Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Exam 3: Chapters 11 – 16**

**Form A**

|  |  |
| --- | --- |
| 1 | The utility created by making a product available at a location where customers wish to purchase it is called \_\_\_\_\_\_\_utility.  a. form  b. time  c. production  d. place  e. possession |
| 2 | If Carolyn Smith purchases office supplies for her home office from which she operates her insurance business, she is a member of which type of market?  a. Consumer  b. Business-to-business  c. Reseller  d. Institutional  e. Producer |
| 3 | A plan that will enable an organization to make the best use of its resources to meet its objectives is called a \_\_\_\_\_\_\_  a. production plan.  b. marketing program.  c. marketing strategy.  d. promotional plan.  e. marketing orientation. |
| 4 | Topps, a company that produces baseball cards, develops its products to appeal primarily to males who are baseball fans. This group is Topps's  a. business-to-business market.  b. market segmentation.  c. promotion strategy.  d. target market.  e. marketing mix. |
| 5 | Morton Salt Company designs a single marketing mix and directs it at the entire market. The company is using the \_\_\_\_approach.  a. target market  b. undifferentiated  c. market segmentation  d. concentrated  e. differentiated |
| 6 | The Terminator Home Security Company markets its infrared alarm system to urban residents who are more likely to experience a theft than their rural counterparts. This is an example of segmentation.  a. demographic  b. brand-related  c. psychographic  d. geographic  e. behavioristic |
| 7 | Ikea furniture store promotes its furniture to its target market based on its customers' personality attributes and lifestyles. Therefore, it is segmenting the furniture market on which type of basis?  a. Demographic  b. Behavioristic  c. Psychographic  d. Geographic  e. Social class |
| 8 | When Pepsi decides to develop a new product, it creates the product itself, determines the price the new product will sell for, decides how to distribute the product to consumers, and develops a promotion campaign to inform the market of the new product. Pepsi has created a(n)  a. marketing strategy.  b. consumer market.  c. undifferentiated approach.  d. market segmentation.  e. marketing mix. |
| 9 | JCPenney combines the inputs of buyer surveys, time-series analyses, correlation analyses, executive judgments, and market tests to develop a tool for predicting sales for the Christmas season. This tool would be termed a  a. market analysis.  b. sales forecast.  c. market outlook.  d. budget analysis.  e. purchase plan. |
| 10 | Energizer batteries are sold in multipacks to make it more convenient for the consumer, who usually needs more than one battery at a time. Energizer batteries would be classified as a product.  a. household  b. shopping  c. luxury  d. specialty  e. convenience |
| 11 | Chris and Kimberly White decided to buy new furniture for their bedroom. They spent considerable time shopping around, comparing prices and styles. Bedroom furniture is *best* classified as a product.  a. convenience  b. business  c. shopping  d. specialty  e. major equipment |
| 12 | Which of the following is an example of a raw material that would be used in the production of a physical product?  a. Steel sheets  b. Paper  c. Plastic  d. Timber  e. Gasoline |
| 13 | Mama Mia restaurant purchased two large ovens for its kitchen. These ovens are an example of which type of business product?  a. Convenience product  b. Accessory equipment  c. Major equipment  d. Component parts  e. Process material |
| 14 | In which order do the stages of the product life-cycle occur?  a. Growth, introduction, maturity, decline  b. Introduction, maturity, slowdown, decline  c. Innovation, distribution, maturity, decline  d. Introduction, growth, maturity, decline  e. Introduction, growth, slowdown, decline |
| 15 | Borden, Inc. offers pasta, snacks, grocery, and dairy items as well as films, adhesives, and other nonfood products.  These products are referred to as Borden's  a. product mix.  b. product line.  c. product differentiation.  d. product life-cycle.  e. inventory mix. |
| 16 | Products that are designed to be similar to and compete with existing products of other firms are called  a. innovations.  b. generics.  c. imitations.  d. house brands.  e. adaptations. |
| 17 | A sequence of organizations that directs a product from the producer to the ultimate user is called a(n) .  a. intermediary network  b. catalog discount showroom  c. transporter  d. distribution channel  e. distributorship |
| 18 | Zero Manufacturing produces candy bars. The company would probably choose which of the following to reach its target market?  a. Variable marketing system  b. Exclusive distribution  c. Selective distribution  d. Intensive distribution  e. Selective agents |
| 19 | Rolls-Royce uses distribution on sell its automobiles.  a. selective  b. patterned  c. exclusive  d. intensive  e. prestige |
| 20 | Abercrombie and Fitch, a nationwide clothing store, in a(n) .  a. independent retailer  b. department store  c. discount store  d. chain retailer  e. catalog showroom |
| 21 | Sherilyn operates a store called The Gift Garden. Her store sells pottery, candles, crafts, and other knickknacks that make good gifts for family and friends. The Gift Garden is a .  a. traditional specialty store  b. supermarket  c. narrow category store  d. department store  e. convenience store |
| 22 | T J Maxx, Burlington Coat Factory, and Marshalls are examples of  a. superstores.  b. off-prices stores.  c. department stores.  d. specialty stores.  e. independent retailers. |
| 23 | Staples, Babies ‘R’ Us, and Petsmart are examples of .  a. discount stores  b. traditional specialty stores  c. superstores  d. department stores  e. category killers |
| 24 | A clothing retailer has been striving to reduce the costs of its inventory, but many of its customers are switching to competitors because they do not want to wait for the retailer to order the items. This retailer is experiencing \_\_\_\_\_.  a. customer satisfaction  b. stock-out costs  c. production concerns  d. holding costs  e. just-in-time inventory |
| 25 | If Jeans Inc. wants to ensure that customers receive a consistent message about its product, it should use the concept of .  a. advertising  b. sales promotion  c. integrated marketing communications  d. personal selling  e. public relations |
| 26 | If a company sends a representative to your home who tries to sell you a vacuum cleaner, this company is using \_\_\_\_\_.  a. advertising  b. public relations  c. sales promotion  d. personal selling  e. integrated marketing communications |
| 27 | Which of the following is *most like* a radio show that could be distributed through the Web?  a. Podcast  b. Blog  c. Wiki  d. Forum  e. Social game |
| 28 | When Dell Computer allows workers in a foreign country to provide technical assistance to its customers, it is engaging in  a. external recruitment.  b. revenue stream buildup.  c. insourcing.  d. outsourcing.  e. employment sourcing. |
| 29 | McDonald's and Burger King share a similar same type of employees.  a. business-to-business model  b. marketing campaign  c. business model  d. hierarchy of service  e. background |
| 30 | The purpose of ---------- is to distribute timely and useful information from both internal and external sources to the decision makers who need it.  a. a manager awareness program  b. a management information system  c. entrepreneurial information software d.  a computer information program  e. a desktop information system |
| 31 | The purpose of an audit is to ensure that financial statements have been prepared according to a. the particular company's standards.  b. the industry's standards.  c. generally accepted accounting principles.  d. international accounting standards.  e. the standards of certified public accountants. |
| 32 | Because of the Sarbanes-Oxley Act, accountants must maintain financial documents and audit work for  a. six months.  b. one year.  c. three years.  d. five years.  e. ten years. |
| 33 | Jane Cook started a small manufacturing firm two years ago. Now, after two years, she decides it is time to hire an accountant to work in the office and process all her financial data. This accountant will be a  a. certified auditor.  b. certified bookkeeper.  c. managerial bookkeeping clerk.  d. private accountant.  e. public accountant. |
| 34 | Resources that a firm owns are called  a. revenue.  b. liabilities.  c. owners' equity.  d. assets.  e. expenses. |
| 35 | Debts owed by a business are called  a. assets.  b. expenses.  c. liabilities.  d. equities.  e. revenues. |
| 36 | If total liabilities were subtracted from total assets, the residual value would be  a. revenues.  b. owners' equity.  c. net income.  d. working capital.  e. expenses. |
| 37 | The balance sheet is composed of  a. owners' equity, assets, and liabilities.  b. expenses, revenue, and net income.  c. revenue, expenses, and owners' equity.  d. assets, expenses, and net income.  e. assets, liabilities, and revenues. |
| 38 | The ease with which an asset can be converted into cash is referred to as its  a. liquidity.  b. profitability.  c. solvency.  d. convertibility.  e. capitalization capacity. |
| 39 | The movement of money into and out of an organization is called  a. equity financing.  b. a revolving credit agreement.  c. factoring.  d. cash flow.  e. budgeting. |
| 40 | Jones Manufacturing needs $450,000 to build a new plant. It must also spend $200,000 on new equipment for the plant. Both of these needs are examples of  a. equity-capital needs.  b. debt-capital needs.  c. short-term financing needs.  d. long-term financing needs.  e. cash-flow problems. |
| 41 | Sally Overall is thinking about two different decisions. One decision is quite risky, while the other decision is more conservative. To help her make the right decision, she decides to calculate the  a. quick ratio.  b. management analysis.  c. money factor.  d. risk-return ratio.  e. entrepreneurial ratio. |
| 42 | A statement that projects income and/or expenditures over a specified future period is called a a. financial plan.  b. cash flow plan.  c. resources plan.  d. resource allocation statement.  e. budget. |
|  |  |