

SAMPLE
- Do Not Duplicate -

Competency-Based
Competitive Events
Written Exam

Test Number 468
Booklet Number ____

General Marketing

Supervisory Level

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.

1. Sales representatives from a specific industry who gather together to display and discuss their products with buyers are participating in a
A. chamber of commerce.
B. resident buying office.
C. trade show.
D. trade association.
2. Find the grammatical error in the following sentence: Although many employees had not been given raises in over a year, there wasn't no reason for granting them now.
A. them one
B. although
C. wasn't no
D. had not been given
3. The written analysis of a complex business situation or problem is called a(n)
A. business report.
B. income statement.
C. policy statement.
D. business memo.
4. When giving directions to a subordinate for completing a job task, the key to being understood is to be as _____ as possible.
A. clear
B. concise
C. brief
D. formal
5. Which of the following is a benefit of distribution that could help a company gain a competitive edge:
A. Faster delivery
B. Increased overall profits
C. Greater sales volume
D. Wider scope of distribution
6. What method of checking incoming goods is described as follows: The receiving worker inspects the construction, style, materials, or other characteristics of the goods.
A. Random check
B. Quality check
C. Blind check
D. Direct check
7. Many businesses maintain a certain amount of reserve stock which is products that are
A. being held for special clients.
B. stored on the selling floor.
C. stored and used as a back-up supply.
D. on display and available for purchase.
8. Which of the following would not be a good idea in planning for a physical inventory:
A. Let workers count without supervision.
B. Have extra workers available if needed.
C. Utilize visual aids to explain inventory procedures.
D. Provide snacks and music for workers during inventory.
9. What selling mistake can add to inventory shrinkage?
A. Mispricing or mislabeling goods
B. Accepting a shipment of damaged goods
C. Carelessly checking the quantity of incoming goods
D. Failing to check the price of customers' purchases
10. Scanners help the business to maintain its inventory records by providing a data collection method for the business's _____ unit control inventory systems.
A. periodic
B. perpetual
C. physical
D. tickler
11. The type of economic resource that includes all of the personal effort required to produce and to distribute goods and services is
A. natural.
B. human.
C. capital goods.
D. equipment.
12. Which of the following situations represents a noneconomic activity:
A. Working at a restaurant
B. Buying gasoline for a lawn mower
C. Thinking of ways to see friends
D. Trading in a car
13. What type of utility is created when businesses sell grass seed in May?
A. Possession
B. Time
C. Place
D. Form

14. In our private enterprise economy, businesses strive to supply goods and services in direct proportion to
A. demand. C. cost of production.
B. supply. D. standard of living.
15. The costs of government regulation of business are paid for through
A. prices. C. taxes.
B. interest. D. tariffs.
16. An individual who assumes the risk of starting and operating a business is called a(n)
A. communist. C. entrepreneur.
B. society. D. economist.
17. Monies received by businesses from the sale of goods and services are called
A. expenses. C. loss.
B. income. D. profits.
18. Property damage or personal injury in the business place are both examples of _____ risks.
A. noninsurable C. transferable
B. preventable D. profitable
19. Which of the following is not an advantage of labor specialization:
A. Increased production rates C. Simplified training of workers
B. Increased worker efficiency D. Increased interdependency
20. When many national unions are grouped together to improve the image of all unions, this is called a(n)
A. national union. C. open shop.
B. local union. D. federation.
21. Economists determine a nation's general economic health by looking at its
A. exports. C. gross national product.
B. imports. D. business investments.
22. Fluctuations in economic activity are referred to as
A. expansion. C. productivity.
B. contraction. D. business cycles.
23. Which of the following factors can lead to a lower standard of living for all Americans:
A. An unfavorable balance of trade C. A limitation on imports
B. An increase in exports D. A strong U.S. dollar
24. One of the financing needs of a business is for working capital which will enable the business to
A. expand its operations. C. get the business started.
B. pay its day-to-day expenses. D. handle any emergencies.
25. A credit application can legally request all of the following information except an individual's
A. income. C. housing.
B. bank accounts. D. sex.
26. A business that buys goods for resale is allowed 60 days in which to pay the invoice without penalty. This is an example of
A. trade credit. C. trade discounting.
B. a promissory note. D. a revolving line of credit.
27. Which of the following activities does not require creativity:
A. Constructing a display background
B. Replacing items sold from a display
C. Resolving a personality conflict between co-workers
D. Delivering a speech before a group of businesspeople
28. Identifying and writing down your objectives will
A. allow you to standardize tasks.
B. include the identification of time wasters.
C. force you to prioritize important activities.
D. help to focus your attention on important activities.

29. Which of the following is a guideline for employees to follow in handling customer inquiries:
- Make sure you clearly understand customers' inquiries.
 - Try to make a sale while you're answering each inquiry.
 - Spend as little time as possible answering customers' inquiries.
 - Don't try to handle inquiries from other customers when you are busy with a sale.
30. What type of difficult customer may be the most trying on your patience and do the most damage to the image of your business?
- Slow/Methodical
 - Domineering/Superior
 - Disagreeable
 - Suspicious
31. Which of the following is true of a marketing-information management system:
- It generally disrupts the marketing process.
 - It can prove valuable at just one point in time.
 - It can provide relevant, accurate, and timely information.
 - It is obsolete and does not meet the needs of marketers.
32. Which of the following is an external influence on trends in sales volume:
- Product design
 - Environmental changes
 - Product components
 - Manufacturing process
33. Basing the forecast of a company's sales on the percentage of industry sales the firm has had is called _____ analysis.
- market-share
 - profit-and-loss
 - marketing-cost
 - performance-percentage
34. The projected revenue figure for an individual company in a specific market is known as _____ potential.
- industry
 - sales
 - buildup
 - market
35. For its sales forecast, Ford Motor Company wants to survey not only the opinions of company executives but the opinions of outside experts as well. This is known as the _____ method of sales forecasting.
- survey of buyer intent
 - sales force
 - jury of executive opinion
 - Delphi technique
36. A customer purchased the following items: nontaxable items \$1.89, \$1.59, and \$1.79; taxable items \$.89 and \$.79. The tax rate is 4%. What is the customer's total bill?
- \$7.07
 - \$7.02
 - \$7.21
 - \$7.11
37. Studying the business's profit-and-loss statement can tell a business owner the _____.
- value of the business's assets.
 - value of current inventory.
 - amount of cash on hand.
 - rate of return on sales.
38. Which of the following business activities keeps records of the business's expenses:
- Accounting
 - Marketing-information management
 - Communication
 - Production
39. What management function is being described in the following situation: David Thomas, a top-level manager, identifies jobs to be performed, assigns responsibility for them, establishes departments to handle the jobs, and determines how many and which employees mid-level managers will supervise.
- Directing
 - Controlling
 - Organizing
 - Planning
40. Which of the following would be included in an income statement of a business:
- Liabilities
 - Net worth
 - Operating expenses
 - Cash on hand
41. A type of business that is owned by a few people and does not offer its shares for sale to the public is a _____.
- partnership.
 - cooperative.
 - close corporation.
 - sole proprietorship.

42. Determining the money needed to aid in marketing activities is known as the _____ function.
- A. purchasing
 - B. financing
 - C. selling
 - D. promotion
43. Which of the following is an example of an industrial market:
- A. College student buying books for classes
 - B. Employee buying lunch in the cafeteria
 - C. Homemaker buying cleaning supplies
 - D. Store manager buying office furniture
44. A short channel of distribution will probably be used by a producer who
- A. wants to share the costs of distribution.
 - B. wants channel control.
 - C. does not have its own sales force.
 - D. lacks sufficient funding.
45. How leaders react to circumstances and what they do in providing leadership describes the _____ theory.
- A. situational
 - B. application
 - C. realistic
 - D. altered
46. One of the reasons many businesses use external recruiting in order to fill job openings is to
- A. have many applicants to choose from.
 - B. motivate current employees to seek promotions.
 - C. reduce the costs of recruitment.
 - D. increase competition among current employees.
47. Which is the most appropriate instructional method for telling new employees about the history of the company:
- A. Mentor
 - B. Demonstration
 - C. Lecture
 - D. Simulation
48. Business expenses that do not vary with changes in sales volume are called _____ expenses.
- A. fixed
 - B. net
 - C. direct
 - D. variable
49. An estimate of a business's income and expenses for a specific future time period is referred to as a(n)
- A. operating budget.
 - B. profit-and-loss statement.
 - C. balance sheet.
 - D. income statement.
50. The business owner met with the top managers and decided that the company would try to increase its sales by ten percent over the next year. This is an example of which management function?
- A. Developing company objectives
 - B. Controlling company performance
 - C. Staffing company operations
 - D. Directing company operations
51. Employees who are not trained to handle company equipment properly often are the cause of
- A. accidents and injuries.
 - B. low worker morale.
 - C. housekeeping problems.
 - D. higher utility costs.
52. Which of the following is the calculator key which erases only the number displayed:
- A. CE
 - B. M+
 - C. =
 - D. MR
53. When is it more efficient for a company to replace a piece of equipment than to repair it?
- A. Repair parts are easy to obtain.
 - B. Length of downtime is shorter for repair.
 - C. Cost of replacement is less than repair.
 - D. Maintenance staff is qualified to make repairs.
54. A product has sold well in test markets, and the developer now plans a national promotional campaign with television spots and full-page advertisements in magazines. The price of the product will probably
- A. decrease.
 - B. increase.
 - C. remain the same.
 - D. constantly change.
55. John Cantini's first customer bought a picture for the price shown on the back of the painting. The second customer asked for and was given a 10% discount. What type of pricing policy does John use?
- A. Fixed
 - B. One-price
 - C. Leader
 - D. Variable

56. Giving customers lower prices because they buy in large volume may be illegal if the business is guilty of
- A. price discrimination.
 - B. unit pricing.
 - C. price lining.
 - D. prestige pricing.
57. A business wants to sell products in a \$1,200.00 price line. How much can it afford to pay for the products and maintain a 28% markup?
- A. \$338.00
 - B. \$515.00
 - C. \$787.00
 - D. \$864.00
58. Most businesses try to create an image by establishing policies that
- A. the businesses do not expect to change.
 - B. emphasize providing extra service.
 - C. employees are expected to uphold.
 - D. will appeal to all kinds of consumers.
59. Benefits to the business from warranties and guarantees include all of the following except
- A. feedback from customers.
 - B. a customer-oriented focus for the business.
 - C. increased profits.
 - D. reduced anxiety about purchases.
60. A benefit to the business of having a private brand is that private brands usually
- A. have a low percent of markup.
 - B. encourage customer loyalty.
 - C. sell for more than national brands.
 - D. need little advertising.
61. The business manager decided to carry only two types of products but to offer a large selection of each. This is an example of what type of product mix?
- A. Narrow variety/deep assortment
 - B. Narrow variety/shallow assortment
 - C. Wide variety/shallow assortment
 - D. Wide variety/deep assortment
62. Coupons printed in a newspaper would be a form of _____ promotion.
- A. ineffective
 - B. unusual
 - C. nonpersonal
 - D. personal
63. Informing consumers about noncontroversial issues which are in the public's best interest is a type of promotion known as
- A. public relations.
 - B. public service.
 - C. patronage.
 - D. product.
64. Which of the following would not be considered sales promotion:
- A. Window display
 - B. Newspaper ad
 - C. Fashion show
 - D. Demonstration
65. The factor that usually has the greatest effect on media costs is
- A. circulation.
 - B. discounts.
 - C. demographics.
 - D. content.
66. Existing conditions, such as the number of competitors, which affect a business and its promotion are referred to as _____ factors.
- A. media-related
 - B. situational
 - C. quantitative
 - D. qualitative
67. An advertisement's effectiveness can be evaluated after publication through the use of
- A. posttesting.
 - B. jury testing.
 - C. split runs.
 - D. a test market.
68. Advertisers use such words or phrases as "introducing," "finally," or "at last" in a print ad headlines in order to
- A. arouse the curiosity of readers.
 - B. promise a benefit.
 - C. make a claim.
 - D. offer something new or improved.
69. What kind of mistake should be marked on an ad proof that contains the following headline:
- All You Can Eat at our Friday Buffett!
- A. Date
 - B. Grammar
 - C. Price
 - D. Spelling

70. Which of the following would be done by a business interested in establishing good relations with the local community:
- A. Donating a door prize for a charity event
 - B. Offering liberal credit terms for purchases
 - C. Having frequent markdowns and "unadvertised specials"
 - D. Running an ad in the Yellow Pages of the telephone book
71. Which of the following is a true statement about the types of promotion in a promotional plan:
- A. All types of promotion serve the same purpose.
 - B. Most businesses focus on one type of promotion.
 - C. Most businesses use more than one type of promotion.
 - D. Promotions stay the same throughout a product's life cycle.
72. Businesses can use information about previous promotions in their promotional planning if they keep the information on hand in a(n)
- A. advertising record.
 - B. marketing report.
 - C. publicity plan.
 - D. production schedule.
73. Over the past five years, the Lowry Company has varied the amount of money budgeted for advertising according to its level of sales. This means that Lowry's advertising budget
- A. reflects changing goals for the business.
 - B. decreases as sales increase from year to year.
 - C. varies according to what the competition spends.
 - D. depends upon the funds available from sales.
74. Local businesses are often able to obtain promotional help from national manufacturers in the form of _____ funds.
- A. cooperative advertising
 - B. trade credit
 - C. operating
 - D. development
75. Before analyzing potential products to purchase for a firm, the industrial buyer's first step is to
- A. choose an order routine.
 - B. determine the product needed.
 - C. calculate the quantity needed.
 - D. search for qualified sources.
76. Retailer X purchases hand-knit sweaters from the Sweater Hut. The Sweater Hut does not receive payment until the sweaters are sold by the retailer. This is an example of
- A. dispersed buying.
 - B. consignment buying.
 - C. decentralized purchasing.
 - D. industrial purchasing.
77. The most reliable inside source of information about customer preferences that the buyer can use in selecting products is
- A. top management.
 - B. manufacturers' representatives.
 - C. the sales staff.
 - D. consumer surveys.
78. Merchandise shipped July 15 was billed at \$2,500 with terms of 2/10, n/30, full freight allowed. The bill was paid on the day the cash discount expired. On what date was the bill paid and what was the amount of the check?
- A. July 25, \$2,450
 - B. July 25, \$2,500
 - C. August 15, \$2,450
 - D. August 15, \$2,500
79. The first step in obtaining supplies through a requisition system is that the requisition form is
- A. sent to the purchasing department.
 - B. signed by the purchasing agent.
 - C. sent to the vendor.
 - D. signed by the accounting department.
80. The deregulation of the airlines which altered airline fares is an example of _____ risk.
- A. marketing
 - B. natural
 - C. human
 - D. economic
81. Special mirrors, limited-access areas, closed-circuit television, and security personnel are methods used by businesses to prevent
- A. hostile takeovers.
 - B. personal-check fraud.
 - C. credit-card fraud.
 - D. employee and customer theft.

82. The aisles of a business should be kept free of clutter in order to prevent
- A. customers from falling.
 - B. spontaneous combustion.
 - C. carpet wear.
 - D. shoplifting.
83. Travis has a large black and blue mark on his arm as a result of bumping into an open file drawer. This injury is an example of a(n)
- A. closed wound.
 - B. open wound.
 - C. strain.
 - D. sprain.
84. Salespersons should have good communication skills, but the sales presentation should not include too many _____ words.
- A. picturesque
 - B. expressive
 - C. technical
 - D. personal
85. Which of the following is covered by selling-activity policies:
- A. Prospecting
 - B. Discounts
 - C. Installation
 - D. Pricing
86. When selling to the impulsive customer, which of the following is an action to take:
- A. Serve quickly.
 - B. Demonstrate merchandise.
 - C. Show a variety of merchandise.
 - D. Use technical terminology.
87. The benefits to the customer from a salesperson's skill in identifying the customer's buying motives is that the
- A. customer's needs and wants are satisfied.
 - B. salesperson has learned a valuable skill.
 - C. company's income is increased by added sales.
 - D. customer will tell other consumers about the business.
88. Which of the following is an attitude that would help a salesperson to build a clientele:
- A. Sincerity
 - B. Artfulness
 - C. Self-centeredness
 - D. Superiority
89. An effective sales approach is important because it
- A. ensures that a sale will be made.
 - B. makes the customer feel welcome and at ease.
 - C. gives the salesperson a chance to talk.
 - D. creates a permanent impression of the business.
90. Determine whether the following statement is true or false: If a customer makes an excuse for not purchasing, the salesperson should not question the customer any further.
- A. False; probing further may uncover the customer's real objection.
 - B. True; if further questions are asked, the customer may be offended.
 - C. False; the salesperson should ask why the customer is making an excuse.
 - D. True; if the customer says s/he is not interested, it should be left at that.
91. The salesperson performs a sales presentation to sell the customer on the values and benefits of the
- A. business's services.
 - B. product features.
 - C. most popular product.
 - D. salesperson's personality.
92. The first step in handling a customer's objection is to
- A. avoid argument.
 - B. pause before answering.
 - C. listen.
 - D. show empathy.
93. Which of the following would be the most appropriate product for a salesperson using suggestion selling to suggest to a customer who is buying a camera:
- A. A box of candy
 - B. A roll of paper towels
 - C. A roll of film
 - D. A box of stationery
94. Which of the following is an overall reason for using follow up with customers:
- A. To follow the competition's lead
 - B. To meet sales quotas
 - C. To build customer goodwill
 - D. To increase the rate of commission

95. A label on a motor reads, "No lubrication needed." This product information refers to
- A. content.
 - B. construction.
 - C. size and capacity.
 - D. care and maintenance.
96. In many businesses, the person who is the best source of product information for salespersons is the
- A. buyer.
 - B. personnel manager.
 - C. accountant.
 - D. sales trainee.
97. Offering which of the following brands is most likely to help a new business to get started:
- A. National
 - B. Private
 - C. Generic
 - D. Descriptive
98. When taking an incoming telephone order, an effective way to make sure the order is correct is to
- A. rewrite the order.
 - B. place your initials on the order.
 - C. note the date and time of the order.
 - D. repeat the order back to the customer.
99. Sales quotas are important to salespersons because quotas can
- A. help in budgeting.
 - B. reduce expenses.
 - C. provide goals.
 - D. overstock customers.
100. Which of the following should be included in a sales training program as an aspect of product knowledge:
- A. Ways to solve customers' problems
 - B. Features of the company's products
 - C. Methods of arranging financing
 - D. Strengths of sales approaches