to make mistakes.
 - C. True, accidents result from human and mechanical error.
 - D. False, accidents caused by malfunctions can be prevented.
62. Protecting company information and intangibles often involves following the rules established to control access to
- A. cash registers.
 - B. inventory methods.
 - C. computer systems.
 - D. storage facilities.
63. Raw materials are transformed into finished goods in the _____ process.
- A. production
 - B. promotion
 - C. purchasing
 - D. distribution
64. Many businesses have eliminated free services in order to
- A. increase customer satisfaction.
 - B. control inventory shrinkage.
 - C. be more competitive.
 - D. reduce operating expenses.
65. The most important reason that a business's public restrooms should be thoroughly cleaned on a regular basis is to
- A. protect the health of customers/clients.
 - B. make the fixtures last longer.
 - C. make the restrooms attractive.
 - D. give the business a good image.
66. Before you can reach a goal, you must first _____ an appropriate one.
- A. select
 - B. complete
 - C. fulfill
 - D. adjust
67. Which of the following is a technique that you can use to become more creative:
- A. Goal manipulation
 - B. Strong cooperation
 - C. Forced association
 - D. Idea implementation
68. One of the most effective methods of locating job leads is asking for tips from
- A. nonworkers.
 - B. retirees.
 - C. minors.
 - D. friends.
69. Which of the following are the best references to list in a résumé:
- A. Family members
 - B. Former employers
 - C. Coworkers
 - D. Classmates
70. Membership in a local chamber of commerce is _____ for marketing businesses.
- A. unimportant
 - B. necessary
 - C. required
 - D. voluntary
71. A business that refuses to raise the price of its goods and services that are in high demand in a certain part of the country because of a natural disaster is being
- A. politically correct.
 - B. economically unsound.
 - C. legally reasonable.
 - D. socially responsible.

72. What technological advancement has allowed consumers to collect the most information for price-comparison shopping?
- A. Internet
 - B. Newspaper
 - C. Catalog
 - D. Telephone
73. Why is it necessary for a business to price its products very carefully?
- A. To create goodwill in the community
 - B. To get a fair share of the market
 - C. To track competitors' activities
 - D. To attract employees to the business
74. Which of the following is the purpose of screening ideas for new products:
- A. To perform a thorough business analysis
 - B. To generate new ideas
 - C. To prepare market research
 - D. To eliminate some ideas
75. What technological advancement has had the greatest impact on the travel, hospitality, recreation, and insurance industries?
- A. Fax machine
 - B. Internet
 - C. Electronic key card
 - D. Interactive television
76. Businesses often identify product opportunities by conducting
- A. idea analysis.
 - B. trend research.
 - C. trial runs.
 - D. production tests.
77. What does the following statement illustrate: The shelf should be 12" inches long and weigh 14 ounces.
- A. Standards
 - B. Grades
 - C. Warranties
 - D. Testimonials
78. When a manufacturer provides a full warranty with a product, it is the manufacturer's responsibility to
- A. limit the time that an implied warranty is good.
 - B. replace or repair a faulty product.
 - C. repair only specific parts if they fail to function.
 - D. refund the purchase price if the product is misused.
79. Which of the following is an example of product bundling:
- A. Garden shop discounting prices of seasonal merchandise
 - B. Business selling computer, printer, and scanner as a unit
 - C. Theme park charging admission and selling ride tickets
 - D. Lumber company selling wood chips as small-animal bedding
80. A business that positions its products as the ones offering the best quality and service for the price might gain a
- A. geographic benefit.
 - B. promotional consideration.
 - C. competitive advantage.
 - D. marketing incentive.
81. Walt Disney has sold the rights to Mickey Mouse and other Walt Disney characters to a company that makes stuffed animals. This is an example of brand
- A. repositioning.
 - B. positioning.
 - C. extension.
 - D. licensing.
82. Corporate branding provides a variety of products and product lines with a common
- A. strategy.
 - B. platform.
 - C. ranking.
 - D. identity.
83. In promotional communication, the feedback that buyers (consumers) give to senders (businesses) is usually in the form of
- A. purchases.
 - B. complaints.
 - C. referrals.
 - D. suggestions.

84. Which of the following newspaper ads would be considered promotional rather than institutional:
- A. A January white sale
 - B. A salute to public-service workers
 - C. A commitment to the United Fund
 - D. A special program on public television
85. Which of the following is an example of a business using unethical promotion:
- A. Developing an advertising campaign about environmental issues
 - B. Exaggerating a product's attributes in an advertisement
 - C. Using several testimonials in a print advertisement
 - D. Placing a product's price in an advertisement
86. Which of the following is typically NOT a penalty imposed upon marketers who run false or deceptive advertisements:
- A. Incarceration
 - B. Cease and desist orders
 - C. Monetary fines
 - D. Corrective advertising
87. What does a business's customers recommending the business to their friends exemplify?
- A. Providing a testimonial
 - B. Word-of-mouth communication
 - C. Verbal assertiveness
 - D. One-on-one selling
88. In what communications channels are holding press conferences and giving interviews used?
- A. Corporate management
 - B. Public relations
 - C. Personal selling
 - D. Target marketing
89. Which of the following parts of a print ad often creates an image that people come to associate with that business:
- A. Photograph
 - B. Illustration
 - C. Headline
 - D. Logotype
90. Which of the following is an activity that is performed by a business's public-relations department:
- A. Selecting media for print and broadcast advertisements
 - B. Researching and developing product prototypes
 - C. Developing job descriptions for employees
 - D. Coordinating speaking engagements for employees
91. One reason why it is important for businesses to use public-relations activities to reach external audiences is to
- A. pass on positive information.
 - B. sell useful products.
 - C. measure the community response.
 - D. compile customer databases.
92. Which of the following components of a promotional plan addresses exactly how a business will achieve its goals:
- A. Situation analysis
 - B. Budget
 - C. Strategy
 - D. Evaluation
93. Which of the following is a promotional activity that should be coordinated with an advertised sales event:
- A. Product displays
 - B. Marketing research
 - C. Stock handling
 - D. Merchandise markdowns
94. What should salespeople be prepared to use, when appropriate, to communicate with customers?
- A. Complex sentences
 - B. Technical terms
 - C. Slang words
 - D. Foreign phrases
95. Because product quality and price can easily be matched, customer service becomes a key component in business
- A. careers.
 - B. competition.
 - C. communications.
 - D. forecasts.

96. Selling policies not only benefit the company by providing guidelines for sales activities, employee actions, and services provided, they also help managers to
- A. assess sales staff performance.
 - B. direct salespersons' responses.
 - C. assist in determining regulations.
 - D. explain policies to potential customers.
97. What is one way that businesses use the technology of electronic data interchange in the selling function?
- A. To identify potential accounts
 - B. To fax sales data to employees
 - C. To communicate with customers
 - D. To access competitors' web sites
98. Which of the following sources of information might provide salespeople with the most information about actual product performance:
- A. Sales displays
 - B. Merchandise labels and tags
 - C. Manufacturers' pamphlets
 - D. Customers
99. During the feature-benefit selling process, it is important for the salesperson to remember that the customers are buying
- A. benefits.
 - B. features.
 - C. attitudes.
 - D. characteristics.
100. Why should managers know how to do the work of the workers they supervise?
- A. To coordinate employees' efforts
 - B. To establish a chain of command
 - C. To create a team spirit among employees
 - D. To have realistic expectations for workers

1. C
Contract. Contracts are agreements among two or more parties stating that one party is to do something in return for something provided by another party. If one business promises to do something for another business in return for receiving compensation, the two businesses have a contract. Then, the businesses are obligated to fulfill their part of the contract. In most cases, contracts benefit both parties, although promising to do something in return for receiving compensation is not necessarily a benefit. Treaties are trade agreements among two or more countries. An enterprise is another term for a business.
SOURCE: BL:002
SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3rd ed.) [pp. 211-219]. Mason, OH: Thomson/South-Western.
2. B
Providing notice. Due process is the concept that the government must respect all of the legal rights that are owed to individuals and businesses according to the law of the land. Legal procedure refers to the methods and processes that are used to protect an individual's or business's legal rights. In many societies, these rights include the right to be notified of accusation or lawsuit (providing notice), the right to obtain legal counsel, the right to be heard in court, the right to confront the accuser, etc. Obtaining witnesses is a pretrial activity. Awarding damages is a possible remedy or outcome of civil litigation. Due process involves presenting evidence, not creating it.
SOURCE: BL:070
SOURCE: McAdams, T., Neslund, N., & Neslund, K. (2007). *Law, business, and society* (8th ed.) [pp. 199-200]. Boston: McGraw-Hill/Irwin.
3. C
Risk. Channels of distribution allow channel members to share risk. Moving products through a channel requires financing and includes an inherent financial risk. Channel members do not share profits, equipment, or employees.
SOURCE: CM:001
SOURCE: CM LAP 2—Chart Your Channels (Channel Management)
4. B
Retailer. A retailer is a business that buys goods and sells them to the final consumer. Wholesalers are intermediaries who buy goods from producers or agents and resell them to other businesses. Agents are intermediaries who assist in the sale of goods but do not take title to them. Producers are growers, providers, or manufacturers of goods and services.
SOURCE: CM:003
SOURCE: CM LAP 1—Channel It (Channels of Distribution)
5. A
Box or container. Radio frequency identification (RFID) involves storing an order's product information on a computer chip and then attaching it to the shipment's box, container, or pallet. When a shipment arrives at a business, warehouse personnel use computer scanners to receive the items quickly, which increases efficiency. The computer chip is not attached to the delivery truck's antenna, the customer's inventory report, or the receiving dock.
SOURCE: CM:004
SOURCE: Kotler, P., & Armstrong G. (2008). *Principles of marketing* (12th ed.) [p. 360]. Upper Saddle River, NJ: Prentice-Hall.

6. A
Coordinate a regional advertising campaign. Channel members are all of the businesses and individuals that assist in moving goods and services from the producer to the consumer. In many situations, producers will assist other channel members (e.g., dealers, distributors, retailers) in sales promotions. One way to assist channel members planning a sales promotion in a certain area is by providing resources (e.g., money, product samples) to develop an advertising campaign. The goal of the advertising campaign is to communicate information about the sales promotion to consumers in order to stimulate interest and sales. The producer may provide assistance by developing new products and identifying market trends, but these activities do not relate to a specific sales promotion. An accounting system refers to the methods and procedures a business uses in handling its financial information.
SOURCE: CM:007
SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [p. 117]. South-Western Cengage Learning.
7. D
Strong leadership. A channel of distribution that has strong leadership is often able to manage or avoid conflict because the leadership has the power to assign specific responsibilities to each channel member. Strong leadership has the authority to set goals for the entire channel and demand cooperation, which reduces the possibility of conflict. When a channel has strong leadership, channel members work for the good of the channel rather than for their individual goals. A channel of distribution does not need updated technology or limited competition to manage or avoid conflict within the channel. Equal authority might create conflict because there is no clear leader who has power and control over the channel.
SOURCE: CM:008
SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 444-445]. Mason, OH: Thomson/South-Western.
8. A
Precise speech. Precise speech involves choosing the words that most accurately communicate what you want to say. This makes your communication effective because it has clarity, and the listener will be most likely to receive the message you want to transmit. Effective verbal communication should also be tactful and should not include slang.
SOURCE: CO:147
SOURCE: Cheesebro, T., O'Connor, L., & Rios, F. (2007). *Communication skills: Preparing for career success* (3rd ed.) [pp. 76-77]. Upper Saddle River, NJ: Pearson Prentice Hall.
9. C
Supporting ideas with research. Ideas that are research-based are more easily accepted than those that are not. Primary information is new information collected for the issue at hand. DiAnn is collecting secondary information, which involves obtaining information that has already been collected by others. The research does not create alternative ideas. It is meant to add validation to the original idea. Clarifying an idea involves explaining it in more detail.
SOURCE: CO:061
SOURCE: Leitch, M. (2006, February 15). *Giving ideas*. Retrieved October 23, 2012, from <http://www.internalcontrolsdesign.co.uk/advice/index.html#all>
10. A
Offer to schedule a second call. In some situations, you will call an important customer at a time when the customer is busy or in a hurry and is unable to speak to you. Then, it is appropriate to offer to schedule a second call at a time that will be convenient for the customer. You should not try to continue the conversation or explain that the call will be short if the customer indicates that this is a bad time. It is your responsibility to return the call rather than ask the customer to call you.
SOURCE: CO:114
SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [p. 45]. Mason, OH: Thomson South-Western.

11. D

Written. Written communication involves putting ideas, thoughts, and agreements into words and writing those words in a document or letter. Written communication is often considered to be formal because a copy of the information exists which indicates that all parties involved received the same message. Businesses often use formal written communication in order to document important transactions and preserve the information for future reference. Verbal communication involves speaking. Lateral communication is between people on the same level. Upward communication is from employees to supervisors or managers.

SOURCE: CO:016

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [pp. 282-303]. Mason, OH: Thomson South-Western.

12. C

Are often seen by people other than the recipients. When writing e-mail messages to customers and coworkers, the correspondence should address various business issues; therefore, writers should develop the messages using a concise, friendly, and businesslike tone. If the writer uses language that is very casual, personal, or questionable, there is a risk of offending the recipient or others to whom the recipient forwards the message. Because many businesses have e-mail policies and can monitor the contents of e-mail messages going into and out of their companies, e-mail writers should take care not to send inappropriate messages. Business e-mail messages do not need to be entertaining or informal, nor do they need to include graphics. Many businesspeople save important e-mail messages and flag them for follow-up at a later time.

SOURCE: CO:090

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 183-186]. Upper Saddle River, NJ: Pearson Prentice Hall.

13. D

Makes the product appealing. Persuasive messages usually are intended to encourage someone to do something. In the case of a sales message, the goal usually is to persuade a customer to buy a product. In order to do this, the message should make the product appealing to the customer so the customer will understand the benefit of buying and want to buy. The sales message should persuade the customer to spend money. Persuasive sales messages are not intended to simply remind the customer of the product or discredit the competition. Persuasive messages should not use loaded language, which is often biased and stereotypical.

SOURCE: CO:031

SOURCE: Lehman, C. & DuFrene, D. (2005). *Business communication* (14th ed.) [pp. 290-291]. Mason, OH: South-Western.

14. C

Being efficient. Being efficient demonstrates the customer-service mindset. Specifically, this means knowing how to operate equipment and software, becoming familiar with all the products the business offers, and keeping work spaces organized for action. Being accurate is demonstrated through double-checking work for accuracy. Following-through means always doing what you say you're going to do. Following-up with customers suggests to customers that you care about their continued satisfaction.

SOURCE: CR:004

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 622-623]. Tinley Park, IL: Goodheart-Willcox Company, Inc.

15. C

Help them along by not overwhelming them. Helping them along by not overwhelming them is the best way to deal with slow/methodical customers. Be patient. Mirror their methodical behavior. They will come around when they trust your good intentions. Avoiding jumping to quick conclusions is the best way to deal with dishonest customers. Letting them have their say is the best way to deal with domineering/superior customers. Serving non-emotionally is the best way to deal with insulting customers.

SOURCE: CR:009

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

16. D

People. Human resources, people, are the most important economic resource because they combine the other resources to produce goods and services. Without the work of people, land would not be used to grow crops, roads would not be built, and equipment would not be used to manufacture goods. Minerals and energy are natural resources. Equipment is capital goods.

SOURCE: EC:003

SOURCE: EC LAP 14—Be Resourceful (Economic Resources)

17. C

The earth has certain boundaries. Currently, the earth provides most of our natural resources. As the population of the world increases, there will be more and more people living within those boundaries and demanding more resources. Therefore, there will be fewer resources per person. Lack of training and technology advancing faster than training are reasons for limited human resources. Natural resources are found in nature, rather than being manufactured.

SOURCE: EC:001

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 32-33). Tinley Park, IL: Goodheart-Willcox.

18. A

Freedom of competition. In a market economy, businesses are free to compete with each other for labor and for customers. The government taxes the profits made by businesses and the money earned by workers in order to provide services to the people. The role of the government in our economy is limited to protecting private property, ensuring competition, and preserving law and order. Workers are free to choose the type of work they want and are limited only by their own abilities and finances.

SOURCE: EC:009

SOURCE: EC LAP 15—People Power (Private Enterprise)

19. B

Increased interdependency. Increased interdependency means workers need to rely on each other. It is a disadvantage of specialization. All of the other alternatives are advantages of specialization. Production rates increase because the speed with which workers perform their specific tasks increases. Workers become highly skilled as job tasks are performed repeatedly, and this results in increased efficiency. Training of workers is simplified due to the limited nature of the tasks to be performed.

SOURCE: EC:014

SOURCE: Murray, J.L. (n.d.). *Three types of interdependence in an organizational structure*. Retrieved October 23, 2012, from <http://smallbusiness.chron.com/three-types-interdependence-organizational-structure-1764.html>

20. C

Indicates positive and negative trends. Price stability means that price levels remain fairly constant. When prices are stable, they do not drastically fluctuate up or down. Price stability is one way to measure the condition of a country's economy. If prices are stable (a positive trend), the economy is also stable. Large upswings or downswings in prices (negative trend) indicate that the economy is not stable. When the trend is negative, governments take steps to correct the problem. The concept of price stability does not reflect the rise in wages and benefits, does not match the effects with the causes, and does not compare revenues with expenses.

SOURCE: EC:083

SOURCE: McConnell, C.R., & Brue, S.L. (2005). *Economics: Principles, problems, and policies* (16th ed.) [pp. 8-9]. Boston: McGraw-Hill/Irwin.

21. C

High unemployment. The peak phase of a business cycle is considered the high point of economic activity. It is characterized by high dividends, high production, high prices, high interest rates, and high employment. High unemployment is characteristic of the trough phase of a business cycle.

SOURCE: EC:018

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 64-67). Woodland Hills, CA: Glencoe/McGraw-Hill.

22. A
Dependable. A dependable person is one who can be relied upon to do what s/he is supposed to do. Dependable employees comply with such rules as coming to work at a certain time every day. An independent person is self-reliant and likes to be in charge of his/her own life. A creative person is imaginative and able to come up with original ideas. An honest person tells the truth and behaves in a straightforward manner.
SOURCE: EI:018
SOURCE: EI LAP 9—You've Got Personality (Personality Traits in Business)
23. A
Apologizing and giving the right answer. A responsible person acknowledges his/her mistakes as soon as s/he is aware of them and then corrects them whenever possible. Since an incorrect answer may have caused a problem for the other employee, an apology is also in order. Letting the other employee figure out that the answer was incorrect, pretending that the right answer was given, and refusing to answer questions in the future are examples of irresponsible behavior.
SOURCE: EI:021
SOURCE: EI LAP 21—Make the Honor Role (Acting Responsibly)
24. B
Personal information. Many businesses gather personal information about their customers that they store in a database. This might include information about a customer's credit rating, financial status, education, etc. Such information should be available only to employees who need to know it in order to do their jobs. Businesses should limit the number of employees who have access to customers' personal information in order to protect the privacy of their customers and prevent unauthorized persons from obtaining and using this information. A customer's telephone number, purchasing history, and identification code are types of routine business information that usually are not considered to be private.
SOURCE: EI:029
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 172]. Upper Saddle River, NJ: Pearson Prentice Hall.
25. D
"Thanks anyway; maybe another time." This is an appropriate response because it expresses your thanks for their response and lets them know you understand and will ask them again. Reminding coworkers that you had helped them earlier is attempting to make them feel guilty, which they will probably resent. Saying that you won't bother them again indicates you are offended by their refusal. Saying you don't know how you'll get done (without help) is whining, which is a very negative habit that annoys other people.
SOURCE: EI:008
SOURCE: EI LAP 18—Assert Yourself (Assertiveness)
26. B
Permanent results. Good visions have permanent results. They are something that other people can carry on for many years even if the person who had the vision is not around. Examples include the right to vote, equal rights, and vaccines for diseases. Visions are abstract rather than concrete. Visions should be simple enough that anyone can understand rather than overly complicated. Some visions are expensive to turn into reality but are worth the price; however, some visions may not justify the price.
SOURCE: EI:063
SOURCE: QS LAP 11—Picture This!
27. D
Themselves. Achievement-oriented people rely on themselves to set the standards for their work. They don't allow others to set the standards for them.
SOURCE: EI:027
SOURCE: EI LAP 10—High Hopes (Developing an Achievement Orientation)

28. C

Persuasive. Business managers who want to lead change in the company need to have certain characteristics to be effective. They should be persuasive which means they have the ability to get people to see things their way, do things their way, or agree with them. Change doesn't just happen on its own. Change leaders need the involvement and help of many different people. Effective change leaders are able to persuade the right people to go along with them and help make the change happen. A manager who wants to lead change does not need to be emotional, forceful, or conservative.

SOURCE: EI:005

SOURCE: QS LAP 23—20/20 Foresight

29. D

Dividends. Individuals and businesses acquire income in many ways. Dividends are earnings that are paid to investors or stockholders for their investments. When Pedro purchased shares of Tabor stock, he became an owner of the company. As an owner of the company, Pedro has the opportunity to earn a percentage of the company's profits, which are paid to him in the form of dividends. Wages are the income that workers earn for the work that they perform. Interest is the reward or cost of lending or borrowing money, usually figured as a percentage of the amount borrowed. An inheritance is the assets (e.g., property, goods, money) that a person leaves to others upon his/her death.

SOURCE: FI:061

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 447-448]. New York: McGraw-Hill Irwin.

30. C

Impulsive spending. Choosing to buy an item at the check-out counter is a classic example of impulsive spending. Poor use of credit may or may not be involved. Choosing *not* to buy the item would illustrate financial control and would be a good example of smart shopping.

SOURCE: FI:065

SOURCE: QS LAP 31—Set Yourself Up

31. A

Return. Investors are willing to take a risk for the potential of return (reward or benefit they might receive). The return is what the investment can potentially earn for the investor. Prizes are awarded to players in sweepstakes contests. Bonuses are added to employees' paychecks. And, recognition is positive attention for extraordinary achievements. Prizes, bonuses, and recognition do not provide the motivation for investing.

SOURCE: FI:077

SOURCE: QS LAP 32—Risky Business?

32. C

Natural. Natural risks are chances of loss which result from natural causes. These are natural phenomena occurring outside anyone's control. Economic risks are chances of loss due to changes in the market that force a lowering of prices, change of products, or even failure of businesses. Human risks are chances of loss caused by human weakness and unpredictability. Marketing is not a classification of risk.

SOURCE: FI:084

SOURCE: FI LAP 8—Prepare for the Worst; Expect the Best (Nature of Risk Management)

33. A

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

SOURCE: FI:094

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

34. C
Growing in value. When return on capital is positive, the company is growing in value. When return on capital is negative, the company is losing value. A high return on capital would not indicate that a company is low on cash. Businesses can have a high return on capital but not pay out dividends.
SOURCE: FI:354
SOURCE: FI LAP 7—Money Matters (Role of Finance)
35. D
Communicate it to all employees. To make sure their budgets are effective, businesses should communicate them to all employees. Even the best, most accurate budget is ineffective if no one sees it. Effective budgets are those that have been clearly communicated to all employees, so that each person in the company is aware of his/her effect on the company's profits. All employees should receive this information, not just top managers. Businesses usually send annual financial statements rather than budget information to their stockholders. Specific budget information usually is not posted on company bulletin boards.
SOURCE: FI:106
SOURCE: FI LAP 3—Money Tracks (Nature of Budgets)
36. C
Screening. In the human-resources function, screening involves “weeding out” the applicants that do not meet minimum requirements for the job or have not satisfactorily completed the application. On-boarding activities are human-resources tasks that must be performed when a new employee joins the company (e.g., orientation and paperwork). Prospecting is a sales activity that involves identifying any person or organization with the potential to buy a product. Negotiating is the process of influencing someone to take a certain course of action in order to achieve a desired outcome.
SOURCE: HR:410
SOURCE: HR LAP 35—People Pusher (Nature of Human Resources Management)
37. B
Monitor the competition. Information about competitors' activities is very important to a business. An important responsibility of a marketing-information management system is to gather and analyze such data as improvements planned for competitive products, new products that are being introduced, or the competition's market share. Comparing warehouse procedures, analyzing promotional methods, and improving stock control are other functions of a marketing-information management system not related to monitoring the competition.
SOURCE: IM:001
SOURCE: IM LAP 2—Get the Facts Straight (Marketing-Information Management)
38. A
Offering a free product in exchange for personal data. Certain ways of obtaining marketing information may be considered unethical even though they are legal. An example is offering free products in exchange for personal data. Consumers may be persuaded to provide information that they normally would not provide simply because the offer is so tempting, or they need the product being offered. Furthermore, consumers have no guarantee that the business will keep the personal data confidential. In some cases, businesses try to obtain this information in order to sell it to others. Most businesses follow ethical procedures when obtaining marketing information about consumers. These procedures might include conducting a random survey, sending questionnaires to a specific audience, and developing a scientific experiment.
SOURCE: IM:025
SOURCE: Aaker, D.A., Kumar, V., & Day, G.S. (2007). *Marketing research* (9th ed.) [pp. 20-23]. Hoboken, NJ: John Wiley & Sons, Inc.

39. D

Already exist. Secondary research is cost-effective for marketers because the data already exist. The organization does not need to pay the costs of undertaking original research. Secondary data are not necessarily cheap to purchase, nor are they specific to the research project at hand. Secondary data may be incomplete; however, this is not a reason that secondary research is cost-effective.

SOURCE: IM:281

SOURCE: IM LAP 15—What's the Source? (Obtaining Marketing-Research Data)

40. A

Make little financial sense. Managers should avoid marketing-research projects that make little financial sense—in other words, the costs of conducting the research don't outweigh the potential benefits. Even if a marketing-research project gives unfavorable results, managers can still use the information to make the best decisions and strategies for the company. It shouldn't make a difference if a marketing-research study takes a long time to complete or involves new products—it can still be useful.

SOURCE: IM:282

SOURCE: IM LAP 13—What's the Problem? (Marketing-Research Problems)

41. D

Qualitative. The results of exploratory research are often qualitative, or based on thoughts, opinions, or feelings. They are not necessarily specific. They are usually not quantitative, or measurable. They are usable for generating hypotheses or familiarizing marketers with the problem at hand.

SOURCE: IM:284

SOURCE: IM LAP 14—Better By Design (Marketing-Research Designs)

42. C

Their target population. Marketers draw samples from their target population, or the specific group of individuals or units they are studying. The target population may or may not include media stories, current and former employees, or groups of university students.

SOURCE: IM:285

SOURCE: IM LAP 16—Take Your Pick (Nature of Sampling Plans)

43. B

Level of agreement. The Likert scale measures the respondents' level of agreement with a statement. For example, a questionnaire might contain the statement, "The PTR Company consistently provides excellent customer service." The response options might include phrases such as strongly agree, agree, no opinion, disagree, and strongly disagree. The respondents select the option that corresponds to their feelings. Marketing researchers do not use the Likert scale to measure the respondents' knowledge, specific beliefs, or levels of intuitiveness.

SOURCE: IM:286

SOURCE: Aaker, D.A., Kumar, V., & Day, G.S. (2007). *Marketing research* (9th ed.) [p. 297]. Hoboken, NJ: John Wiley & Sons, Inc.

44. A

Reading annual reports. Businesses often monitor their competitors' activities in order to make marketing decisions that will help them to stay competitive. Businesses can obtain valuable information by reading their competitors' annual reports that often list major customers and describe successful promotional activities. Annual reports also include information about profitability, sales volume, new product development, and expansion. Businesses can use this information to develop similar products or to expand their sales area. Economic factors involve the state of the local economy. Regional data include geographic and demographic information about the area. Buying motives are the reasons or benefits that cause people to make purchases to satisfy wants and needs.

SOURCE: IM:184

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 742). Woodland Hills, CA: Glencoe/McGraw-Hill.

45. B

Customer survey. Primary marketing research is information that a business obtains for a specific purpose. Businesses use many techniques to obtain primary data, such as observation, interviews, and surveys. Surveys contain questions about the information the business wants to obtain. For example, a business might distribute a survey to its customers when it wants to find out what the customers think of the business's goods and services. Census data, trade-journal articles, and external reports are forms of secondary research.

SOURCE: IM:289

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 614-615). Woodland Hills, CA: Glencoe/McGraw-Hill.

46. A

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

SOURCE: IM:418

SOURCE: Agriculture and Consumer Protection. (n.d.). *Chapter 4: Questionnaire design*. Retrieved October 23, 2012, from <http://www.fao.org/docrep/W3241E/w3241e05.htm>

47. C

Code for evaluation. Businesses assign codes to survey responses in an effort to use the information in a numerical mode. Open-ended questions are designed so that respondents react to questions in a manner that requires more than "yes" or "no" as an answer. Because possible responses are not controlled or limited, coding is often more difficult. If businesses are not able to assign codes to the responses, the survey results may be extremely difficult to evaluate. The results of surveys that contain open-ended questions are not difficult to store for future use, to enter into a database, or to distribute to management.

SOURCE: IM:062

SOURCE: Aaker, D.A., Kumar, V., & Day, G.S. (2007). *Marketing research* (9th ed.) [p. 433]. Hoboken, NJ: John Wiley & Sons, Inc.

48. C

Conducting exploratory research. Exploratory research is marketing research that collects information to help the business define its issue, situation, or concern and decide which direction to go in order to address it. Surveys that consist of open-ended questions require respondents to provide more than a "yes" or "no" answer. An open-ended question is a type of unstructured question that allows a respondent the opportunity to express opinions, state issues, and provide ideas. By obtaining this type of in-depth, qualitative information, the researcher may be able to define the problem and determine in which direction to proceed with the research. Long and technical surveys tend to overwhelm the respondents; so open-ended questions may not be answered fully, if at all. The use of open-ended questions yields subjective responses.

SOURCE: IM:293

SOURCE: Churchill, G.A., Brown, T.J., & Suter, T.A. (2010). *Basic marketing research* (7th ed.) [pp. 81-82]. Mason, OH: South-Western Cengage Learning.

49. A

Pertains directly to the issue. Internal information is information located inside the company. One of the strengths of using internal information is that it often pertains directly to the issue. For example, if the issue is the popularity of a specific product, current sales and inventory data can provide information about how well that product is selling. Internal information often is not available to outside users. Although the information might relate to industry problems, that is not one of its strengths. Internal information may, or may not, be organized by department.

SOURCE: IM:428

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 612-614). New York: Glencoe/McGraw-Hill.

50. C
Customer satisfaction. Customer satisfaction is a measure of how well your business or product meets or exceeds customer expectations; in other words, how happy is the customer? It may be one type of customer attitude. Customer loyalty is a customer's preference for a business; in other words, how often does the customer purchase the business's goods or services? It is observed in customers' behavior.
SOURCE: MK:019
SOURCE: MK LAP 3—Just Do It...Right (Company Actions and Results)
51. C
Redesign. Marketing strategies are influenced by many factors not within the direct control of the business. These include the actions of competitors, the influences of governmental agencies, and changes in consumer attitudes. When any of these factors change, the business may need to change, or redesign, its marketing strategies in order to continue to meet company goals. The strategies should already have been identified and implemented in an established business. The business may publicize its goals or its achievements but would probably not publicize the strategies used to achieve those ends.
SOURCE: MP:001
SOURCE: MP LAP 2—Pick the Mix (Nature of Marketing Strategies)
52. B
How often a person attends the opera. This example is determining the frequency with which a product is being used. It is the only example of product usage. A person's heritage and age are demographic characteristics. The activities in which a person participates is an example of psychographic segmentation.
SOURCE: MP:003
SOURCE: MP LAP 3—Have We Met? (Market Identification)
53. B
To ward off problems. Businesses conduct situational analyses to obtain information about changes or trends that are beginning to develop in the environment or marketplace. This procedure allows businesses to identify changes at an early stage and ward off potential problems. It is important for businesses to understand changes in their external environment in order to adapt and avoid problems. Without this information, businesses may be unprepared to deal with problems that might cause them to lose their competitiveness or even fail. A business would not conduct a situational analysis to identify customers, forecast expenses, or redesign products. However, a business might redesign products after conducting a situational analysis and finding that they were losing their appeal in the marketplace.
SOURCE: MP:008
SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [p. 564]. Boston: McGraw-Hill/Irwin
54. C
Access a database. A database is computerized storage for information and facts. Most businesses maintain a database of information that is relevant to the business, such as lists of customers and vendors, inventory levels, prices of materials, etc. When businesses need information, they access the database to obtain the data efficiently. For example, a business could access a database to find out how many customers in a certain area purchased a specific product during a specified time period. Scheduling an interview, reading a book, and contacting a competitor are not ways for businesses to obtain needed information efficiently.
SOURCE: NF:078
SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 134-135]. Upper Saddle River, NJ: Pearson Prentice Hall.

55. C

Key points. Employees use presentation software to develop computer-operated 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

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 537]. Upper Saddle River, NJ: Pearson Prentice Hall.

56. D

Who will be responsible for record keeping. The phases of record keeping include getting started, implementing the process, and monitoring/adjusting the process. At the "how to keep them" point (in the "getting started" phase of record keeping), the business must set policies and practices, deciding whether or not the records should be kept digitally and who should be responsible for creating, maintaining, and destroying the records. Where competitors keep their records is not an issue in a firm's own record keeping. Employees may or may not dislike record keeping. No client should be excluded from the records.

SOURCE: NF:001

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

57. D

Migration. Migration is a population trend that indicates 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. Lifestyle, consumption, and behavior are not population trends; however, these factors also affect how businesses market their goods and services.

SOURCE: NF:013

SOURCE: OECD. (2004, January 21). *Trends in international migration reflect increasing labour-related immigration and persistent integration problems*. Retrieved August 13, 2009, from http://www.oecd.org/document/50/0,2340,en_2649_201185_24968882_1_1_1_1,00.html

58. C

Internal records. Companies keep many types of internal records about their various business activities. These records might contain information about sales, agreements with vendors, financial status, etc. Management and employees use the records to make decisions about day-to-day and future actions. For example, records that indicate that sales are increasing and the company is profitable might encourage the business to decide to expand. Businesses monitor their activities on an internal basis. Trade publications, industry trends, and government statistics are examples of external data.

SOURCE: NF:014

SOURCE: Burrow, J.L. (2006). *Marketing* (2nd ed.) [pp. 120-121]. Mason, OH: South-Western.

59. C

It consists of your surroundings. The term "environment" refers to your surroundings. This could mean anything—your living room, a classroom, the mall, etc. Although the term is often used to refer to the earth and its resources, its true meaning is much broader. Your environment has an effect on your performance and your decisions. Businesses exist within environments just as individuals do.

SOURCE: NF:015

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

60. D

Quality. Quality is the degree of excellence of a good or service—how good it is. Quality is an ethical issue that might affect the operations function because businesses decide the quality of the products they provide. For example, a business might decide to use low-quality materials to make products that are of low quality. Also, the business might decide to cut corners in the production process to save money. The result is low-quality products. However, it is unethical if the business does not make it clear to customers that the products are of low quality and may not be durable. Utility is usefulness. Creativity is the ability to generate unique ideas, approaches, and solutions. Flexibility is the ability to adapt to changes as they occur.

SOURCE: OP:190

SOURCE: Pride, W.M., Hughes, R.J., & Kapoor, J.R. (2008). *Business* (9th ed.) [pp. 293-295]. Boston: Houghton Mifflin.

61. A

False, employees can be trained in accident prevention. While it is true that machines can't be prevented from malfunctioning and employees are always going to make mistakes, workers can be trained to use safe work habits, to report hazards and unsafe conditions, and to be ready to handle accidents that do occur.

SOURCE: OP:009

SOURCE: Spears, M.C., & Gregoire, M.B. (2004). *Foodservice organizations: A managerial and systems approach* (5th ed.) [pp. 320-323]. Upper Saddle River, NJ: Prentice Hall.

62. C

Computer systems. Company information is a type of intangible property that most businesses want to protect. Today, most of this information is stored on internal computer networks or systems. As a result, businesses establish rules to control access to computer systems to protect confidential or sensitive company information from being stolen or destroyed. Employees are expected to follow the rules, such as regularly changing passwords or not opening suspicious e-mails, to help protect the information. Protecting company information and intangibles does not involve following the rules established to control access to inventory methods, cash registers, or storage facilities. The inventory kept in storage facilities and the money in cash registers are tangibles rather than intangibles.

SOURCE: OP:153

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 722). Woodland Hills, CA: Glencoe/McGraw-Hill.

63. A

Production. Production is the creation of goods or services from economic resources. Promotion communicates information about goods, services, images, and/or ideas to achieve a desired outcome. Purchasing involves the planning and procedures necessary to obtain products for use in the operation of a business. Distribution is responsible for moving, storing, locating, and/or transferring ownership of goods and services.

SOURCE: OP:017

SOURCE: OP LAP 4—Can You Make It? (Nature of Production)

64. D

Reduce operating expenses. Operating expenses, or overhead expenses, are the amounts of money a business pays out in order to produce and/or sell its goods and services. Since operating expenses include salaries and wages, as well as equipment, eliminating free services would reduce operating expenses. The business would save the costs of delivery vans/trucks, the expense of packing for delivery, and the wages paid to delivery personnel. This would not control inventory shrinkage which is caused by employee theft and shoplifting. It would be likely to decrease customer satisfaction and to make the business less competitive if its competitors do offer free delivery.

SOURCE: OP:024

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 325-330]. Boston: McGraw-Hill/Irwin.

65. A
Protect the health of customers/clients. Public restrooms are a breeding ground for fungi, bacteria, and germs that are harmful to people. Regular, thorough cleaning helps to keep these elements under control and to protect the health of all who use the restrooms. Keeping restrooms clean does make them look better, helps to preserve the fixtures, and may create a good image. However, none of these reasons is as important as sanitation.
SOURCE: OP:032
SOURCE: Canadian Centre for Occupational Health & Safety. (2008, June 23). *Workplace housekeeping—Basic guide*. Retrieved October 23, 2012, from <http://www.ccohs.ca/oshanswers/hsprograms/house.html>
66. A
Select. The first step in achieving goals is to choose one that is meaningful to you. You may want to start with a single goal or a set of goals. Before you can reach a goal, you must have a clear idea of your goal from the beginning in order to achieve it. To complete or to fulfill a goal is to achieve it. It is not necessary to adjust an appropriate goal.
SOURCE: PD:018
SOURCE: PD LAP 16—Go for the Goal (Goal Setting)
67. C
Forced association. Forcing associations means making a connection between two things where an obvious connection doesn't already exist. By forcing associations, you make yourself think differently, which results in more creativity. For example, making associations with the color yellow might result in developing connections with taxis, school buses, daisies, bumblebees, the sun, etc. Cooperation is working together toward a common goal. Implementation is carrying out an idea or activity. Manipulation involves controlling or managing people or circumstances.
SOURCE: PD:012
SOURCE: Innovative Styles. (n.d.). *Tools and techniques: Generating innovative solutions*. Retrieved October 23, 2012, from <http://innovationstyles.com/isinc/content/toolstechniques0.aspx>
68. D
Friends. Letting friends and acquaintances know that you are looking for a job is one of the most effective methods of locating job leads. These people often will be willing to pass on information about new openings, resignations, and retirements they learn about. Retirees, nonworkers, and minors usually are out of the mainstream of the employment scene and would not have information concerning job leads.
SOURCE: PD:026
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 112-113). New York: Glencoe/McGraw-Hill.
69. B
Former employers. The reference section of a résumé should list two or three people who can provide information about you. The best references are former employers, because they can accurately describe your work habits, abilities, and attitudes towards the job. Prospective employers will want to contact these references to find out if you performed satisfactorily in former positions. Potential employers usually do not want to contact your classmates, family members, and coworkers because they are personal references who may be unable to provide unbiased information about you.
SOURCE: PD:031
SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [pp. 49-50]. Mason, OH: South-Western Cengage Learning.
70. D
Voluntary. A chamber of commerce is an organization that supports businesses and business growth in the community. It also helps local businesses resolve common problems. Membership is voluntary, not required or necessary. Member businesses often display their membership plaques because they feel it benefits them for customers to know they are part of the organization.
SOURCE: PD:036
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 789-790). Woodland Hills, CA: Glencoe/McGraw-Hill.

71. D

Socially responsible. Social responsibility is the duty of business to contribute to the well-being of society. Businesses are being socially responsible if they refuse to take advantage of unfortunate situations, such as damage caused by natural disasters, by raising the prices of goods and services that people need in order to rebuild. Businesses that focus on contributing to society usually build goodwill within the community and develop long-term relationships that are far more profitable than the quick money they earn by raising prices during a disaster. Therefore, refusing to raise prices is not economically unsound because the business will profit in the future from its responsible actions. Refusing to raise prices during a natural disaster is not a political or legal issue.

SOURCE: PI:015

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 139-140). Woodland Hills, CA: Glencoe/McGraw-Hill.

72. A

Internet. More than a new way to take orders and deliver merchandise, the Internet has proven valuable to consumers as a source of information and a new way to compare prices and products. The Internet provides customers with more information about more products in less time than they can obtain from making telephone calls or by reading the newspaper or a catalog.

SOURCE: PI:016

SOURCE: Khurana, A. (n.d.). *Advantages of e-commerce*. Retrieved October 23, 2012, from <http://ecommerce.about.com/od/eCommerce-Basics/tp/Advantages-Of-Ecommerce.htm>

73. B

To get a fair share of the market. Gaining market share is often an important pricing goal. Businesses may lower prices in order to attract new customers and increase their market share. This could create goodwill in the community, but that is not the purpose of the tactic. Price levels are not used to attract employees. Competitors' activities would be tracked before prices were set.

SOURCE: PI:002

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 285]. Upper Saddle River, NJ: Prentice-Hall.

74. D

To eliminate some ideas. Screening ideas for new products is intended to eliminate obviously bad ideas and recognize the value of good ideas. It is a quick look at ideas to see if they have value, not a careful or thorough analysis. New ideas must already be generated before screening can occur. Market research would be done to determine if consumers will purchase the good or service.

SOURCE: PM:001

SOURCE: PM LAP 17—Rapping Up Products (Nature of Product/Service Management)

75. B

Internet. The Internet allows businesses in the travel, hospitality, recreation, and insurance industries to bypass intermediaries (agents and brokers). Consumers can easily go directly to the service business to make the purchase. This enables the businesses to reach more customers and sell at any time of the day or night. Fax machines are widely used as a means of sending information quickly rather than as a selling tool. Key card entry systems are used mainly in the hospitality industry. Interactive television is not as widely used by consumers as the Internet.

SOURCE: PM:039

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2001). *Marketing* (12th ed.) [pp. 309-310]. New York: Irwin/McGraw-Hill.

76. B

Trend research. Identifying product opportunities often involves research. One type of research is trend research to find out the general direction in which people or events are moving. For example, trend research might indicate that people want smaller cars or larger televisions. As a result of trend research, businesses are often able to identify product opportunities. Once the opportunity is identified, businesses usually analyze the idea. If the idea is feasible, businesses may conduct trial runs and production tests.

SOURCE: PM:134

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 279-280). Tinley Park, IL: Goodheart-Willcox.

77. A

Standards. Standards are statements that specify a product's size, contents, and/or quality. Grades are ratings that tell to what extent the standards are met. Warranties are promises made by the seller to the consumer that the seller will repair or replace a product that does not perform as expected. Testimonials are statements by an identified user of a product, proclaiming the benefits received from the use of the product.

SOURCE: PM:019

SOURCE: PM LAP 8—Raising the Bar (Grades and Standards)

78. B

Replace or repair a faulty product. A warranty is a promise made by the seller to the consumer that the seller will repair or replace a product that does not perform as expected. A full warranty provides that if the product does not work properly, is defective, or does not live up to the warranty, it must be made good within a reasonable time. The company providing the warranty may not put time limits on any implied warranties the product may have. A limited warranty would only cover specific parts rather than the whole product. Most warranties state that improper use or handling of the product will void the warranty.

SOURCE: PM:020

SOURCE: PM LAP 4—Promises, Promises (Warranties and Guarantees)

79. B

Business selling computer, printer, and scanner as a unit. Product bundling involves combining several products and offering them to customers as one product. Usually, the bundled products are offered for one, all-inclusive price. An example is a business selling a computer, a printer, and a scanner as a unit. In many cases, the bundle is less expensive than the cost of each item sold separately. Sometimes, the products can only be purchased as a unit and are not available separately. A lumber company selling wood chips as small-animal bedding is an example of selling by-products. A theme park charging admission and then selling ride tickets is an example of two-part pricing. A garden shop discounting prices of seasonal merchandise is an example of adjusting prices.

SOURCE: PM:041

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 356]. Upper Saddle River, NJ: Prentice-Hall.

80. C

Competitive advantage. Businesses often gain a competitive advantage over competitors by offering customers a value or benefit that their competitors do not provide. If a business offers the best quality and service at a reasonable price, it has a competitive advantage over competitors that provide lower quality or higher prices. When businesses position themselves as providers of quality and service, customers often think of them in those terms and prefer to buy from those businesses. Businesses do not gain promotional consideration, geographic benefits, or marketing incentives by positioning products as the ones offering the best quality and service for the price.

SOURCE: PM:042

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 220-224]. Upper Saddle River, NJ: Pearson Prentice Hall.

81. D

Licensing. Licensing allows a brand name to be used by another company for a fee. Brand positioning attempts to create a certain image or impression of a brand as compared to competitive brands. Brand extension is the use of successful brands to launch new brands. Brand repositioning reevaluates and changes the brand in order to change the ways consumers see the brand.

SOURCE: PM:021

SOURCE: PM LAP 6—It's a Brand, Brand, Brand World! (Nature of Product Branding)

82. D

Identity. Corporate branding refers to the combined impressions, images, or experiences associated with a company or parent entity. A corporate brand may include a variety of products, but the name or corporate brand provides all products with a common identity. For example, PepsiCo is a corporate brand under which its Pepsi, Quaker Oats, Tropicana, Gatorade, and Frito Lay products are sold. Corporate brands do not necessarily provide a common platform, ranking, or strategy for products.

SOURCE: PM:206

SOURCE: Dhruv, G., & Levy, M. (2008). *Marketing* (p. 284). New York: McGraw-Hill/Irwin.

83. A

Purchases. Promotion is the communication of information about goods, services, images, and/or ideas to achieve a desired outcome. Businesses use promotion to inform buyers about goods and services in order to encourage them to buy. By purchasing the goods or services, buyers give feedback to senders. Buyers let the senders know that they received the promotional message and respond by making purchases. A complaint is a customer's expression of a dissatisfaction. A suggestion is a recommendation. Referrals are individuals or businesses to whom salespeople are recommended.

SOURCE: PR:001

SOURCE: PR LAP 2—Razzle Dazzle (Promotion)

84. A

A January white sale. A January white sale is an example of product promotion that aims to persuade customers to buy a good or service. The alternatives are examples of institutional promotion that aim to create a certain image in the eyes of consumers; also known as corporate promotion.

SOURCE: PR:002

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

85. B

Exaggerating a product's attributes in an advertisement. When a business exaggerates a product's attributes or benefits, such as stating that a product is "the best" or that it can "work miracles," the business is engaging in puffery. This practice is an unethical advertising practice because it is misleading and provides unproven information. Developing an advertising campaign about environmental issues, using testimonials in print advertising, and placing product pricing in an advertisement are ethical actions.

SOURCE: PR:099

SOURCE: Arens, W.F. (2004). *Contemporary advertising* (9th ed.) [pp. 72-73]. New York: McGraw-Hill Irwin.

86. A

Incarceration. While the penalties upon marketers who run false or deceptive advertisements may be severe, these marketers are rarely criminally charged or sentenced to jail time. A cease and desist order requires marketers to stop running the offensive advertisements. If these same marketers run false or deceptive ads in the future, regulators may impose monetary fines on the marketers. If regulators determine that a company is running deceptive advertising, that company may be required to run corrective advertising.

SOURCE: PR:101

SOURCE: Fawcner, E. (2012). *Not just 6 lines, 65 characters*. Retrieved October 23, 2012, from <http://www.ahbbo.com/adsftc.html>

87. B

Word-of-mouth communication. This is promotion and publicity for a business provided by customers who tell others of their satisfaction with the business. Therefore, customers recommending the business to their friends is an example of word-of-mouth communication. In many cases, these recommendations lead to additional sales because people tend to believe their friends and take their advice. A testimonial is a statement by an identified user of a product proclaiming the benefits received from the use of the product. Verbal assertiveness is a confident attitude that involves the use of words. Recommending a business to friends is not an example of one-on-one selling.

SOURCE: PR:247

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [pp. 662-666]. Mason, OH: South-Western Cengage Learning.

88. B

Public relations. Public relations is a function of business designed to establish good relations between the business and the public. One way to establish good relations is to communicate with the public. Businesses often hold press conferences and give interviews to communicate information and pass on positive news about the business. Corporate management involves managing the business. Personal selling is the form of promotion that determines client needs and wants and responds through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Target marketing is the identification and selection of markets for a business or for a product.

SOURCE: PR:250

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 652]. Mason, OH: South-Western Cengage Learning.

89. D

Logotype. The logotype is the name and/or symbol used by a business. Businesses believe that having a unique logotype creates an image that people will come to recognize and associate with that business. The logotype clearly identifies the product's brand or advertiser to consumers. An illustration is a photograph, drawing, painting, or graphic such as a chart, table, or graph. A headline is text set in large type and usually positioned at the top of an advertisement. A photograph is an illustration.

SOURCE: PR:014

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 427-428). Woodland Hills, CA: Glencoe/McGraw-Hill.

90. D

Coordinating speaking engagements for employees. The public-relations department is a division of a business that is responsible for establishing good relations between the business and its publics. The various publics include the business's target market, its stakeholders, the local business community, its employees, and local residents. One activity that a public-relations department coordinates is speaking engagements for the business's employees. For example, a local civic group might ask the public-relations department if a member of the business's executive-management staff could speak to the group about a particular issue that is affecting the community. The public-relations department would work with the appropriate employee to schedule the speaking engagement. The research and development department conducts product research and develops product prototypes. Developing job descriptions is a human-resources activity. The advertising department selects media for the business's advertising.

SOURCE: PR:252

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 657]. Mason, OH: South-Western Cengage Learning.

91. A

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

SOURCE: PR:253

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 652]. Mason, OH: South-Western Cengage Learning.

92. C

Strategy. A promotional plan is the framework for the promotional activities of a business. The promotional plan includes several components. The strategy component provides information as to exactly how the business will achieve its established goals. The budget component outlines the financial resources the business will need to carry out the promotional activities. The situation analysis is a determination about the company's current business situation and the direction in which the business is headed. A promotional plan's evaluation component provides information about how the business will determine if its promotional activities are successful.

SOURCE: PR:073

SOURCE: Small Business Notes. (n.d.). *Promotion plan*. Retrieved October 23, 2012, from <http://www.smallbusinessnotes.com/marketing-your-business/promotion-plan.html>

93. A

Product displays. Product displays are the ways in which goods and services are visually presented to prospective buyers. Businesses often display products in windows, on racks and tables, etc. Businesses often discount products and promote (advertise) these discounts to attract customers and stimulate sales. To encourage customers to buy during the sales event, the business should display the advertised products in an attractive way because customers are usually more willing to buy when the products are organized in a visually appealing manner. Marketing research is the systematic gathering, recording, and analyzing of data about a specific issue, situation, or concern. Stock handling is the loading, unloading, and movement of goods. Marking down merchandise is a pricing activity rather than a promotional activity.

SOURCE: PR:076

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 367). New York: Glencoe/McGraw-Hill.

94. B

Technical terms. When appropriate, salespeople will need to use technical terms and to be prepared to explain those terms in plain English. Some goods and services require a technical explanation, and salespeople must be able to adequately communicate that information to customers. Salespeople must be able to explain technical terms in a clear and simple way that customers will understand. Salespeople should avoid using complex sentences, slang words, or foreign phrases.

SOURCE: SE:017

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

95. B

Competition. Because product quality and price can easily be matched, customer service becomes a key component in business competition. In selling, customer service is where the real competition among businesses begins. As a salesperson, you must have the ability to show your prospects that your company meets (and hopefully exceeds) customer service expectations. Customer service is not a key component in business careers, business communication, or business forecasts.

SOURCE: SE:076

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

96. A

Assess sales staff performance. By assessing sales staff performance, managers can determine the success of the employees and the selling policies. Salespeople interact with potential customers and explain policies. Regulations are determined by federal and state governments along with regulatory agencies. Salespersons' responses are directed by the established selling policies.

SOURCE: SE:932

SOURCE: Levy, M., & Weitz, B. A. (2007). *Retailing management* (6th ed.) [pp. 251-252]. Boston: McGraw-Hill/Irwin.

97. C

To communicate with customers. An electronic data interchange (EDI) is a computerized information system. This technology allows a business's computers to communicate with customers' computers and share information. An advantage of using EDI is that the computers keep track of sales and inventory and automatically place orders when inventory reaches a certain level. The system facilitates the sales process, which usually results in more satisfied customers and more sales for the business. Businesses do not use electronic data interchange systems to identify potential accounts, fax sales data to employees, or access competitors' web sites.

SOURCE: SE:107

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

98. D

Customers. An excellent source of information about what a product can or cannot do is customers who have actually used the product. The other alternatives provide excellent information about other aspects of the product such as care, proper usage, construction, price, and size.

SOURCE: SE:062

SOURCE: Manning, G.L., Reece, B.L., & Ahearne, M. (2010). *Selling today: Creating customer value* (11th ed.) [p. 130]. Upper Saddle River, NJ: Prentice Hall.

99. A

Benefits. Benefits are the advantages that the product provides. Effective salespeople know that customers do not buy the product itself; rather, they are buying what the product can do for them. For example, customers do not buy weight-lifting equipment—they buy the ability to workout in the privacy of their own homes. Therefore, the salesperson must translate the features (characteristics) of the product into benefits. A customer does not purchase a product because of a person's attitude.

SOURCE: SE:109

SOURCE: SE LAP 113—Find Features, Boost Benefits (Feature-Benefit Selling)

100. D

To have realistic expectations for workers. Even though managers don't do the actual jobs, it is important for managers to understand the jobs of the workers they supervise. This helps managers to know how workers should do the work, to be realistic in the amount of work they expect workers to complete, or even to fill in when workers are absent or there is an emergency situation of some kind. Managers do not need to know how to do the work to establish a chain of command. Coordinating employees' efforts and creating a team spirit are managerial responsibilities that improve the output of workers but are not related to managers' knowledge of the jobs to be done.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (Concept of Management)