INTRODUCTION TO BUSINESS

Sample Test 3 Questions
Question #1

Which of the following tasks would be included in the marketing mix?

A. Evaluating various distribution alternatives to determine the best way to get the product to the consumer.
B. Examining various sources of funds to determine the best way to finance an expansion of the organization's production facilities.
C. Assigning tasks to specific workers on an assembly line.
D. Developing financial statements based on the recorded transactions of the firm during a specific time period.
E. None of the above
Question #2

Which of the following represents a technique used to obtain primary data?

A. Gaining access to an unpublished government report from the Federal Trade Commission.
B. Conducting personal interviews.
C. Establishing a database to store and cross-index articles from leading journals and research publications.
D. Reviewing the best selling textbooks that present basic marketing principles.
E. Looking up information in the U.S. Statistical Abstract.
Nature’s Sun, a company that designs and manufactures clothing for active people, focuses their marketing efforts on people who participate in strenuous outdoor activities such as running and mountain climbing. For example, the firm advertises heavily in magazines for runners. Nature’s Sun is using ________ factors to segment its market.

A. demographic  
B. benefit  
C. volume  
D. geographical  
E. psychographic
Question #4

Which of the following is the best example of a product line?

A. General Motors offers passenger cars, small trucks, and tractor trailers.
B. Sony offers DVD players, compact disk players, and video game consoles.
C. Kellogg offers Special K, Raisin Bran, Corn Flakes, and a variety of other cold ready-to-eat cereals.
D. Hewlett Packard offers scanners, printers and personal computers.
E. None of the above is the best example of a product line.
Question #5

Sally is craving a candy bar. She finds the nearest store that sells candy bars. She compares the calorie content and fat grams of several candy bars before making her choice. Sally considers candy bars to be a

A. shopping good.
B. specialty good.
C. convenience good.
D. unsought good.
E. sought good.
Question #6

ABC corporation has just started a price war against other competitors in the market. ABC seems to be in what stage of the product life cycle?

A. Introduction
B. Growth
C. Maturity
D. Decline
E. Revival
Question #7

The number of units that must be sold for the total revenue to equal the total cost is called the:

A. adaptive price.
B. equilibrium price.
C. contribution margin.
D. break-even point.
E. marginal revenue.
Question #8

Which of the following would be a good reason to use a skimming pricing strategy?

A. to allow lower income households the ability to purchase a particular good or service.
B. to drive competitors out of business in order to achieve a monopoly position in the market.
C. to create an exclusive, global image for a company's products.
D. to earn the highest possible profit while there is little competition.
E. to generate maximum revenue with elastic demand.
Question #9

The price of a product is $10, the fixed cost is $20,000 and the variable cost is $6. What is the breakeven point in units?

A. 2000
B. 1250
C. 5000
D. 3333
E. Unknown, cannot determine with the information given
Question #10

Producers of snack foods (such as candy bars) are most likely to use a(n) _____________ distribution strategy for their products.

A. intensive
B. exclusive
C. selective
D. restrictive
E. hybrid
Kumquat Computers is a major computer manufacturer that also owns all of the organizations in the channel of distribution for its computers, including a chain of Kumquat Direct retail stores. Kumquat is using a:

A. franchise distribution system.
B. corporate distribution system.
C. administered distribution system.
D. retail cooperative system.
E. traditional distribution system.
Question #12

At Stockman's Butcher Shop the butchers will hand cut steaks to the thickness their customers specify and trim off the excess fat. This extra service provides ________ utility.

A. possession
B. time
C. place
D. information
E. form
Question #13

Companies that make use of a pull strategy target their promotional efforts towards:

A. consumers.
B. retailers.
C. wholesalers.
D. manufacturers.
E. salespeople.
Question #14

Kylie is a new salesperson for a company that publishes college textbooks. She is currently developing a list of professors at colleges that teach courses that might make use of the books her company publishes. She then plans to determine which of these professors are involved in the textbook selection process so that she can visit them in the near future. The task Kylie is performing is known as:

A. handling objections.
B. following up.
C. making a presentation.
D. prospecting and qualifying.
E. closing the sale.
Indiana Processing promotes its services through *Mechanical Engineers Today*, a trade magazine that charges Indiana Processing and other companies $5000 per page to help offset the magazine’s publishing costs. This promotional activity is an example of:

A. publicity.
B. advertising.
C. public relations.
D. sales promotion.
E. selling.
ANSWERS

1. A  2. B  
3. E  4. C  
5. A  6. C  
7. D  8. D  
9. C  10. A  
15. B