

1. A
To prevent theft. Many large apparel retailers store all of their supplies in a central storeroom that has controlled access in order to prevent theft. Employees in the central storeroom process requisitions for supplies from the various departments within the store and maintain the necessary paperwork. Because these employees are the only ones who have access to the central storeroom, the possibility of theft is greatly reduced or even prevented. Retailers do not store their supplies in a central storeroom in order to monitor vendors. Storage arrangements are not able to ensure quality unless quality supplies were ordered and received. Retailers usually try to obtain discounts when buying supplies from vendors.
SOURCE: OP:107
SOURCE: pp. 81-82, Hospitality Services. Texas Tech University, 1990.
2. C
Unexpected breakdowns. An advantage of following a preventive maintenance program is that it helps businesses to avoid experiencing unexpected breakdowns. When equipment is regularly inspected for wear and tear, businesses are able to detect and repair potential problems before they become major breakdowns. Preventive maintenance programs usually involve the routine inspection of equipment and facilities and the scheduled replacement of worn parts. Although preventive maintenance programs may cause minor inconveniences, they help to avoid breakdowns which may lead to major inconveniences and increased business expense.
SOURCE: OP:728
SOURCE: p. 69, Hospitality Services. Texas Tech University, 1990.
3. D
Junior. Junior size is a common apparel term that refers to sizes ranging from 3 to 15 for women who are 5'2" to 5'6" tall. Junior sizes are intended for the woman who is small-boned and slim and has a small waist, a high bust, and narrow shoulders. The torso of junior sizes is cut shorter and the bustline is placed higher than in misses sizes. Petite sizes are made for women who are less than 5'3" tall and in sizes ranging from 2 to 16. Misses sizes are made for sizes 2 to 22 for women who are between 5'3½" and 5'7½". Half sizes are made in sizes 12½ to 26½ for women who are under 5'4".
SOURCE: OP:134
SOURCE: pp. 83-84, Fashion dataGuide. Marketing Education Resource Center, Inc., 1990.
4. D
Polyester. Polyester items are machine washable and they resist wrinkles. Acetate, silk, and wool fabrics must be hand-washed or dry cleaned.
SOURCE: OP:135
SOURCE: pp. 67-71, Apparel and Accessories. Winn, M.G., Gregg/McGraw-Hill Book Co., 2nd ed., 1990.
5. D
Have a brim all the way around. Men's dress hats have a shaped crown to cover the top of the head and a brim all the way around. They are usually finished with a band of ribbon around the base of the crown. Winter dress hats are usually made of felt, and summer dress hats are usually made of straw. Men's casual hats are often adjustable in size, are made in a variety of fabrics, and have an unshaped crown.
SOURCE: OP:179
SOURCE: p. 36, Fashion dataGuide. Marketing Education Resource Center, Inc., 1990.
6. B
Foundation. Foundation garments derive their name from the fact that they provide a foundation for the outer garments by shaping and controlling the wearer's figure. Well-chosen foundation garments make outer garments look better because they fit better and hang better. Princess is a style of dress with flared panels and no waistline seam. Silhouette is an outline of a figure or form. Elasticized is a type of stretchy fabric.
SOURCE: OP:180
SOURCE: p. 44, Fashion dataGuide. Marketing Education Resource Center, Inc., 1990.
7. B
Sheath. A sheath skirt is cut straight and narrow and may have a kick pleat or slit at the hemline. A kilt wraps around the body with two flat pieces of fabric overlapping in the front and pleats around the back. A dirndl skirt is gathered to a waistband all around. Tapered is a style of women's slacks.
SOURCE: OP:182
SOURCE: p. 20, Fashion dataGuide. Marketing Education Resource Center, Inc., 1990.

8. D
Preschoolers. Preschool children may be in nursery school, although they are not old enough to attend regular school. Preschool sizes range from 2X to 6X. Each of these sizes is based on height, weight, and the measurements of the chest, waist, and hip areas. Toddlers sizes range from 1-T to 4-T. Subteenagers cover the age bracket from 12 to 15 and range in sizes 6 to 14. Infant sizes range from birth to 24 months.
SOURCE: OP:141
SOURCE: p. 69, Fashion dataGuide. Marketing Education Resource Center, Inc., 1990.
9. B
Two inches. Men's trousers are often made with a one-inch back seam to make letting them out possible. However, the waistband of trousers cannot be let out more than two inches without throwing the pockets and seams out of their proper position. Alterations people should make sure that customers understand that waistbands can be let out no more than two inches. One inch and one-half inch are less than the maximum amounts that the waistbands of men's trousers can be let out. Waistbands of men's trousers cannot be let out as much as three inches.
SOURCE: OP:143
SOURCE: p. 130, Fashion dataGuide. Marketing Education Resource Center, Inc., 1990.
10. A
Obtain quantity discounts. Apparel buyers can use several types of buying strategies. A concentrated strategy utilizes only a few suppliers in the hope of gaining quantity discounts, lower transportation costs, and improved vendor relationships. A buyer has a better chance of negotiating a discount with a vendor if the buyer purchases large quantities of goods at one time. Using only a few suppliers means that a buyer will purchase more from each one than if the buyer purchased goods from many suppliers. A buyer who uses many suppliers encourages vendor competition and may be able to acquire a greater variety of goods and gain an increased selection.
SOURCE: PU:001
SOURCE: PU LAP 1--Purchasing
11. B
To function efficiently. Stores usually delegate the purchasing responsibility to a specific person or department. That person or department buys all the goods and services that the store needs in order to operate. Such a centralized purchasing policy allows a store to control buying and function efficiently. Stores would not be able to function efficiently if all employees were allowed to buy whatever they wanted on behalf of the company. Generally, persons with purchasing responsibilities do not organize inventory, regulate receiving, or supervise accounting.
SOURCE: PU:002
SOURCE: PU LAP 4--Company Purchasing Policies
12. B
Operating. Many businesses purchase goods not only for resale but also for use in operating the business. Buyers acquire the goods and services needed to operate the business such as office supplies and equipment. Some businesses also buy goods in order to convert them into final products. Staffing involves hiring personnel. Analyzing involves studying how a business functions. Promoting is the act of communicating information about products, services, images, or ideas to customers or clients.
SOURCE: PU:003
SOURCE: p. 340, Marketing Essentials. Farese, L.S.; Kimbrell, G.; Woloszyk, C.A., Glencoe McGraw-Hill, 2nd ed., 1997.
13. C
45. A model stock plan is a list of items the business always keeps in stock. The plan provides purchasing guidelines for a business. In this case, to determine the number of off-white gowns the salon will stock, multiply the percentage of off-white gowns by the total number of gowns to be purchased (30% or .30 x 150 = 45).
SOURCE: PU:005
SOURCE: pp. 268-271, Retailing. Dunne, P.; Lusch, R.; Gable, M., South-Western Publishing Co., 2nd ed., 1995.

14. D
Trade publications. Trade publications are journals or magazines published by a particular industry for the businesses in that industry. Trade publications often contain current information about certain products and how well they are selling in the marketplace. Also, they provide information about customer preferences, which products they are buying, and predictions for the future. Popular magazines and consumer reports are intended for use by the public rather than by businesses. Reference materials often are dated and may not contain current useful information.
SOURCE: PU:012
SOURCE: p. 73, Retail Buying: From Staples to Fashions to Fads. Clodfelter, R., Delmar Publishers Inc., 1993.
15. A
Discount. Advance orders are placed well before the required delivery date. Some shops are willing to place advance orders because vendors often give special discounts, in addition to the regularly negotiated discounts, to businesses that place orders early. In order to receive the special discounts, businesses must be willing to commit to buying goods well before they actually need those goods. In exchange for the discount, businesses take the risk of ordering items that they may eventually decide that they do not need. Markdowns are reductions in the selling price of goods. A rebate is a return of part of the price a customer pays for a good or service and is usually offered by the product's manufacturer. A premium is an item a business offers free to the purchaser of a particular product.
SOURCE: PU:015
SOURCE: p. 303, Retail Buying: From Staples to Fashions to Fads. Clodfelter, R., Delmar Publishers Inc., 1993.
16. A
Six or less a year. The basic stock method for planning stock levels involves keeping a basic dollar amount of goods on hand at all times throughout the season. Basic stock is the minimum amount of goods that should be constantly maintained. This method for planning stock levels works best when inventory turnover is low, usually six times or less a year. When inventory turnover is more than six times a year, the percentage-variation method for planning stock levels works best. The number of times the stock turns over is important, rather than whether the turnover rate is calculated monthly or yearly.
SOURCE: PU:020
SOURCE: pp. 359-360, Retail Buying: From Staples to Fashions to Fads. Clodfelter, R., Delmar Publishers Inc., 1993.
17. B
\$133,480. Planned gross margin is the difference between cost of goods sold and planned net sales minus planned reductions. To determine planned gross margin, subtract planned reductions from planned net sales ($\$250,500 - \$11,270 = \$239,230$). Then subtract the cost of goods sold from that figure to determine gross margin ($\$239,230 - \$105,750 = \$133,480$).
SOURCE: PU:023
SOURCE: pp. 234-235, Marketing and Essential Math Skills: Teacher's Edition. Stull, W.A., South-Western Educational Publishing, 1999.
18. B
Marketing. Marketing is a business activity which includes promoting goods and services. The promotion aspect provides a connecting link between businesses and consumers by explaining the goods and services available for sale. Finance is a business activity that involves obtaining funds and using them to achieve the goals of the business. Management is the process of coordinating resources in order to accomplish an organization's goals. Production is the creation of goods and services from economic resources.
SOURCE: MB:001
SOURCE: MB LAP 10--Business Activities
19. C
Strategic planning. Strategic planning is long-range planning (three to five years) for the company as a whole. Strategic planning is one of the major responsibilities for top-level managers. Tactical planning is short-range planning (one year) and is usually the responsibility of middle management. Day-to-day planning is the responsibility of first-level, or supervisory, management.
SOURCE: MB:002
SOURCE: MB LAP 8--The Nature of Management

20. A
Buying goods. An important merchandising activity involves buying the right goods in the right quantities that will satisfy customers' wants and needs. The purpose of merchandising is to have the right goods in the right place at the right time in order to make a profit. Actually selecting and buying those goods are critical in order for retailers to be able to sell the goods. Hiring staff is a management activity. Sending bills and paying vendors are accounting activities.
SOURCE: MB:010
SOURCE: pp. 56-57, The World of Fashion Merchandising. Wolfe, M.G., Goodheart-Willcox Co., 1998.
21. D
Marketing mix. The marketing mix is the combination of the four elements of marketing—product, place, promotion, and price. The elements of the marketing mix are interrelated, and they depend on each other. A change in one element, therefore, will need to be coordinated with a change in the other elements. A master plan is an organized list of all the activities an individual plans to accomplish in a given amount of time on a specific day. A strategic goal is a long-range objective. A sales policy is a general rule established by management to guide the personal selling effort and outline sales procedures.
SOURCE: MB:011
SOURCE: MB LAP 4--Marketing Strategies
22. D
Interpret. One of the purposes of a complex written report is to interpret, or analyze, information that pertains to a specific business problem or topic. Complex written reports usually contain a lot of information that must be interpreted in order to be useful to the business. Conclusions are formed based on the interpreted information and then recommendations are made. Information is collected before it is presented in a complex written report. A complex written report may contain unique or confidential information that a business would not want to publicize. Although information is arranged in a complex written report, that is not the purpose of the report.
SOURCE: CO:009
SOURCE: pp. 416-417, Business English and Communication. Clark, L.R.; Zimmer, K.; Tinervia, J., Glencoe/McGraw-Hill, 8th ed., 1995.
23. C
Save time. Apparel managers who give good directions to employees usually are able to save time because they do not need to keep repeating the instructions. The employees understand their assignments and are able to complete them without asking questions or needing assistance from the managers. When managers give good directions, the business benefits because everyone spends less time doing their jobs. When managers give directions, they do not obtain data or take notes. Employees may ask managers to review facts when they are giving directions.
SOURCE: CO:139
SOURCE: pp. 116-117, Working Smart. Schulman, M.; Kowadlo, B.F., South-Western Publishing Co., 1995.
24. D
Charged on the bank cards. Clothing stores that accept bank credit cards for customers' purchases have an agreement to pay the issuing bank a certain percentage of the total dollar amount charged on the bank cards. The agreed percentage, usually one to four percent, is the bank's fee for handling the transaction and billing the customer. The bank pays the business for the amount charged less the agreed-on percentage. If a business sells an item for \$100 on a bank credit card, the bank deducts \$1 to \$4 from that amount and sends the balance to the business. Businesses do not pay banks a percentage of the total dollar amount of all the products they sell, that they purchase from suppliers, or that they carry in inventory.
SOURCE: FI:006
SOURCE: pp. 478-480, Retail Merchandising: Consumer Goods & Services. Samson, H.E.; Little, W.G., South-Western Publishing Co., 11th ed., 1993.
25. D
Accounts receivable. Accounts receivable are all monies owed to a business by its customers. If a sportswear store's customers are slow in paying, the store can sell its accounts receivable to a collector in exchange for cash. The collector pays the store a percentage of the total amount due and assumes the responsibility for collecting from the store's customers. Selling their accounts receivable to a collector is one way that some stores obtain the cash they need in order to continue producing and selling goods. Selling excess inventory would not generate needed cash if customers are slow in paying. Stores would not sell their collateral because they need the collateral, or assets, in order to function. A store would not sell an insurance policy but might borrow against its value.
SOURCE: FI:023
SOURCE: pp. 307-308, The Language of Small Business. Trautmann, C.O., Upstart Publishing Co., Inc., 1994.

26. B
Leader pricing. Leader pricing is a type of promotional pricing which can build a reputation for lower prices. Leaders are frequently purchased items priced close to cost. Leader pricing is used to bring customers into a store or to increase customer traffic. The intent is that once in the store, customers will purchase regularly priced items in addition to the leaders. Odd pricing, even pricing, and prestige pricing are not types of promotional pricing.
SOURCE: PI:005
SOURCE: PI LAP 1--Psychological Pricing
27. B
Break-even point. The break-even point is the level of sales at which revenues equal total costs. Businesses that want to give their employees incentives should first calculate their break-even point in order to know what they can afford to spend before offering increased commission rates. Businesses can compare the break-even point at the present commission rate and at the proposed rate to determine if adequate funds will be available. Long-term debts are liabilities that will take longer than a year to pay. Stock turnover rate is the number of times stock is sold and replaced in a given length of time. Market price is the actual price that prevails in a market at any particular moment.
SOURCE: PI:006
SOURCE: PI LAP 4--Calculating Break-Even
28. B
To remain competitive. Retailers often take markdowns on certain goods and services in order to meet the lower prices offered by competitors. If a competing store is offering a particular item at a reduced price, a retailer also might mark down that item in order to remain competitive and attract customers. Retailers often mark down prices in order to sell slow moving or outdated items and to counteract overstocking. Taking markdowns usually does not increase profits because retailers are selling items for less than the regular price.
SOURCE: PI:008
SOURCE: pp. 631-632, Marketing. Evans, J.R.; Berman, B., Prentice-Hall, 7th ed., 1997.
29. D
Productivity. The values attached to money payments for resources depend on a variety of factors, such as productivity. Productive resources usually earn more than less productive ones. For example, a piece of fertile farm land is more highly valued than a piece of barren desert. The same applies to human resources. Productive workers are more valued and earn more than nonproductive workers. Consumption is the process of using goods and services. Distribution is the process by which income is divided among resource owners and producers. Liabilities are the debts, usually money, that a business owes.
SOURCE: EC:001
SOURCE: EC LAP 6--Economics
30. A
Possession. Possession utility is usefulness created when ownership of a product is transferred from the seller to the user. A product cannot be useful until it is purchased from the seller. Convenience is an aspect of place utility which makes products available at the place where they are needed or wanted by consumers. Production is an aspect of form utility which changes the form or shape of a good to make it more useful to the consumer. A product must have form, place, time, and possession utility in order to satisfy customers.
SOURCE: EC:004
SOURCE: EC LAP 13--Utility
31. C
Seller's. A seller's market exists since there are 1,500 customers waiting and only 1,150 pairs of shoes available. A seller's market is characterized by high demand, small supply, and high prices. A buyer's market exists when the demand is small and the supply is great. A depressed market is one in which customers are not buying. A regulated market is one that is controlled by government.
SOURCE: EC:005
SOURCE: EC LAP 11--Supply and Demand
32. B
Contractual agreement. Contractual agreements are agreements between two or more people that state that one party is to do something in return for something provided by another party. A business pays rent for space and the lessor agrees to maintain the space and make needed repairs. This agreement transfers risk to the lessor. Insurance shifts certain specified risks to someone else. Business organization refers to the type of structure of the ownership. Avoidance is completely eluding a situation.
SOURCE: EC:011
SOURCE: EC LAP 3--Business Risk

33. C
Enrichment. Job enrichment refers to adding interest and satisfaction to a job task. Making decisions, setting work paces, and supervising fellow employees could all be ways of adding interest and satisfaction to a job. Job rotation refers to exposing employees to more than one job task. Job satisfaction refers to an employee's contentment with his/her job tasks. Job enlargement refers to combining specific job tasks in an effort to create exposure to more than just one work area. All four of these are ways in which companies combat job boredom, decreased morale, or other negatives in the workplace.
SOURCE: EC:014
SOURCE: EC LAP 7--Specialization of Labor
34. A
Sales increased by 14 systems per salesperson. Production is determined by dividing the input (salespeople) by their output (number of systems sold). In 1996, Cognos Corporation's productivity was 68 systems per salesperson (34,000 systems + 500 salespeople = 68). In 1997, Cognos Corporation's productivity was 82 systems per salesperson (43,000 systems + 525 salespeople = 82). The difference in productivity from 1996 to 1997 is 14 systems per salespersons (82 - 68 = 14).
SOURCE: EC:013
SOURCE: EC LAP 18--Productivity
35. C
Open shop. An open shop is a union security agreement which does not require employees to join the union or pay dues. An agency shop is an agreement in which nonunion members are required to pay dues. In a union shop, employees are required to join the union after their probationary period. A non-union shop would not have a union.
SOURCE: EC:015
SOURCE: EC LAP 5--Organized Labor
36. C
Lower labor costs. One reason that multinational corporations move their operations to foreign countries is to take advantage of lower labor costs. In many underdeveloped countries, the pay scale is very low, and people will work for minimal wages. Multinational corporations sometimes relocate to those areas in order to benefit from low labor costs that translate into increased profits for the business. Multinational corporations would not move to countries that have high tax bases and increased restrictions, because those factors would increase the cost of operating. Limited natural resources also would make it more expensive to operate in some countries.
SOURCE: EC:016
SOURCE: EC LAP 4--International Trade
37. D
Each customer's personality can influence buying decisions. Specific buying decisions are influenced by customers' personalities, the combination of the distinctive traits or qualities. Even though each is unique, customers can be identified as one of the six basic types. Customers may change or switch from one personality to another as circumstances change. Observe the customer's appearance, but remember that appearances can sometimes be misleading.
SOURCE: SE:810
SOURCE: SE LAP 112--Addressing Individual Needs
38. B
Demonstrate product knowledge. To be effective in helping customers make the buying decision, salespeople should demonstrate product knowledge. Salespeople should know their own goods or services as well as those of their competitors and be able to answer customers' questions. Salespeople should explain the features and benefits of products in specific, not general, terms. Salespeople should question customers in order to determine which buying decisions have been made. Salespeople should show genuine interest in helping customers make buying decisions.
SOURCE: SE:811
SOURCE: SE LAP 108--Customer Buying Decisions
39. D
Word-of-mouth advertising. George was satisfied with his experience at the shoe store. As a result, he told Brent about the sale which encouraged Brent to also buy a pair of Adidas. Satisfied customers often provide the best promotion and publicity for a business by spreading the word about the company. Repeat sales refers to a customer purchasing from a store again and again. Personal satisfaction refers to the feeling that a salesperson may experience from providing service to a customer. Referrals refers to the act of loyal customers providing a salesperson with leads for locating and accessing new clients.
SOURCE: SE:828
SOURCE: SE LAP 115--Building Clientele

40. C
Recommend a substitute. Sometimes salespeople sell substitute items when they know that a substitute item will meet the customer's true needs better than the requested product. By determining a customer's needs, a salesperson may learn that a product of greater or lesser value might meet the customer's needs better than the item originally requested. After recommending a substitute product, a salesperson might demonstrate the item to the customer. A salesperson questions and listens to a customer to determine the customer's needs before recommending a substitute product. Salespeople should be prepared to answer questions or respond to objections when substitute selling.
SOURCE: SE:871
SOURCE: SE LAP 111--Using Substitute Selling
41. A
Answer. A question approach asks a specific question. An advantage of the question approach is that it usually generates an answer. The answer may not be exactly what the salesperson wants to hear, but at least the buyer is responding. Also, an answer opens the door to additional questions and helps the salesperson involve the buyer in conversation. A referral is an individual or business to whom a salesperson is recommended. An inquiry is a question. A benefit is an advantage consumers receive from using a product.
SOURCE: SE:869
SOURCE: SE LAP 124--Opening the Industrial Sale
42. A
Open-end. An open-end question is a question that is structured so that it requires a broad response to a topic and cannot be answered with a yes/no. This type of question can be effectively used to open discussion at the beginning of a sales presentation because it gets the customer talking and involved in the sales presentation. A closed-end question requires a short, precise response and is often used to establish facts. An assumptive question is used to check for understanding when the salesperson feels that s/he knows how the customer will respond. An interpretive question is asked to check for understanding when the salesperson summarizes the customer's ideas in his/her own words.
SOURCE: SE:042
SOURCE: SE LAP 120--Probing
43. A
Sales managers. Sales managers usually have many years of experience and are well acquainted with all aspects of the product. They have valuable product information that they can pass on to salespeople. Sales managers often started their careers as salespeople and possess a lot of first-hand information about selling a product that they can share with less-experienced salespeople. Customers and vendors often have product information, but they are sources outside the business. Receiving clerks handle products when they are delivered, but they do not possess product information that would be useful in selling.
SOURCE: SE:010
SOURCE: p. 98, Creative Selling. Faria, A.J.; Johnson, H.W., South-Western Publishing Co., 5th ed., 1993.
44. D
Testing laboratories. Manufacturers of children's sleepwear often hire testing laboratories to test the performance of their flame-retardant pajamas under normal conditions. Information about how well the pajamas perform can be passed on to retail stores for use in the selling process. It would be an advantage for the manufacturer to be able to promote the fact that its pajamas performed above required standards. Research techniques are used to develop new products and processes. Businesses generally are not able to use government facilities. Educational methods are ways of training personnel.
SOURCE: SE:045
SOURCE: p. 101, Creative Selling. Faria, A.J.; Johnson, H.W., South-Western Publishing Co., 5th ed., 1993.
45. D
National advertising. Brand-name clothing is usually produced by a major manufacturer and distributed throughout the country. This type of clothing is advertised nationally because it is sold in stores everywhere. Even small stores in rural locations benefit from the national advertising because it makes the brand-name clothing known to all customers. Simple packaging and variable quality are characteristics of generic brands. Brand-name clothing is available in abundance all over the country.
SOURCE: SE:019
SOURCE: p. 243, Retail Merchandising: Consumer Goods & Services. Samson, H.E.; Little, W.G., South-Western Publishing Co., 11th ed., 1993.

46. A
Activity. Making cold calls (unannounced calls) on potential customers is an activity that can be counted, and a number of calls can be set as quota. Financial quotas attempt to relate sales to an organization's total expenses or profits, such as reducing expenses or increasing profits. Sales-volume quotas are based on actual sales in dollars or units. Expense/Budget quotas are intended to reduce selling costs by awarding bonuses to salespeople for spending less than the allocated budget.
SOURCE: SE:864
SOURCE: SE LAP 118--Sales Quotas
47. A
Improved customer relations. Sales training ensures that representatives treat customers similarly and consistently. Customers appreciate trained sales representatives who can help solve problems and know how to serve their customers. Therefore, many companies train salespeople in order to get and retain customers. Other benefits of sales training include decreased employee turnover, improved performance level, and increased sales.
SOURCE: SE:055
SOURCE: SE LAP 123--Sales Training
48. A
Authority. Authority is the power to make decisions and take action on behalf of the business. In order to accomplish the work of the business, supervisors must have the authority to plan what needs to be done and assign employees to perform certain tasks. Without authority, supervisors would not be able to plan and organize the work of others, and the business would not be able to operate. Personality is an individual's qualities, or traits, and behavior. Diversity is all the ways in which people differ, including background, age, gender, and race. Stability is the characteristic of being dependable and reliable.
SOURCE: MN:723
SOURCE: p. 122, Business in Action: An Introduction to Business. Bittel, L.R.; Burke, R.S.; Bilbrey, C.P., Gregg Division, Glencoe/Macmillan/McGraw-Hill, 3rd ed., 1990.
49. A
Tour of facility. Employee orientation includes touring the facility to acquaint the new employee with the job, the building, and areas of importance such as medical facilities, parking, lunch, and break rooms. A pre-employment test is given prior to employment. Providing training at the work station is done after orientation. Employees' performance is appraised after they have been on the job for a certain amount of time.
SOURCE: MN:691
SOURCE: MN LAP 44--Orienting New Employees
50. B
Sales forecast. A sales forecast is a prediction of future sales over a specific period of time. Businesses usually estimate sales for each fiscal year and use that figure for planning budgets. One budget that is affected by the sales forecast is the sales-support budget. Once businesses predict sales, they can budget the funds that will be needed to support those sales. Sales revenue is the money that comes into the business from the sale of goods and services. Sales volume is the amount of a firm's sales. Sales quotas are specific selling goals set for members of the sales force.
SOURCE: MN:061
SOURCE: pp. 547-549, Effective Selling. Hair, J.F. Jr.; Notturmo, F.L.; Russ, F.A., South-Western Publishing Co., 8th ed., 1991.
51. A
Produce high-quality goods. Company objectives are broad goals that management establishes for the business. These objectives are the main results that a business expects to achieve on a daily basis. Producing high-quality goods is a major objective that a business strives to accomplish. In order to achieve that objective, a business would develop specific operating strategies. Some strategies might include advertising in national publications, hiring new employees, and developing a suggestion system.
SOURCE: MN:074
SOURCE: pp. 225-226, Management for Productivity. Schermerhorn, J.R. Jr., John Wiley & Sons, Inc., 4th ed., 1993.
52. B
Some participants may disagree with the outcome. One of the disadvantages of group meetings is that not all participants feel that the best solution or outcome has been reached. Advantages include bringing staff and management together, encouraging cooperation, and involving employees in decision making.
SOURCE: MN:031
SOURCE: MN LAP 54--Communication and Motivation

53. C
Leadership styles. Different leadership styles result in different working environments, interpersonal relationships, communication structures, and motivational patterns. Leaders develop a style that is unique to them. The different styles have an effect on how employees communicate and work with each other on the job. Some leadership styles encourage employee feedback and initiative while others are domineering and controlling. Personnel policies deal with issues that concern employees on the job such as benefits, pay, and training. Management goals are the objectives that managers set for the business. Aptitudes are abilities needed for a specific job.
SOURCE: MN:030
SOURCE: MN LAP 41--Leadership in Business
54. C
Both serve employers and employees. Businesses can obtain workers, and workers can find jobs through either kind of agency. Government employment agencies are available to the public for free. Private employment agencies are available but charge a fee for use. Government employment agencies are supported by tax funds not by the fees charged as private employment agencies are.
SOURCE: MN:017
SOURCE: MN LAP 52--Recruiting New Employees
55. C
Personality and interest. These tests are used to measure an applicant's motivation and preferences in particular areas. Work samples determine an applicant's skill level. Polygraph tests determine an applicant's truthfulness. Aptitude and intelligence tests are designed to measure a person's natural ability to acquire competence in a particular discipline.
SOURCE: MN:018
SOURCE: MN LAP 51--Selecting New Employees
56. B
Production and quality of work. Training and human resource development benefit apparel shops by contributing to an increase in their profits. Training increases salespeople's knowledge of job skills and processes and improves their ability to deal with customers effectively. As a result, their production and quality of work increases which result in increased profits for the apparel shop. Training and human resource development decrease salespeople's rate of turnover and their need for supervision. Training does not necessarily increase salespeople's salaries and benefits packages which often are regulated by number of years on the job and level of authority.
SOURCE: MN:019
SOURCE: MN LAP 42--Training and Human Resource Development
57. D
Understudy. The understudy method involves having the employee who has been specifically designated to succeed his/her superior learn job-knowledge skills from that superior. This gives the employee a chance to learn the necessary skills without having to be responsible for the results. This training method differs from coaching which occurs when a manager or supervisor is assigned a "coach" to set goals, give assistance in reaching goals, and give ongoing performance feedback. Job rotation involves rotating trainees periodically from one job to another to broaden the trainees' perspective of the business. Role-playing involves giving trainees a situation and assigning them roles to play without a script.
SOURCE: MN:024
SOURCE: MN LAP 50--Manager/Supervisor Training
58. C
Attitude. The subjective method of evaluation allows dress shop managers to judge a salesperson's performance based on personal characteristics such as attitude. The basis of evaluation depends on whether the manager thinks the salesperson has a positive or negative attitude on-the-job. This is not always a fair method of evaluation because a salesperson's attitude does not necessarily affect his/her ability to perform effectively. It is illegal for managers to evaluate salespeople based on their gender. Managers who consider a salesperson's productivity are using an objective evaluation method. A salesperson's education is a factor in the hiring process, not in the evaluation process.
SOURCE: MN:021
SOURCE: pp. 408-409, Management: Comprehension, Analysis and Application. Gatewood, R.D.; Taylor, R.R.; Ferrell, O.C., Irwin, 1995.

59. A
Business. The business is responsible for providing proof that an employee has violated company standards, rules, or regulations. Records, in the form of time cards, examples of below-standard work, written complaints from customers, and summaries of appraisal conferences provide the necessary evidence to support the employer's position. Customers may file complaints, but they are not responsible for proving that an employee has violated company regulations. Courts have imposed legal restrictions on businesses' taking remedial action against employees. Unions generally support their members in disputes with management unless the business has maintained accurate and complete records substantiating an employee's violation of regulations.
SOURCE: MN:047
SOURCE: MN LAP 53--Remedial Action
60. B
Termination. Specialty boutiques use the data from performance evaluations to make decisions about terminating unsatisfactory salespeople. Regular evaluations provide boutiques with information about a salesperson's ability to perform well on the job. If some salespeople are not meeting required standards, the boutique may use that information to terminate their employment. A reprimand is a formal admonishment for unacceptable behavior. Salespeople who are not performing satisfactorily may be reprimanded several times before being terminated. Boutiques usually do not reassign employees who receive unfavorable evaluations. Evaluation data may indicate that a salesperson's behavior needs to be modified, or changed. Most boutiques give salespeople the opportunity to modify their behavior before resorting to termination.
SOURCE: MN:022
SOURCE: p. 139, Introduction to Business: Our Business and Economic World. Brown, B.J.; Clow, J.E.; Brown, K.W., Glencoe/Macmillan/McGraw-Hill, 1993.
61. C
Content. Content theories of motivation focus on the factors that arouse motivational behavior such as the internal needs, drives, and incentives that cause people to behave in a certain manner. These theories analyze the wants and needs of an individual worker. Process theories focus on why people behave the way they do and how people go about meeting their needs. Reinforcement theories focus on the individual's environment and its consequences for the person. Development is not a type of motivational theory.
SOURCE: MN:029
SOURCE: MN LAP 47--Staff Motivation
62. A
Move to marking area. Once shipments of goods have been received and checked, apparel retailers usually move them to the marking area in order to continue processing. Most retailers do not price mark goods in the receiving area but move them to an adjacent area where there is sufficient space to attach price tags. Retailers use a variety of stock-handling equipment in order to quickly move goods from the receiving area to the marking area. Once goods have been marked, they may be sent to the selling floor, routed to branch locations, or transferred to storage.
SOURCE: DS:005
SOURCE: pp. 196-197, Fashion Retailing. Diamond, E., Delmar Publishers, Inc., 1993.
63. A
Top priority. When several large shipments arrive at the same time, stores should process the top priority items first. Priority merchandise includes items that are being featured in current advertisements, missing items that are part of a set, and perishables. These items need to be processed immediately in order to move them to the selling floor because customers expect them to be available and because they may have a short shelf-life. Special orders are placed to obtain unique goods for customers who do not expect to receive them immediately. Basic stock is reordered on a regular basis and may be processed last. Damaged boxes may be processed later because they may contain broken items that will be returned rather than sent to the selling floor.
SOURCE: DS:006
SOURCE: pp. 180-181, Apparel and Accessories. Winn, M.G., Gregg/McGraw-Hill Publishing Co., 2nd ed., 1990.
64. D
Attach new price tags. One way of making price changes on merchandise is to put new price tags on the goods. Store employees remove the old tickets and attach new ones that reflect the sale price. Stores do not remove labels from sale merchandise or send it to the cleaners. Employees would place the sale merchandise in a prominent location rather than in storage.
SOURCE: DS:012
SOURCE: p. 505, Retail Merchandising: Consumer Goods & Services. Samson, H.E.; Little, W.G., South-Western Publishing Co., 11th ed., 1993.

65. A
Have an employee spot-check random sections. Spot-checking involves checking a few items at random and is an effective way of verifying the accuracy of original inventory counts. Using properly trained employees to complete counts is not a method of checking accuracy. Inventory sheets showing perpetual inventory counts make it easy for an employee to just fill in the number instead of actually counting items. Using the same employee to count inventory twice can lead to making the same error twice; it would be better to have two different employees count the inventory.
SOURCE: DS:025
SOURCE: DS LAP 6--Counting Inventory
66. D
\$92. Inventory shrinkage is determined by adding the opening stock value to the purchases for a total dollar value. Sales are subtracted from this total to determine the perpetual inventory. Compare the perpetual inventory to the periodic inventory to determine inventory shrinkage or overage. In this case, the perpetual inventory is greater than the periodic inventory; thus, shrinkage has occurred.
- | | |
|-----------------------|-----------|
| Opening stock value | \$ 39,650 |
| + Purchases | \$ 11,423 |
| = Total dollar value | \$ 51,073 |
| - Sales | \$ 24,381 |
| = Perpetual inventory | \$ 26,692 |
| - Periodic inventory | \$ 26,600 |
| = Inventory shrinkage | \$ 92 |
- SOURCE: DS:026
SOURCE: DS LAP 4--Inventory Shrinkage
67. B
Experimentation. Experimentation is the act of testing, or trying out, a proposed idea or procedure. By trying out the idea that they came up with, Mike and Andy are experimenting to see if the idea will work in their store. Brainstorming is a creative thinking technique involving the identification of as many different ideas as possible during a certain time frame. Role-playing is the process of assuming roles and acting through a given situation. Meditation is the act of contemplating, reflecting, or thinking over.
SOURCE: HR:296
SOURCE: HR LAP 15--Creativity
68. A
Gather information. There are certain procedures that most people follow when making decisions. Before making work-related decisions, employees usually obtain information about the problem or situation. They might find out what the business's policies are concerning certain issues by referring to the employee handbook or meeting with someone in the personnel office. Once they have gathered the necessary information, they can identify possible alternatives from which to choose. Employees analyze the consequences after making decisions. Once employees make work-related decisions, they act on those decisions by informing their supervisors.
SOURCE: HR:050
SOURCE: HR LAP 34--Make Decisions
69. C
Geography. The geographic coverage of selected media should be about the same as the availability of the product. A local dress shop should consider advertising a good or service only within the target market's locale. Competition and distribution are situational factors. Credibility is a qualitative factor.
SOURCE: PR:010
SOURCE: PR LAP 5--Selecting Advertising Media
70. A
Under actual market conditions. An advantage of posttesting promotions is that the effectiveness of the promotions can be evaluated under actual market conditions when consumers are seeing or hearing the promotions. Clothing stores can test consumers' responses to the promotions and measure if the promotions are having the desired effect. Posttesting is often costly and time consuming, but it is the most effective way of evaluating promotions. The pretesting of promotions often occurs before launching a major campaign, during the developmental stage, and while scheduling media space.
SOURCE: PR:013
SOURCE: pp. 197-198, Contemporary Advertising. Arens, W.F.; Bovee, C.L., Irwin, 5th ed., 1994.

71. B
To attract attention. A kicker is an additional smaller headline that may appear above the main headline. The purpose of a kicker is to attract attention and to provide additional information. Headline writers use kickers to draw attention to the main headline and to reinforce the information contained in the headline. Kickers are not used to explain captions, occupy space, or describe symbols.
SOURCE: PR:015
SOURCE: pp. 253-254, Contemporary Advertising. Arens, W.F.; Bovee, C.L., Irwin, 5th ed., 1994.
72. A
Current laws. Advertising is regulated by federal, state, and local laws; groups within the advertising profession; and independent organizations. Businesses, therefore, must make sure that their ad copy complies with current law and avoids sensitive issues. Copy that makes health claims or statements about competitors, pricing, the environment, or warranties is especially likely to cause problems. Advertising copy is not required to comply with local opinions, social standards, or public values although most businesses will take those issues into consideration when preparing ad copy.
SOURCE: PR:016
SOURCE: PR LAP 9--Preparing Print Ad Copy
73. B
To attract attention. Color in advertisements is an attention-getting device because readers tend to notice color ads more often than black-and-white ads. Color is one of the most versatile elements of an advertisement because it can attract attention and highlight certain parts of the ad. Also, readers are more attracted to products that are depicted in their actual color. Unity, balance, and harmony are design principles that do not necessarily involve the use of color.
SOURCE: PR:019
SOURCE: pp. 541-543, Kleppner's Advertising Procedure. Russell, J.T.; Lane, W.R., Prentice-Hall, 13th ed., 1996.
74. D
Advertising proofs. When checking advertising proofs, stores should make sure that their signatures are clear and easy to read. The signature, also called the logotype, is the name and/or symbol used by a store. The signature identifies the store and tells readers exactly which company is advertising. If the signature is small, hard to read, or in an obscure place in the ad, the store should indicate that on the proof and have changes made. Rough layouts are preliminary drawings of an ad that provide a general idea of how the ad will look. Captions explain what is shown in photographs. A storyboard is a series of sketches depicting a television commercial.
SOURCE: PR:021
SOURCE: p. 279, Marketing Essentials. Farese, L.S.; Kimbrell, G.; Woloszyk, C.A., Glencoe McGraw-Hill, 2nd ed., 1997.
75. B
Merchandising. Merchandising is the process of having the right goods in the right place at the right time in order to make a profit. A retailer's merchandising efforts should be combined with visual merchandising or display activities and advertising in order to successfully compete with other retailers that are offering the same or similar goods. Merchandising and display techniques complement one another to give a retailer the unique image that makes it competitive. Stockkeeping is maintaining an inventory. Specializing is making the best use of resources in the production of goods and services. Manufacturing is changing the shapes or forms of materials so that they will be useful to consumers.
SOURCE: PR:025
SOURCE: p. 1, Applied Visual Merchandising. Mills, K.H.; Paul, J.E.; Moorman, K.B., Prentice Hall, 3rd ed., 1995.
76. D
Specific market. The selection of a product's promotional mix is influenced by the product's market—the particular group of customers who want or need a given product. Businesses must know their markets well so that appropriate mixes can be planned. Specifically, they should consider the type of consumer, the number of consumers, and the geographic location of consumers. The media are the message channels used by a seller to promote goods, service, or idea. A distribution system is a path, or channel, which a product takes from producer to consumer. A service plan specifies the types of services a business will offer to customers.
SOURCE: PR:003
SOURCE: PR LAP 1--Promotional Mix

77. C
Color. Color is usually the first thing that a customer notices about a display. Color is one of the most important design tools that stores use to attract attention to displays and encourage customers to buy. Colorful, eye-catching displays appeal to customers who often are in a hurry and will only stop to examine the goods in a display that attracts their attention. Signage is used to explain the items on display. Props are used to accessorize a display. Fixtures are used to hold the items on display. Signage, props, and fixtures are parts of a display, but they usually do not attract the attention of customers as quickly as color.
SOURCE: PR:029
SOURCE: p. 74, Visual Merchandising: The Business of Merchandise Presentation. Colborne, R., Delmar Publishers, 1996.
78. D
Modular. Modular display fixtures consist of various components that can be easily moved or rearranged. This gives a retailer the flexibility to redesign the appearance of the display area in order to create a new look. The modular fixtures can be reconfigured to display merchandise in a variety of ways. Plastic is a material used to manufacture fixtures. Standard fixtures often include shelves and wall units that are permanent and cannot be moved. Custom fixtures are made to individual specifications and may, or may not, be modular.
SOURCE: PR:031
SOURCE: pp. 32-33, Basic Visual Merchandising. Luter, R.R., University of Texas, 2nd ed., 1992.
79. C
Sold to customers. Clothing used in displays is borrowed from various sections of a store and must be returned to those areas in order to be sold to customers. Display workers should carefully handle the clothing in order to keep it in good condition so that customers will want to buy it. If display workers are not careful with clothing, the items may be in such poor condition that they cannot be sold. Display clothing is not stored or returned to vendors. The clothing is added to inventory as soon as it arrives at a store, not after it has been on display.
SOURCE: PR:041
SOURCE: p. 160, Fashion: Contemporary Visual Merchandising. Diamond, J.; Diamond, E., Glencoe/Macmillan/McGraw-Hill, 1990.
80. C
Mass. Mass displays involve an area crowded with products. Merchandise in a mass display is not arranged in any particular order, offers a wide selection, and often appeals to the customer who is looking for a bargain. This type of display is often used by discount stores that are using low prices or sales to attract customers. An open display makes it possible for customers to see into the store. Unit displays involve merchandise arranged in well-defined groups. In a wall display, merchandise is mounted on a wall.
SOURCE: PR:042
SOURCE: p. 350, Retail Merchandising: Consumer Goods & Services. Samson, H.E.; Little, W.G., South-Western Publishing Co., 11th ed., 1993.
81. A
Much heavier. Because male mannequins are much larger than female mannequins, they are also much heavier. The additional weight often means that more display workers are needed to dress a male mannequin than a female mannequin. The additional workers are needed to lift, handle, and assemble the heavier parts. A male mannequin may be more expensive than a female mannequin but that factor has no effect on the number of workers needed to dress it. Male mannequins are not more complicated than female mannequins. A male mannequin is not more fragile than a female mannequin.
SOURCE: PR:043
SOURCE: p. 208, Visual Merchandising: The Business of Merchandise Presentation. Colborne, R., Delmar Publishers, 1996.
82. D
Removing merchandise carefully. One of the first steps in the process of dismantling displays involves carefully removing the merchandise in order to return it to the sales floor. It is usually necessary to remove the merchandise first because it is attached to or placed on the display props and fixtures. Once the merchandise is safely removed, display workers can begin to dismantle the remainder of the display, which involves taking down background scenes, returning fixtures to storage, and replacing burned out lights.
SOURCE: PR:054
SOURCE: p. 293, Marketing Essentials. Farese, L.S.; Kimbrell, G.; Woloszyk, C.A., Glencoe McGraw-Hill, 2nd ed., 1997.

83. B
Hold a news conference. A news conference, or press conference, is a meeting to which the chain invites members of the media in order to make an announcement to all media at one time. This gives all media equal access to the information and prevents any problems that might arise if one medium is given an important story ahead of another. A chain holding a news conference might hand out press kits which include articles and pictures about the topic being publicized. A fact sheet is a list of basic information about a person, place, or thing that often is mailed to the media so it arrives at different times. A radio announcement is intended to be used only by radio stations.
SOURCE: PR:055
SOURCE: PR LAP 8--Promoting Through Publicity
84. B
Television ads. Television advertising is one of the most effective ways of showing the public exactly how a new line of merchandise looks on the body. Television advertising visually displays the apparel items while a narrator describes their features. Because television advertising is expensive to produce and run, it is used more often by large retailers that sell to a national market. Fashion shows and transit signs are promotional techniques normally used at the local level. Discount coupons would not be used to present a new line of merchandise.
SOURCE: PR:061
SOURCE: p. 193, Apparel and Accessories. Winn, M.G., Grègg/McGraw-Hill Publishing Co., 2nd ed., 1990.
85. D
Manufacturer. A trunk show is a presentation of a manufacturer's clothing line. Retailers and manufacturers often work together to present trunk shows of new lines of clothing to customers. Arranging trunk shows is an effective promotional technique that attracts customers to a store and gives them an opportunity to place orders. A retailer would not contact the designer to arrange a trunk show unless the designer was also the manufacturer. Distributors are not involved in arranging trunk shows. A retail buyer might be the one who contacts the manufacturer to arrange the trunk show for the store.
SOURCE: PR:063
SOURCE: p. 210, The World of Fashion Merchandising. Wolfe, M.G., Goodheart-Willcox Co., 1998.
86. A
Government regulations. A store's promotional plan may be affected by regulations imposed by government agencies. Certain government agencies control what stores are legally able to say about their goods and services. For example, the Federal Trade Commission regulates advertising practices and prohibits unfair and deceptive advertising. This means that stores may not develop promotional plans that give consumers incorrect or misleading information about their goods or services. Advertising procedures, vendor qualifications, and transportation systems are not factors that affect the type of promotional plan that a store develops.
SOURCE: PR:073
SOURCE: pp. 17-18, Introduction to Advertising and Promotion Management. Belch, G.E.; Belch, M.A., Irwin, 1990.
87. D
To make improvements. Most bridal salons analyze past advertisements in order to determine which factors made the previous promotions successful and what they can do to make improvements. By analyzing past advertisements, the salons are able to decide what works and what doesn't and to plan effective future promotions. The purpose of analyzing past advertisements is not to write reports, hire consultants, or design displays.
SOURCE: PR:075
SOURCE: pp. 344-345, Retail Buying. Diamond, J.; Pintel, G., Regents/Prentice Hall, 4th ed., 1993.
88. C
Profits. One of the ways that many accessory shops determine the amount of money they will budget for advertising is by allocating a certain percentage of their profits. They can use the actual profit figures from previous years or the anticipated profit for the coming year. When profits are high, a business will budget more money to spend on advertising. Assets are anything of value that a business owns. Expenses are the monies that a business spends. Tariffs are taxes on imported goods.
SOURCE: PR:070
SOURCE: pp. 227-228, Contemporary Advertising. Arens, W.F.; Bovee, C.L., Irwin, 5th ed., 1994.

89. C
To have more money available for promotions. By using cooperative advertising, stores obtain funds from the producers of goods to help pay for the store's advertising expenses. This enables clothing stores to increase the amount of money they have available to spend on promotional activities. Stores may use the cooperative advertising funds to purchase local advertising and spend their own advertising funds to sponsor other types of promotional activities. Stores do not obtain cooperative advertising in order to negotiate discounts on finance charges, arrange for marketing-research studies, or get personal attention from representatives.
SOURCE: PR:071
SOURCE: pp. 718-719, Advertising: Principles and Practice. Wells, W.; Burnett, J.; Moriarty, S., Prentice-Hall, 3rd ed., 1995.
90. A
Conducting infrequent safety inspections. One way that stores can help to protect themselves from risk is by conducting regular safety inspections and by eliminating hazards promptly. Other loss-prevention measures include establishing policies for check approval, employing guards and teaching employees about theft, and placing employees who handle cash under bond.
SOURCE: RM:002
SOURCE: RM LAP 1--Risk Management
91. B
Shoplifters. Shoplifters are people who take items from stores without paying for them. Shoplifters often behave in certain ways that might indicate their intentions to retailers. Shoplifters may spend a lot of time just looking around a store while waiting for retailers to become involved with legitimate customers. Retailers who notice people looking around for an unusually long time should be suspicious and pay close attention to their actions in order to prevent shoplifting. Potential customers often ask for assistance or look around for a while and leave. Potential employees probably would ask to speak to a manager as soon as they entered the store. Potential competitors might look around briefly and leave because they would not want to draw attention to themselves.
SOURCE: RM:006
SOURCE: p. 194, Entrepreneurship and Small Business Management. Meyer, E.C.; Allen, K.R., Glencoe/Macmillan/McGraw-Hill, 1994.
92. A
Count. Shop owners should count the cash when they make a cash deposit in order to make sure that the correct amount is listed on the deposit slip. Shop owners often make cash deposits into their checking or savings accounts, and the only way to verify the amount of the deposit is to count the cash. During the process of actually making the deposit, the cash might be separated, arranged, and stacked.
SOURCE: MA:121
SOURCE: pp. 105-106, Financial Services. Lynch, R.L.; Plessman, C.K., Gregg/McGraw-Hill Publishing Co., 2nd ed., 1990.
93. C
\$8,410. Most retail stores, such as a swimwear shop, are required to charge sales tax on the goods sold to customers and pay that amount to the state on a regular basis. States usually charge an additional fee if the payment is not made on time. To calculate sales tax of 5 1/2% on \$152,000 of sales, multiply the total sales figure by the tax ($\$152,000 \times 5 \frac{1}{2} \%$ or $.055 = \$8,360$). The additional fee of \$50 must be added because the shop did not pay on time ($\$8,360 + \$50 = \$8,410$).
SOURCE: MA:108
SOURCE: Ohio State, County & Transit Sales Tax Return, Form ST-10, rec. 1/96.
94. C
\$27,200. A clothing store calculates net loss or net income by subtracting the cost of merchandise sold from the net sales to determine gross margin ($\$384,600 - \$235,250 = \$149,350$). Then, the business deducts total operating expenses from gross margin to calculate net income or net loss. In this case, operating expenses are greater than the gross margin; therefore, the business deducts gross margin from operating expenses to calculate net loss ($\$176,550 - \$149,350 = \$27,200$).
SOURCE: MA:352
SOURCE: pp. 177-186, Marketing Math. Stull, W.A., South-Western Publishing Co., 3rd ed., 1991.
95. D
Silhouette. The silhouette is the outline or shape of clothing. Georgina's looser fitting clothing will have a bigger, more fluid shape than Monica's close-fitting clothing. Texture is the feel of the fabric—whether it is soft or rough. Color is the tint, hue, or shade of the cloth from which the clothing is made. Trim is the decorative additions to a garment, such as buttons or beading.
SOURCE: IM:006
SOURCE: IM LAP 1--Fashion Trends

96. D
Market trends. Market trend is the direction in which a product's market is moving. Market trends can help a T-shirt shop to predict its sales potential by indicating if the market for its products is increasing or decreasing. If the market has been steadily increasing over the last few years, a shop would predict that its sales potential will continue to grow. Financial goals are objectives measured in terms of money. Industry standards are averages in large-scale business activities involving businesses in the same industry. Quotas are specific goals to be met.
SOURCE: IM:007
SOURCE: p. 121, Entrepreneurship and Small Business Management. Meyer, E.C.; Allen, K.R., Glencoe/Macmillan/McGraw-Hill, 1994.
97. B
Competitors. Menswear stores have no control over external factors, such as competitors, that affect their sales. However, sales forecasters should gather information about competitors in order to determine whether the number of competitors that a store has is increasing or decreasing. New stores in the area might have a negative effect on the sales forecast while competitors leaving the area might have a positive effect on future sales. Operations, management, and distribution are internal factors that affect sales forecasts. Stores have control over internal factors.
SOURCE: IM:009
SOURCE: IM LAP 4--Forecasting Sales
98. D
Image. Image is the view that customers have about a business. A business's interior appearance creates a certain feeling which has an effect on the business's image. A plain, no-frills interior might portray an image of economy, whereas an expensively decorated interior might give the feeling of status and quality. A policy is a general rule to be followed by company personnel. Credit is the ability to obtain products or money based on a promise to pay later. A debt is the amount of money a business owes to others.
SOURCE: PP:002
SOURCE: pp. 478-479, Retail Management. Lusch, R.F.; Dunne, P.; Gable, M., South-Western Publishing Co., 1990.
99. D
False, the brand must be protected and reevaluated. Once a brand is established, the business must protect it by obtaining a trademark, using the word "brand" to emphasize ownership of the brand, or by using promotion and/or correspondence to remind others of the brand's ownership. The brand and its strategies should also be reevaluated from time to time to determine whether the brand should be updated or the strategy changed. This is not always necessary, and it is not done at periodic intervals.
SOURCE: PP:021
SOURCE: PP LAP 6--Branding
100. A
Needs of customers. The needs of customers is one of the most important considerations when planning assortments of clothing. Retailers need customers in order to survive, and the only way to attract and keep customers is to offer the assortment of clothing that meets their needs. The availability of clothing may have an effect on when retailers can obtain the assortment of clothing they want. The number of competitors is not a consideration when planning assortments of clothing. Buyers may prefer certain types of clothing, but the deciding factor in assortment planning is selecting goods that customers need.
SOURCE: PP:004
SOURCE: pp. 168-169, Retail Buying: From Staples to Fashions to Fads. Clodfelter, R., Delmar Publishers Inc., 1993.