

Competency-Based
Competitive Events
Written Exam

Test Number 1038
Booklet Number _____

Marketing Cluster Exam

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

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1. Which of the following activities is the primary responsibility of the U.S. judicial system:
 - A. Applies the laws
 - B. Controls the laws
 - C. Organizes the laws
 - D. Supplements the laws
2. John loves sports and would like to own his own sporting goods business. He has set aside some money for investment but has very little time for the day-to-day operations of a business. What type of business ownership would you recommend?
 - A. Close corporation
 - B. Sole proprietorship
 - C. Corporation
 - D. General partnership
3. Which of the following products would likely use an exclusive distribution pattern:
 - A. A gallon of milk
 - B. A large piece of farm machinery
 - C. A home-decorating magazine
 - D. A silk necktie
4. Which of the following is the most common channel of distribution for consumer goods:
 - A. Manufacturer; wholesaler; retailer; consumer
 - B. Manufacturer; retailer; consumer
 - C. Manufacturer; agent; retailer; consumer
 - D. Manufacturer; consumer
5. Using coercive power in distribution channel relationships is illegal in the United States if it
 - A. creates exclusive territories.
 - B. restricts competition.
 - C. controls arbitration.
 - D. establishes contracts.
6. When coordinating marketing activities, it is important for all distribution channel members to understand their roles in the supply chain and to
 - A. develop sanctions.
 - B. conduct audits.
 - C. have an independent mindset.
 - D. communicate clearly.
7. What is an effective technique for employees to use to extract relevant information from written materials?
 - A. Skim through chapter titles
 - B. Ask frequent questions
 - C. Develop a rough outline
 - D. Take notes while reading
8. Which of the following is a communication technique that supports and encourages a speaker:
 - A. Active listening
 - B. Taking notes
 - C. Speed reading
 - D. Making comments
9. In order for an employee to follow directions s/he is being given about how to do a new job properly, the employee must
 - A. focus on the message's content.
 - B. evaluate what is being said.
 - C. prepare to give feedback.
 - D. avoid asking any questions.
10. To enunciate when speaking to customers means to
 - A. talk fast.
 - B. talk slowly.
 - C. run words together.
 - D. pronounce words clearly.
11. Paul is responding to an inquiry he received in the mail. His response includes some good news and some bad news. How should he structure his response in light of the bad news?
 - A. Place the good news at the beginning and the bad news in secondary position(s)
 - B. Place the bad news at the beginning and the good news in secondary position(s)
 - C. Place the bad news in the post-script (P.S.) section of the response
 - D. Give more space to bad news than good news to clearly explain it
12. When you ask questions in an open-minded way, you avoid
 - A. mentioning the truth.
 - B. stating your own opinion.
 - C. suggesting a better way to do something.
 - D. attacking someone else's idea.

13. When writing e-mail messages to businesspeople, it is best to avoid using
- A. initialisms.
 - B. conjunctions.
 - C. modifiers.
 - D. antonyms.
14. Employees often use simple written reports to provide managers with _____ information.
- A. extensive
 - B. analytical
 - C. in-depth
 - D. routine
15. What might a business lose if an advertisement attracted new customers, but they were greeted by a discourteous employee?
- A. Frequent complaints
 - B. Repeat business
 - C. Service problems
 - D. Negative impression
16. What kind of customer would make the following statement: "Why are you always moving everything around? You really make it hard for me to find what I want."
- A. Disagreeable
 - B. Suspicious
 - C. Slow/Methodical
 - D. Domineering/Superior
17. Carpeting had been installed in Karl's living room and den on Friday afternoon. The next day, he noticed that along one wall, the carpeting was not laid properly. Karl called the installer to have the problem corrected. The carpet installer should first
- A. listen to Karl and see the problem through his eyes.
 - B. provide alternative solutions to the problem.
 - C. state the company's policy about carpet installation.
 - D. ask Karl to please hold while he gets the store manager.
18. Dry cleaning is an example of a(n)
- A. tangible object.
 - B. economic good.
 - C. economic service.
 - D. natural resource.
19. When goods or services are made more useful to consumers, the goods and services have added
- A. profit.
 - B. costs.
 - C. demand.
 - D. utility.
20. Because the Engel Company takes raw materials and makes products that are useful for consumers, it is an example of a
- A. manufacturer.
 - B. trade industry.
 - C. wholesaler.
 - D. mining business.
21. Which of the following has a direct impact on a manager's span of control:
- A. Channel of distribution
 - B. Popularity of products
 - C. Number of subordinates
 - D. Allocation of funds
22. The economic system in which producers are willing to use resources to create products that consumers are willing to buy is known as a _____ economic system.
- A. communist command
 - B. traditional
 - C. socialist command
 - D. market
23. Which of the following situations would involve direct competition:
- A. All of the workers employed by a large automobile manufacturer go out on strike.
 - B. A manufacturer installs a conveyor belt to speed up production.
 - C. A department store conducts a "Back-to-School" sale during July and August.
 - D. A new bank opens in a community already served by three banks.

24. Which of the following transactions would be counted in the gross domestic product:
- A. A florist purchases plants from a nursery.
 - B. A bakery purchases 50 pounds of sugar.
 - C. A customer purchases a sweater.
 - D. A restaurant purchases meat from a wholesaler.
25. A high rate of unemployment usually has a negative impact on a country's
- A. personal income tax.
 - B. equilibrium price level.
 - C. gross domestic product.
 - D. terms of trade.
26. Jennifer's manager pointed out some areas for improvement in her last performance review. Now, she thinks she is a poor employee. This is an example of
- A. comparing yourself to others.
 - B. being modest.
 - C. false generalization.
 - D. recognizing your strengths.
27. Katrina is a long-time employee who routinely finishes her assignments ahead of schedule. John, a new employee, often stays late to complete his work. As a responsible employee, Katrina should
- A. ignore the problem and let the managers solve it.
 - B. suggest that John be reassigned.
 - C. offer to assist John if she can.
 - D. inform the manager that John needs special training.
28. One of the characteristics of a positive attitude that is easy to observe is
- A. a number of interests.
 - B. the ability to fix blame.
 - C. the willingness to change.
 - D. a friendly smile.
29. Which of the following causes the greatest number of cultural sensitivity issues:
- A. Level of comfort with uncertainty
 - B. Communication
 - C. Globalization
 - D. Relationships to time and space
30. An effective way to create a desire for others to agree with your ideas is by
- A. identifying concerns.
 - B. stating your case.
 - C. explaining benefits.
 - D. gathering information.
31. Which of the following is a basic belief that you must have so you can start to be assertive:
- A. You should always respond to the needs of others.
 - B. You have the right to try to force your ideas on others.
 - C. Your thoughts, feelings, ideas, and opinions are important.
 - D. Your needs come first in all situations.
32. Employees who are able to deal with new situations and changes in the workplace are demonstrating
- A. responsibility.
 - B. leadership.
 - C. adaptability.
 - D. enthusiasm.
33. Shari finally finished the major project she'd been working on for months, so she takes the day off and heads to the spa. Which step in developing an achievement orientation does this illustrate?
- A. Rewarding yourself for your accomplishments
 - B. Being a leader
 - C. Being patient and persistent
 - D. Asking for feedback
34. Human relations can best be described as the study of the ways people
- A. develop personal styles.
 - B. form and express opinions.
 - C. handle communication.
 - D. form and conduct relationships.

35. When Matthew receives a check four times a year for income he has earned on his stock investments, he is receiving
- A. deposits.
 - B. credit.
 - C. dividends.
 - D. cash.
36. The XYZ Company has a financial organization within the business that offers small loans, installment credit, and low interest rates to its members. This is an example of a
- A. credit union.
 - B. sales-finance company.
 - C. commercial bank.
 - D. savings and loan.
37. Preparing wills and setting up guardianships are types of financial services that often are provided by
- A. executors.
 - B. attorneys.
 - C. courts.
 - D. beneficiaries.
38. Mark has decided to hire a financial-services provider to help him plan his long-term financial goals. Which of the following should he do first:
- A. Contact his bank
 - B. Search online
 - C. Interview potential candidates
 - D. Obtain referrals from trusted friends
39. Business risks that are caused by changes in the market are called _____ risks.
- A. environmental
 - B. economic
 - C. human
 - D. natural
40. Which of the following presents the steps in the accounting process in the correct order:
- A. Summarize, record, organize
 - B. Record, summarize, organize
 - C. Record, organize, summarize
 - D. Summarize, organize, record
41. A business's cash flow statement for one month indicates cash sales of \$10,250, credit sales of \$3,750, loans received of \$525, and fixed expenses of \$2,800. Calculate the total cash receipts.
- A. \$13,575
 - B. \$9,985
 - C. \$7,975
 - D. \$10,775
42. 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.
43. One reason why human resources management is important to the success of a business is because this process is responsible for
- A. staffing the business.
 - B. eliminating turnover.
 - C. creating jobs for the company.
 - D. reducing compensation.
44. Which of the following is one way that businesses use marketing information:
- A. To prepare sales invoices
 - B. To determine credit scores
 - C. To change economic trends
 - D. To develop new products
45. A marketing-information management system can help businesses to
- A. practice good business ethics.
 - B. discover employee potential.
 - C. motivate employees.
 - D. discover new markets.
46. The Internet gives marketing-information managers the ability to search for data in
- A. computer modems.
 - B. competitors' sales records.
 - C. CD-ROM catalogs.
 - D. remote locations.

47. Kelli accesses a professional association's web site to review information about employment trends in a specific industry. What type of research is Kelli obtaining?
- A. Secondary
 - B. Internal
 - C. Primary
 - D. Intermediate
48. Which of the following is an example of a method that marketers use to conduct causal research:
- A. Telemarketing
 - B. Experiments
 - C. Surveys
 - D. Interviews
49. Marketing businesses use the information from sales representatives to make decisions. One type of report that details a sales representative's planned sales calls and routes for an upcoming week or month is a(n) _____ report.
- A. activity
 - B. territory
 - C. call
 - D. quota
50. What is a common method of collecting research data that often involves the use of questionnaires?
- A. Message board
 - B. Case study
 - C. Mail survey
 - D. Behavior chart
51. What type of data do descriptive statistics summarize?
- A. Subjective
 - B. Sample
 - C. Synectic
 - D. Solitary
52. What should researchers consider when evaluating the design of questionnaires?
- A. Size of paper
 - B. Types of questions
 - C. Names of developers
 - D. Number of participants
53. One way for a marketing researcher to determine if online journals and articles are up-to-date is by
- A. requesting a quotation.
 - B. accessing the FAQs page.
 - C. asking the team leader.
 - D. locating the publication date.
54. The most immediate impact of the marketing function is its relation to
- A. meeting government regulations for registration.
 - B. offering a variety of goods and services.
 - C. limiting the number of products offered.
 - D. ensuring least-cost pricing.
55. When Ken Ditioner, owner of Shine Shampoo, considers how to package the items he produces, he is making a _____ decision.
- A. promotion
 - B. price
 - C. place
 - D. product
56. If you were trying to convince someone to use quantitative sales forecasting, which of the following factors would you stress:
- A. Minimal cost
 - B. Variety of opinions
 - C. Factual basis
 - D. Ease with which findings are understood
57. Which of the following is a trend in information management:
- A. Increased compliance laws and regulations
 - B. Decreased competition
 - C. Decreased number of electronic documents
 - D. Increased number of workers in the office
58. A legal issue associated with the use of information might involve the violation of _____ laws.
- A. copyright
 - B. patent
 - C. trademark
 - D. contract

59. Which of the following is a computer-based time-management tool that helps employees keep track of their appointments and activities:
- A. Desktop-publishing software
 - B. Spreadsheet calculator
 - C. Instant-messaging program
 - D. Electronic task organizer
60. What is a spreadsheet software program's calculation for next year's operating expenses based on the following information: an increase of 5% over current sales of \$675,500 a year, and a 3% increase in operating expenses that are currently 40% of sales.
- A. \$290,465.00
 - B. \$304,988.25
 - C. \$283,710.00
 - D. \$312,326.25
61. What approach to record keeping is Dahlia's business using when it hires a data processing center to handle the record keeping for its accounting information?
- A. Keeping the records personally
 - B. Establishing a department
 - C. Hiring an employee
 - D. Outsourcing the task
62. Which of the following examples illustrates how environmental factors are dynamic:
- A. The government provides subsidies to agricultural businesses.
 - B. Demographics influence social and cultural attitudes.
 - C. The economy impacts government policies.
 - D. High interest rates will eventually get lower.
63. What is the advantage to businesses of reviewing internal records to obtain information?
- A. Research techniques are complex.
 - B. Statistics are expensive to compile.
 - C. Employees have limited access.
 - D. Data are specific to the company.
64. When operating machinery in the workplace, employees can reduce the risk of injury to themselves and damage to the machinery by
- A. reading the appropriate promotional materials.
 - B. following the manufacturer's operating instructions.
 - C. performing maintenance activities themselves.
 - D. requesting a trained supervisor to operate the machinery.
65. Which of the following is an example of a security precaution to protect the business from credit-card fraud:
- A. Using a buzzer system to notify the police
 - B. Checking the customer's signature
 - C. Installing closed-circuit TV
 - D. Hiring security personnel
66. Which of the following is an example of an internal source that Eli can use to develop a project that he needs to complete for his supervisor:
- A. Sales reports
 - B. Public library
 - C. Competitors' advertisements
 - D. Trade associations
67. Which of the following is a benefit of project planning:
- A. Setting an appropriate time frame
 - B. Asking yourself important questions
 - C. Coordinating all of the parts of the project
 - D. Monitoring your project
68. An auto-parts buyer evaluates a new vendor's performance and determines that the vendor didn't follow through on all of its promises and was late delivering the buyer's order. One of the first things that the buyer should do is
- A. inform others in the industry of the vendor's faults.
 - B. replace the vendor with a more reliable one.
 - C. demand that the vendor give the buyer a refund.
 - D. communicate his/her feedback to the vendor.

69. Which of the following should a business deduct from gross profit in order to arrive at net profit:
- A. Operating expenses
 - B. Quantity discounts
 - C. Product rebates
 - D. Cost of goods
70. One of the major functions of business maintenance is to
- A. keep the business spotlessly clean.
 - B. create a favorable impression.
 - C. protect products from damage.
 - D. present products effectively.
71. What is an important guideline to remember when establishing personal goals?
- A. Make sure your goals are vague.
 - B. Focus on the negative.
 - C. Disregard outside assistance.
 - D. Set realistic goals.
72. One of the ways creativity is useful in marketing occupations is in accomplishing _____ activities.
- A. immediately apparent
 - B. public relations
 - C. mathematical
 - D. routine
73. Individuals often succeed in occupations that require the skills that match their
- A. values.
 - B. aptitudes.
 - C. behaviors.
 - D. attitudes.
74. A job applicant should be able to completely answer the interviewer's questions if s/he has been
- A. listening.
 - B. reading brochures.
 - C. talking.
 - D. taking notes.
75. What is an important quality that all résumés should possess?
- A. Neatness
 - B. Length
 - C. Creativity
 - D. Complexity
76. Businesses that display their goods and services at trade shows usually have representatives available whose major responsibility is to
- A. meet with potential customers.
 - B. clean and stock the area.
 - C. order replacement materials.
 - D. negotiate with the set-up crew.
77. What do customers often associate with high prices?
- A. Profit
 - B. Demand
 - C. Quality
 - D. Economy
78. A law is established to ensure that businesses include pricing terms in their advertisements. The law is designed to discourage businesses from practicing _____ pricing strategies.
- A. deceptive
 - B. inequitable
 - C. elastic
 - D. compliant
79. Technology is important to the product/service management function because it helps a business
- A. monitor inventory.
 - B. select advertising.
 - C. finance expansions.
 - D. increase revenue.
80. With the arrival of digital television, many customers have purchased new digital televisions. A marketer recognized that these customers would want to do something with their old TVs. This is an example of
- A. opportunity recognition.
 - B. individual development.
 - C. the need to purchase related items.
 - D. the availability of new information.
81. A common way for businesses to generate new product ideas is by reviewing
- A. employee records.
 - B. sales receipts.
 - C. status reports.
 - D. customer surveys.

82. A women's clothing store that tells customers it will refund their money if they are not completely satisfied with any item they buy is providing a(n)
- A. rebate.
 - B. warranty.
 - C. guarantee.
 - D. explanation.
83. Harrison Stroller Company manufactures baby strollers. The business launched a new stroller line in hopes of increasing its market share. The new model featured neon, plastic, musical toys on the front bar of the stroller. By the middle of the first year, there were 50 reports of infant injuries. What legal action will Harrison Stroller Company have to face?
- A. Consumer Product Safety Act
 - B. Product deletion
 - C. Consumer protection
 - D. Product liability
84. Which of the following is a reason why a business might choose to expand its product mix:
- A. To increase sales
 - B. To reduce costs
 - C. To increase risks
 - D. To reduce liability
85. A company that makes ink pens claims that no other pen on the market uses a type of ink that changes color when exposed to light. The company is positioning its product according to what strategy?
- A. Relation to other products in a line
 - B. Features and benefits
 - C. Price and quality
 - D. Unique characteristics
86. Corporate branding involves creating a specific image for a variety of products and product lines by focusing on
- A. tangible services.
 - B. different ethics.
 - C. a common vision.
 - D. one touch point.
87. The way that business benefits directly from promotion is through
- A. increased sales.
 - B. better informed consumers.
 - C. decreased competition.
 - D. increased job opportunities.
88. Effective product promotions can be used by businesses to
- A. achieve immediate success for the businesses.
 - B. make consumers purchase goods or services.
 - C. substitute for talented, well-trained salespeople.
 - D. persuade consumers to buy goods or services.
89. Critics claim that promotion poses an ethical dilemma because it encourages _____ attitudes in society.
- A. responsive
 - B. inflexible
 - C. resourceful
 - D. materialistic
90. When a government requires a business to inform consumers about its product's limitations in its promotional materials, it is often referred to as
- A. affirmative disclosure.
 - B. ethical verification.
 - C. honorable verification.
 - D. assenting disclosure.
91. What type of promotional media might a chain of businesses use in order to reach a large number of potential customers in a particular state or province?
- A. Regional magazines
 - B. Suburban radio stations
 - C. National television
 - D. Transit advertising
92. Which of the following is a communications channel used in sales promotion:
- A. Discount coupons
 - B. Package labels
 - C. Newspaper ads
 - D. Television commercials

93. Why is it important to coordinate the elements in advertisements?
- A. To identify the message
 - B. To analyze the objective
 - C. To strengthen the theme
 - D. To locate the audience
94. Businesses often participate in trade shows as a way of communicating with their
- A. out-of-town employees.
 - B. target audiences.
 - C. investors.
 - D. sales staff.
95. An important external factor that affects the type of promotional plan a business develops is the business's
- A. competition.
 - B. image.
 - C. available budget.
 - D. sales objectives.
96. One of the ways that salespeople can use selling to create desire for products is by
- A. using product demonstrations.
 - B. emphasizing high cost of a product.
 - C. making a good impression.
 - D. monitoring the competition.
97. Which of the following is a positive outcome for a business when its salespeople consistently provide excellent customer service as part of the selling process:
- A. Increased commissions
 - B. Improved quality
 - C. Positive reputation
 - D. Competitive disadvantage
98. An example of a lead that a salesperson might obtain from sources within his/her own company is a lead
- A. obtained from an industry trade show.
 - B. obtained at a service club meeting.
 - C. received from a personal friend.
 - D. found through cold canvassing.
99. How do antitrust laws that prevent the formation of monopolies and promote competition affect businesses?
- A. Require extensive reporting to government
 - B. Make certain selling activities illegal
 - C. Establish a formal code of ethics
 - D. Create a standard for employee rights
100. A customer asks a specific product question that a new salesperson cannot answer. What should the new salesperson do?
- A. Ask an available, experienced employee
 - B. Explain that s/he is new and doesn't know
 - C. Try to serve the customer as best s/he can
 - D. Tell the customer to contact the manufacturer