

1. (p.336) “Spaghetti Brand Pasta encountered a problem with its promotion aimed at working women. The company ran a series of ads depicting women cooking while men were sitting at a table smoking a pipe. Spaghetti was trying to show women in positions of authority, but some women felt the ads presented them as ‘housewives.’” This describes a poor communication. The reason why this happens is that the source and the receiver do not have a _____.
 - a. common message channel
 - b. common encoder
 - c. common decoder
 - d. common frame of reference
 - e. personal contact

2. (p. 344) What concept does the following describe?
“A marketing manager should use different promotional mixes for different adopter groups.”
 - a. The adoption curve
 - b. Early adopters
 - c. Pulling policy
 - d. Dual distribution

3. (p347-349) Promotion blends usually have to change to achieve different promotion objectives at different life-cycle stages. Which of the following is an incorrect combination of the “product life cycle – promotion objective”?
 - a. Market introduction – “check out this great new idea”
 - b. Market growth – “our brand is the best”
 - c. Market maturity – “our brand is better, really”
 - d. Sales decline – “let’s persuade those who still want our product”
 - e. They are all correct.

4. (p341) Which of the following best describes the policy implemented as below?
“Surfy sells their products through major popcorn outlets (e.g., J.P. McPopcornhead’s, Corny, Norville Poppenbutter). It relies on price deals (e.g., price discount) to those stores to move more of the product. Surfy barely runs consumer promotions for this product.”
 - a. Pushing
 - b. Direct response promotion
 - c. Pulling
 - d. Integrated marketing communications
 - e. Noise in the communication process

5. (p. 362) Which of the following is not true about missionary salespeople?
 - a. They are sometimes called merchandisers or detailers.
 - b. They try to develop goodwill and stimulate demand.
 - c. They can sometimes slow down sales.
 - d. They are one type of supporting salespeople.
 - e. They often take orders for delivery by intermediaries.

6. (p. 370) A compensation plan is determined by two basic decisions: (1) the level of compensation and (2) the method of payment. For the method of payment, there are three different methods: (1) straight salary, (2) straight commission, and (3) a combination plan. Which of the following is the truth for compensation plan?
 - a. A straight salary offers the most incentive and is tied to result actually achieved.
 - b. A straight commission offers the most security for the salesperson.
 - c. A commission is often based on the absolute amount of dollar sales.
 - d. A compensation plan does not include bonuses, profit sharing, pensions, stock plans, insurance, and other fringe benefits.

- e. Combination plan should be applied when a producer wants to increase the amount of time its sales reps spend on supporting activities, to keep its sales reps motivated and aggressive, and also provide some security.
7. (p. 377) A marketing manager can choose two basically different approaches to making sales presentations: the prepared approach or the consultative selling approach. Another approach, the selling formula approach, is a combination of the two. Barfy Telecommunications tries to sell the bundle of TV, internet, and home phone to their existing customers who use its internet services only. Barfy Telecommunications should use which of the following sales presentations?
 - a. Consultative selling approach
 - b. Selling formula approach
 - c. Prepared sales presentation
 - d. Target market presentation
 - e. None of the above
 8. (p. 377) Akkiimponim Whahntnhuye is a telemarketer for a company that has a new technology that allows them to email salads to you during lunchtime. She calls business owners on a list provided by her firm and tries to sign them up for email salad delivery. Akkiimponim always tries to comply with the script and materials that she worked on during her training. She is very good at what she does and likes that the more success she has the more she earns. What sales presentation approach does Akkiimponim use?
 - a. Missionary presentation
 - b. Prepared sales presentation
 - c. Consultative selling approach
 - d. Selling formula approach
 - e. No sales presentation approach is used because she just calls business owners and says what she learned during training
 9. (p.388-9) Pioneering advertising:
 - a. Tries to develop selective demand for a specific brand.
 - b. Tries to develop primary demand for a product category rather than demand for a specific brand.
 - c. Means making specific brand comparisons – using actual product names.
 - d. Promotes an organization’s image, reputation, or ideas rather than a specific product.
 - e. Blazes the Oregon Trail
 10. (p. 390) For “Cooperative advertising”, producers and middlemen share:
 - a. The cost of advertising placed on TV nationwide
 - b. The cost of local advertising
 - c. Legal fees involved in developing advertising
 - d. Nothing, but the middlemen provide some of the promotion blend
 - e. None of the above
 11. (p. 390) The Romanian government promotes Romania as a place to meet vampires. Many firms from India use the company name as a brand name (e.g., Sutaputra). Insurance companies and organizations like the National Organization for the Reformation of Jimsonweed Laws use some advocacy ads to encourage people to reconsider the legal issues surrounding an obscure plant. Which of the following advertising is relevant to these examples?
 - a. A teaser campaign
 - b. Competitive advertising
 - c. Comparative advertising
 - d. Institutional advertising
 - e. Pioneering advertising

12. (p. 388) Melt Bunny used comparative advertising claiming that a competing chocolate from Choco-Penguin does melt as well. The Federal Trade Commission
 - a. Will forbid this advertising.
 - b. Might require Melt Bunny to provide evidence to support this claim.
 - c. Would permit this ad in a trade magazine only.
 - d. Would discourage this type of ads because it could be unfair to use another firm's actual name in a way which is not favorable to that firm.
 - e. None of the above is true.

13. (p. 417) Status quo pricing objectives:
 - a. Are adopted when managers are NOT satisfied with their current market share and profits.
 - b. Are different from the 'don't-rock-the-pricing-boat' objective.
 - c. Are adopted when managers want to stabilize prices, or meet competition, or even avoid competition.
 - d. Are most common when the total market is on a steep growth.
 - e. Are the result of lazy managers who fear change

14. (p. 423) Garbage, Etc. offers wholesalers a lower price on their premium line of compost mixed with random garbage if they buy in the winter, when sales are usually slow. This illustrates:
 - a. Cumulative quantity discount
 - b. Brokerage allowance
 - c. Seasonal discount
 - d. Noncumulative quantity discount
 - e. Cash discount

15. (p. 424) The following terms appeared on an invoice dated May 25 which was sent by Grabowicz Industrial Priming to a contractor: 2/10, net 30. The amount of the invoice was \$5,000. Assuming the contractor paid the invoice on June 1 (5 days after the products were delivered), how much should they have paid?
 - a. \$5,000
 - b. \$5,100
 - c. \$4,900
 - d. \$4,850
 - e. \$4,975

16. (p. 434) Which of the following best describes the Robinson-Patman Act?
 - a. It makes illegal any price discrimination – selling the same products to different buyers at different prices.
 - b. It bans the use of another firm's actual name on ads.
 - c. It protects customers who purchase directly from a supplier.
 - d. Under this Act, meeting a competitor's price is NOT permitted as a defense in price discrimination cases.
 - e. All of the above are true.

17. (p. 456) A bicycle store that is trying to draw the customer's attention by offering a very low, very special bargain price on an extremely popular brand of honey-roasted bicycle chains that are usually quite expensive is using:
 - a. Leader pricing
 - b. Bait pricing
 - c. Prestige pricing
 - d. Odd-even pricing
 - e. Price lining

18. (p. 458) A firm is trying to set prices that end in certain numbers. For example, products selling below \$50 often ends in the number 5 or the number 9 – such as 49 cents or \$24.95. Which of the following is the description for this pricing approach?

- a. Some marketers use this approach because they think consumers react better to these prices – perhaps seeing them as “substantially” lower than the next highest even price.
 - b. This approach is to set a few price levels for a product line and then marking all items at these prices.
 - c. It is to set some very low prices to attract customers but to try to sell more expensive models or brands once the customer is in the store.
 - d. The seller plans does NOT plan to sell many at the low price.
 - e. That’s how they getcha.
19. (p. 442-3) Which of the following is the right answer for markup and turnover?
- a. To earn higher profits, all firms should lower their markups and seek faster turnover
 - b. Higher markups do not always lead to higher profits.
 - c. Markup means percentage of selling price that is added to the cost to get the selling price.
 - d. Higher markups can speed turnover and the stockturn rate.
 - e. Both b and c.
20. (p. 447-8) Which of the following is INCORRECT for “average-cost pricing”?
- a. It ignores likely customer demand at different prices.
 - b. It does not make allowances for cost variations as output changes.
 - c. It means adding a reasonable markup to the average cost of a product.
 - d. It is too hard for most managers to use.
 - e. None.
21. A company trying to sell toothpaste will probably focus on which promotion objective?
- A. Persuading
 - B. Pioneering
 - C. Informing
 - D. Publicizing
 - E. Lagging
22. If a company is trying to get stores to sell something by bribing their manager with stocking fees, they are using a(n)
- A. Direct response promotion
 - B. Push strategy
 - C. Pull strategy
 - D. Integrated marketing communication method
 - E. Illegal promotion technique
23. A guy who is hired by a producer to find out what retailers are doing, and to help them sell product is called a
- A. Missionary sales reps
 - E. Manufacturers' agents
 - B. "a Joe Salesman" representative
 - C. Order takers
 - D. Order getters
24. CrapCo just invented a revolutionary new device that automatically collects and burns the leaves in your yard. CrapCo wants to put out an ad explaining to potential customers what the product is and why they might want it. The campaign should focus on:
- A. Competitive advertising
 - B. Pioneering advertising
 - C. Institutional advertising
 - D. Reminder advertising
 - E. None of the above

25. If producer CrudCo does "cooperative advertising" with their retailer CrapCo, this means that:
- A. They design the ads together
 - B. They both pay for national ads
 - C. They both pay for local ads
 - D. They agree not to smear each others' name in their ads
 - E. CrapCo does some advertising and CrudCo handles the rest of the promotion blend
26. A company has just developed a great new disposable cigarette lighter that tells hilarious jokes. They want to temporarily cut prices to get this on the market really fast and into peoples' hands ASAP. They should use:
- A. A penetration pricing policy
 - B. A one-price policy
 - C. A skimming pricing policy
 - D. A flexible-price policy
 - E. Introductory price dealing
27. If a powerful bicycle store wants to sell bikes at \$100 (instead of the usual \$500) so that they can put the competing bike store out of business, they may be prohibited by the:
- A. Magnuson-Moss Act
 - B. Robinson-Patman Act
 - C. Wheeler-Lea Act
 - D. FTC Act
 - E. Sherman Act
28. Which of the following is an example of odd-even pricing?
- A. \$8.73
 - B. \$3.90
 - C. \$95.98
 - D. \$99.95
 - E. \$100.00
29. A producer in Podunk uses "zone pricing." The company is selling malt syrup for \$1200/lb in the Western Zone-- which includes Bumblefusk and Suck City. The freight cost from its plant to Bumblefusk is \$150/lb. and from its plant to Suck City is \$200/lb. In this situation:
- A. One lb. of syrup will costs a Bumblefusk buyer the same amount as a Suck City buyer
 - B. People in either city would pay \$1200 for one lb of syrup
 - C. One lb of syrup delivered to Bumblefusk would cost the buyer \$1350
 - D. One lb of syrup delivered to Suck City would cost the buyer \$1400
 - E. Both C and D

ANSWERS

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| 1. D | 11. D | 21. A |
| 2. A | 12. B | 22. B |
| 3. E | 13. C | 23. A |
| 4. A | 14. C | 24. B |
| 5. C | 15. C | 25. C |
| 6. E | 16. A | 26. E |
| 7. A | 17. A | 27. B |
| 8. B | 18. A | 28. D |
| 9. B | 19. E | 29. A |
| 10. B | 20. D | |