

1. It is likely that a product will be grouped into large units for:
  - A. consumption
  - B. sale
  - C. transportation
  - D. display
  
2. Which channel of distribution has increased due to Internet use?
  - A. indirect
  - B. system
  - C. supply
  - D. direct
  
3. The dominant member of a marketing channel who also controls other members of the channel is called a(n):
  - A. channel captain
  - B. vendor
  - C. contractual partner
  - D. market leader
  
4. To operate more efficiently, most manufacturers:
  - A. produce many different kinds of products
  - B. sell directly to retailers
  - C. operate year-round
  - D. only produce products when they're wanted
  
5. Pepsi desires to be in as many retail outlets as possible. Which type of distribution density will be suited for this goal?
  - A. exclusive distribution
  - B. intensive distribution
  - C. selective distribution
  - D. channel distribution
  
6. One business controlling an entire market for a particular product is an example of a(n) \_\_\_\_\_.
  - A. monopoly
  - B. economic superiority
  - C. oligopoly
  - D. free enterprise
  
7. An organized group of parts or components linked together according to a plan to achieve specific objectives is called:
  - A. supply
  - B. inventory
  - C. list
  - D. system

8. Transporting goods via a pipeline is used for oil reserves. Which one of the following is true about pipelines?
- A. Although inexpensive to construct, operational costs are high.
  - B. There are not many pipelines in use in the United States.
  - C. Initial investment is high, but operational costs are relatively small.
  - D. Most pipelines are government owned and considered common carriers.
9. Bonded warehouses store:
- A. products to be consolidated
  - B. products that may spoil
  - C. products that are hazardous
  - D. products requiring payment of a federal tax
10. This type of inventory system tracks the number of items in inventory on a constant basis.
- A. inventory counting
  - B. physical
  - C. perpetual
  - D. cycle count
11. What are the two dimensions of the BCG Matrix?
- A. Market Growth and Relative Market Share
  - B. Market Growth and Market Concentration
  - C. Market Penetration and Relative Market Share
  - D. Market Penetration and Market Concentration
12. The moral premises upon which marketing decisions are made is called:
- A. channels of distribution
  - B. promotional strategy
  - C. marketing ethics
  - D. social responsibility
13. Value Chain is developed by:
- A. Peter Drucker
  - B. Malcolm Gladwell
  - C. Tom Peters
  - D. Michael Porter
14. A store that uses recycled bags is showing which one of the following?
- A. social intelligence
  - B. social responsibility
  - C. profit motive
  - D. code of ethics

15. What is it called when a company takes personal responsibility for its actions?
- A. self-regulation
  - B. social responsibility
  - C. consumerism
  - D. ethics
16. Which of the following is a support activity according to the value chain model?
- A. Service
  - B. Marketing
  - C. Operations
  - D. Human Resource Management
17. A sports apparel 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 reflective running socks that are usually quite expensive is using:
- A. bait pricing
  - B. prestige pricing
  - C. loss leader pricing
  - D. price lining
18. This is not one of the purposes of promotion?
- A. informing
  - B. reminding
  - C. persuading
  - D. selling
19. An aging company might want to be featured in a magazine if they were concerned about this element of the marketing mix:
- A. promotion
  - B. product
  - C. price
  - D. production
20. Jimmy's Hamburger Station has a program where a customer receives a free soft drink after the purchase of 10 hamburgers. The restaurant requires the customer to enroll in this program by providing an email address. This program is what type of sales promotion?
- A. premium program
  - B. coupon program
  - C. loyalty program
  - D. rebate program
21. The advantage of instant feedback could entice an entrepreneur to use:
- A. outdoor advertising
  - B. ambient advertising

- C. Internet advertising
  - D. direct mail
22. Which one of the following is an advantage associated with newspapers as a medium of advertising?
- A. extensive reproduction capabilities
  - B. the ability to customize messages to suit different market segments
  - C. long lead time
  - D. geographic flexibility
23. Radio(FM) advertising that suggests consumers take a proactive role in family health care by requesting that their physicians prescribe specific medications they hear advertised raises issues of ethics in \_\_\_\_\_ strategy.
- A. distribution
  - B. production
  - C. price
  - D. promotion
24. To promote a product or attract potential new customers through a prominent association between the prizes and the sponsor, companies offer a:
- A. contest
  - B. lottery
  - C. sales promotion
  - D. sweepstakes
25. In order to convince an audience to support your proposed changes to the organization's structure, you should use a(n) \_\_\_\_\_ speech.
- A. entertaining
  - B. informative
  - C. persuasive
  - D. impromptu
26. When giving a news brief to the media on your organization's response to a crisis situation that has emerged, one way to avoid miscommunication is to:
- A. use as many words as possible
  - B. use acronyms instead of entire organizational names
  - C. define relative words
  - D. use abstract terms to avoid being committal
27. Your business's public relations representative gives an interview to a local newspaper with the understanding that the interview is "on the record". The PR representative has consented to:
- A. full use of his comments and name in publication
  - B. full use of his comments in publication, but not his name
  - C. limited use of his comments with editorial rights, but no use of his name

- D. limited use of his comments with editorial rights and full use of his name
28. Which one of the following is a database that contains current and past news stories?
- A. Alta Vista
  - B. Google
  - C. Lexis Nexis
  - D. Wikipedia
29. When writing an optimized press release, a communications writer must focus on which one of the following to obtain maximum viewing?
- A. post on Facebook
  - B. submission to multiple news outlets
  - C. keywords to obtain high rankings on search engines
  - D. easy to understand terminology
30. Which type of visual aid should be used in a document to show detailed information and exact figures?
- A. table
  - B. flowchart
  - C. photograph
  - D. legend
31. What type of communications are those that are based upon the discovery, identification, and diagnosis of unusual and ambiguous problems?
- A. responsive
  - B. adaptive
  - C. reactive
  - D. innovative
32. Getting people to believe in the goals of the company and work well together to accomplish them is called:
- A. team building
  - B. human relations
  - C. group leadership
  - D. Total Quality Management
33. Body language:
- A. does not include eye contact.
  - B. does not include gestures.
  - C. is less powerful than written communication.
  - D. includes facial expressions.
34. Which one of the following barriers is the most obvious to detect in communications?
- A. Emotional

- B. cultural
  - C. perceptual
  - D. physical
35. The Internet is most frequently used for
- A. research and communication.
  - B. surfing for the latest news.
  - C. product purchases.
  - D. interactive games.
36. The Dade county's annual fair was poorly attended last year due to rainy conditions. The weather and its impact on the festival represent the \_\_\_\_\_ environment.
- A. operational
  - B. general
  - C. specific
  - D. task
37. Management by objectives means:
- A. setting objectives to bring about the achievement of the corporate goals
  - B. the control of the organization by the top CEO
  - C. giving authority to lower management to carry out certain jobs
  - D. the system of management that is based on bringing together experts into a team
38. An organization's mission and vision statements are examined as part of what planning process?
- A. goal setting
  - B. tactical
  - C. strategic
  - D. identification of objectives
39. \_\_\_\_\_ is based on information gathered during formulation of the organization's strategic plan.
- A. strategic implementation
  - B. strategic analysis
  - C. strategic evaluation
  - D. strategic formulation
40. Benchmarking is what type of planning methodology?
- A. standardization
  - B. innovative
  - C. alignment
  - D. creative
41. The most basic need in Maslow's Hierarchy of human needs is:
- A. food and shelter

- B. self esteem
  - C. self actualization
  - D. safety
42. One advantage of recruiting outside the company is that:
- A. it is cheaper than internal recruitment
  - B. there is no need to advertise the vacancy
  - C. it avoids jealousy within the firm
  - D. it brings in new experience and skills to the firm
43. The SMART scheme used by companies to achieve objectives does not include:
- A. all objectives being Measurable
  - B. the need to make objectives Tangible
  - C. the need for Specific objectives
  - D. personnel feeling capable of reaching Achievable objectives
44. Paying an executive \$140,000 a year is an example of what kind of compensation plan?
- A. time plan
  - B. piece-rate plan
  - C. commission plan
  - D. performance plan
45. \_\_\_\_\_ is defined as a raise in pay based on a set of criteria set by the employer.
- A. Base pay
  - B. Overtime pay
  - C. Merit pay
  - D. Sick pay
46. The most important skill for a human resource manager is \_\_\_\_\_.
- A. speaking
  - B. listening
  - C. negotiating
  - D. writing
47. The process of determining the number of employees that the company will need at some point in the future as well as the knowledge, skills, and abilities that these employees must possess is referred to as:
- A. demand forecasting
  - B. personnel forecasting
  - C. supply forecasting
  - D. strategic forecasting
48. The first source of information about a potential employee is normally gathered from the:
- A. Interview

- B. resume
  - C. employment test
  - D. application form
49. Method used by management to identify employees for future promotions within the company in case of the loss of an employee.
- A. cross-training
  - B. succession planning
  - C. strategic planning
  - D. fast-track management
50. The process of offering shares of a private corporation to the public in a new stock issuance is called:
- A. L/C
  - B. M&A
  - C. IPO
  - D. COMPS
51. Which one of the following allows a firm to plan its short-term cash needs?
- A. cash budget
  - B. open book management
  - C. working capital analysis
  - D. Statement of Cash Flow
52. Midwest Automotive Supply sells parts to Quik-Lube. Which one of the following describes Midwest's relationship to Quik-Lube?
- A. Midwest is a factor.
  - B. Midwest is a vendor.
  - C. Midwest is a debtor.
  - D. Midwest is a customer.
53. Lynn Tanner is preparing to open Tanner's Electric Company. In preparation of her cash flow statement, she estimated that she would have \$4,200 total receipts and \$6,500 cash disbursements in the first month of operation. What is her net cash flow for the first month?
- A. \$10,700
  - B. -\$10,700
  - C. -\$2,300
  - D. \$2,300
54. Which one of the following describes the surplus a business achieves after total costs are deducted from total revenue for a fixed period of time?
- A. profit
  - B. net worth
  - C. liabilities



D. assets

55. An accounting system should have the following characteristics.

- A. understandable, have open use, and dependable
- B. changes made daily, useful, and timely
- C. accessible, complex, and complete
- D. easy to use, accurate, and consistent

56. \_\_\_\_ is not a risk associated with doing business in another country.

- A. Different laws, customs, and cultures
- B. High travel and shipping costs
- C. Language barriers
- D. Insurance

57. A(n) \_\_\_\_ is a private equity investor that provides capital to companies exhibiting high growth potential in exchange for an equity stake.

- A. venture capital
- B. angel investor
- C. mutual fund
- D. broker

58. What is a line of credit?

- A. money a bank invests in a business in return for a share of the profits
- B. a grant provided by the HUD to encourage business development in needy areas
- C. a short-term loan offered to new entrepreneurs that must be repaid within a year
- D. an agreement by a bank to lend up to a certain amount of money whenever the borrower needs it

59. Which type of loans is provided by commercial finance companies and allows small businesses to have use of the latest equipment at a fraction of the cost?

- A. ballooning
- B. leasing
- C. floor planning
- D. factoring

60. Capacity is one of the five Cs of credit. Which one of the following phrases defines capacity?

- A. ability of the business owner to repay from personal assets
- B. potential cash generated from business operations based on size of the business
- C. potential cash generated from sale of business assets if business is terminated
- D. ability to repay the debt from ongoing business operations

61. Which one of the following is an insurable risk for a business?

- A. economic conditions
- B. fire

- C. consumer demand
  - D. technology changes
62. Capital is one of the five Cs of credit. Which one of the following phrases defines capital?
- A. potential cash from the sale of business assets
  - B. business's potential net worth
  - C. borrower's financial net worth
  - D. total of expected annual cash flows over the life of the loan
63. Which one of the following is an appropriate follow-up action if a potential lender initially says "no"?
- A. avoid further communication
  - B. ask for advice
  - C. show resentment
  - D. submit the same application again
64. Collateral is one of the five Cs of credit. Which one of the following phrases defines collateral?
- A. resale value of all business assets if repossession becomes a reality
  - B. items held by the creditor until the loan is paid
  - C. personally owned items of the business owner that can be sold to repay the loan
  - D. resale value of the secured item(s) if repossession becomes a reality
65. To start his new lawn maintenance business, John must purchase two large mowers. For accounting purposes, these mowers are called:
- A. expenses
  - B. fixed assets
  - C. liabilities
  - D. debt
66. Conducting \_\_\_\_\_ research involves collecting data firsthand and analyzing it.
- A. primary
  - B. pertinent
  - C. secondary
  - D. pervasive
67. If you were going to start a small retail store selling gift items, which type of market structure would you most likely be entering?
- A. oligopoly
  - B. perfect competition
  - C. monopoly
  - D. monopolistic competition
68. Your marketing mix can be improved with all the following except \_\_\_\_\_.
- A. higher prices for the product

- B. a press release
  - C. business cards
  - D. a website
69. Which one of the following describes customer-oriented pricing strategies?
- A. focused on target markets and demand
  - B. focused on the emotional ties of the stakeholders
  - C. focused on discouraging competitors from entering the market
  - D. focused on selling to potential investors and partners
70. The ultimate goal of marketing is \_\_\_\_\_.
- A. increasing sales
  - B. improving name recognition
  - C. expanding the size of your target market
  - D. developing a satisfying customer experience
71. A \_\_\_\_\_ sells products to the ultimate consumer.
- A. retailer
  - B. broker
  - C. wholesaler
  - D. agent
72. What is the management and control of the flow of goods and resources from the source of production to the marketplace?
- A. planning
  - B. manufacturing
  - C. logistics
  - D. production
73. The process of reconciling product output with the standards set for that product is:
- A. quality control
  - B. material planning
  - C. order quantity
  - D. JIT system
74. If you wanted to gather secondary data about the demographics on population for your city and county, who should you consult?
- A. Small Business Administration
  - B. Better Business Bureau
  - C. business section of your local newspaper
  - D. Chamber of Commerce
75. Why has the number of students studying entrepreneurship increased so dramatically since the early 1970s?

- A. marketplace desires change quickly
  - B. the economy has been bad so no other jobs have been available
  - C. more small businesses are being formed and the cost of mistakes is higher
  - D. more students wanted to go to college
76. A stable country's exchange rate:
- A. remains the same unless there is a political change
  - B. fluctuates greatly from day to day
  - C. is always based on the U.S. dollar
  - D. changes somewhat from day to day
77. A weaker currency does not \_\_\_\_\_.
- A. reduce the nation's deficit
  - B. increase the nation's deficit
  - C. make imports more expensive
  - D. result in more exports
78. \_\_\_\_\_ is the ethical issue common in many cultures where family members are given jobs in a company before other members.
- A. Nepotism
  - B. Seniority
  - C. Bribery
  - D. Proprietorship
79. Political instability of a country may cause the number of questionable ethic transactions to:
- A. rise
  - B. disappear
  - C. remain the same
  - D. decline
80. Bribery in most countries is seen as a(n)
- A. required element for conducting international business.
  - B. legal means for conducting business.
  - C. lapse of ethics.
  - D. business tool.
81. Selling items at exceptionally low prices and causing unfair conditions for another market that produces the same product is called:
- A. skimming
  - B. psychological pricing
  - C. dumping
  - D. penetrating
82. A group of firms or nations that agree to act as a monopoly and not compete with each other is

a(n):

- A. action group
- B. support group
- C. confederation
- D. cartel

83. Property or risks not covered by an insurance policy are called:

- A. deductions
- B. exclusions
- C. declarations
- D. endorsements

84. When purchasing insurance, the first step is to:

- A. evaluate risks
- B. identify potential risks
- C. implement a risk management program
- D. select a risk management method

85. The multinational company does not have to comply with the home country's \_\_\_ mandates.

- A. legal
- B. religious
- C. social
- D. economic

86. An exporting company wants to add fire coverage for a warehouse in Canada. The certificate that would be needed to make this change to the insurance policy is called an

- A. insurance certificate.
- B. equity clause.
- C. exclusion.
- D. endorsement.

87. A \_\_\_ is a debt certificate issued by a multinational company.

- A. treasury bond
- B. corporate bond
- C. treasury note
- D. government bond

88. \_\_\_ is/are provided by a company's owners to start a multinational company.

- A. Borrowed funds
- B. Venture capital
- C. Debt capital
- D. Equity capital

89. A/An\_\_\_\_\_ involves the buying and selling of currencies needed to pay for goods and

services bought from companies in other countries.

- A. Over-The-Counter Market
  - B. Foreign Exchange Market
  - C. Government Bond
  - D. Futures Market
90. Of the following statements about international business and individual citizens, which one is not true?
- A. International business usually decrease career opportunities.
  - B. Individual decisions may affect people in other parts of the world.
  - C. Individual shopping habits have no effect on international business.
  - D. International competition usually results in fewer product choices for individuals.
91. The rate of return on an international investment that cost \$5,000 and has an annual income of \$450 is \_\_\_\_ percent.
- A. eight
  - B. seven
  - C. nine
  - D. ten
92. The World Bank does not provide economic assistance to less developed countries for:
- A. energy plants
  - B. transportation networks
  - C. communication systems
  - D. banks
93. A detailed list of a shipment of goods in the form of a receipt given by the carrier to the person consigning the goods is the \_\_\_\_\_.
- A. commercial invoice
  - B. bill of lading
  - C. warranty of title
  - D. letter of credit
94. Bonds are a form of:
- A. real investment
  - B. debt capital
  - C. liability
  - D. equity capital
95. The \_\_\_\_\_ Stock Exchange is the largest in the world.
- A. London
  - B. Euronext
  - C. New York
  - D. Tokyo

96. Futures markets are not popular for:
- A. natural gas
  - B. automobiles
  - C. grain
  - D. oil
97. Global markets
- A. are not influenced by the fluctuating value of currencies in the world.
  - B. are not tied to political events.
  - C. react to fluctuations in the New York Stock exchange.
  - D. are insulated from financial events in other parts of the world.
98. The chances of employee failure on an overseas assignment can be reduced by all of the following practices except:
- A. providing training before, during, and after the assignment.
  - B. providing a job that use the employee's international experience when the employee returns from the assignment.
  - C. providing extra compensation for taking an international assignment.
  - D. making international assignments part of the long-term employee development process.
99. Evaluating employee performance in company offices around the world:
- A. should be tailored to meet local environment, task, and individual personality differences.
  - B. uses same standards and forms in different countries.
  - C. should follow the highly successful American model.
  - D. is not a common practice.
100. CLV stands for:
- A. Customer Lifetime Value
  - B. Customer Loss Value
  - C. Channel Length Value
  - D. Channel Leadership Value

## Answer Key

1	C	35	A	69	A
2	D	36	B	70	D
3	A	37	A	71	A
4	C	38	C	72	C
5	B	39	B	73	A
6	A	40	A	74	D
7	D	41	A	75	C
8	C	42	D	76	D
9	D	43	B	77	B
10	C	44	A	78	A
11	A	45	C	79	A
12	C	46	B	80	C
13	D	47	A	81	C
14	B	48	D	82	D
15	A	49	B	83	B
16	D	50	C	84	B
17	C	51	A	85	B
18	D	52	B	86	D
19	A	53	C	87	B
20	C	54	A	88	D
21	C	55	D	89	B
22	D	56	D	90	A
23	D	57	A	91	C
24	D	58	D	92	D
25	C	59	B	93	B
26	C	60	D	94	B
27	A	61	B	95	C
28	C	62	C	96	B
29	C	63	B	97	C
30	A	64	D	98	C
31	D	65	B	99	A
32	A	66	A	100	A
33	D	67	B		
34	D	68	A		