



Competency Based
Competitive Events
Written Exam

Marketing Management

National ΔEX Career Development Conference, 2000

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1. Why is it important for supervisors to plan and organize the work of their employees?
 - A. To follow procedures
 - B. To set minimum standards
 - C. To meet business goals
 - D. To establish schedules
2. When motivating employees, managers need to recognize that most people tend to act
 - A. in their own interests.
 - B. in a nonproductive manner.
 - C. in the best interest of the company.
 - D. busy, so the boss won't bother them.
3. Businesses often use the results of performance evaluations in order to make decisions about staffing needs that might involve _____ some employees.
 - A. unionizing
 - B. mechanizing
 - C. boycotting
 - D. transferring
4. Which of the following procedures is usually a part of the new-employee orientation process:
 - A. Classroom training sessions
 - B. Evaluation of job performance
 - C. Corrective counseling meetings
 - D. Explanation of company policies
5. The information in an operating budget usually is presented in which of the following forms:
 - A. Dollar
 - B. Percent
 - C. Ratio
 - D. Fraction
6. Managers use the broad objectives they develop for a business as the basis for setting
 - A. benefit levels.
 - B. performance targets.
 - C. salary ranges.
 - D. recruitment quotas.
7. All of the following are advantages of management using group meetings to motivate workers except that
 - A. the meetings encourage cooperation.
 - B. some participants may disagree with the outcome.
 - C. the meetings can bring staff and management together.
 - D. employees are involved in the firm's decision making.
8. The unique types of communication structure and working environment that exist in various businesses are often the result of different
 - A. management goals.
 - B. personnel policies.
 - C. leadership styles.
 - D. employee aptitudes.
9. Which of the following is a characteristic that is shared by both government employment agencies and private employment agencies:
 - A. Both are free to the public.
 - B. Both are supported by tax funds.
 - C. Both serve employers and employees.
 - D. Both charge a fee for their services.
10. Which of the following evaluation tests is usually the most effective in determining the motivation level of prospective employees:
 - A. Polygraph
 - B. Work sample
 - C. Personality and interest
 - D. Aptitude and intelligence
11. One of the ways that training and human resource development benefits businesses is by increasing employees'
 - A. rate of turnover.
 - B. production and quality of work.
 - C. need for supervision.
 - D. salaries and benefits package.
12. Which training and development method involves managers training the individuals who are designated to succeed them:
 - A. Job rotation
 - B. Role-playing
 - C. Coaching
 - D. Understudy
13. A manager who uses a subjective method to evaluate employees might take into consideration an employee's
 - A. gender.
 - B. productivity.
 - C. attitude.
 - D. education.
14. Which of the following is responsible for proving that an employee has violated company regulations:
 - A. Business
 - B. Customer
 - C. Court
 - D. Union

15. A business might include in its sales-support budget the funding necessary to provide salespeople with
- A. product catalogs.
 - B. personal automobiles.
 - C. regular salaries.
 - D. unlimited expenses.
16. What might result if employees complain about their working conditions but the business puts off taking any action?
- A. Decreased turnover
 - B. Increased production
 - C. Decreased vandalism
 - D. Increased absenteeism
17. The interior appearance of a business facility has an effect on the company's
- A. policy.
 - B. credit.
 - C. debt.
 - D. image.
18. Baker Manufacturing designed a new model of a popular product that failed to meet the minimum industry standards when the new model was tested. Baker Manufacturing should not
- A. scrap the model and design a new model.
 - B. rework the model to meet the standards.
 - C. sell it at the same price as older models.
 - D. sell it at a lower price than older models.
19. Jane sees little difference between the product offered by the Jones Company and a similar product offered by the Smith Company. She is unsure about the unique characteristics of each. Jane is interested in making a purchase, and her decision might be easier if marketers at Jones or Smith changed their company's brand
- A. extension.
 - B. licensing.
 - C. position.
 - D. maintenance.
20. A business that decides to add a new product to its product mix should make sure that the product will appeal to its
- A. competitors.
 - B. target market.
 - C. sales staff.
 - D. stockholders.
21. When time permits, employees of the Albert Company deliver orders to local businesses for the company. For the last six months, delivery demands have tripled, and the company is considering using a private delivery service in order to make sure customers receive their deliveries on time. What factor is affecting the company's distribution decision?
- A. Type of product
 - B. Level of service
 - C. Needs of employees
 - D. Number of competitors
22. A large business stocks 3,000 items that are available in five different colors and in small, medium, and large sizes. What type of unit inventory control system should the business use?
- A. Periodic inventory control without scanners
 - B. Perpetual inventory control without scanners
 - C. Periodic inventory control with scanners for the workers
 - D. Perpetual inventory control with scanners at the cash registers
23. Apogee Products would like to monitor its inventory on a rotating basis so that employees only count portions of the stock at a time rather than all of it at once. What type of unit inventory control system should Apogee use?
- A. Visual control
 - B. Physical count
 - C. Circular count
 - D. Tickler control
24. Calculate unit inventory shrinkage using the following information: unit purchases of 2,842, unit sales of 4,332, current unit stock count of 4,075, and previous unit stock count of 5,636.
- A. 59
 - B. 67
 - C. 71
 - D. 74
25. One way for small businesses to maintain a unit inventory control system is to review
- A. daily sales lists.
 - B. monthly expense reports.
 - C. weekly purchase orders.
 - D. annual profit statements.
26. What is one way that businesses can deal with risk?
- A. Eliminate competition
 - B. Consolidate inventory
 - C. Purchase insurance
 - D. Organize information
27. Major Company decided to use a loss-prevention technique that would monitor activity in the business to detect theft as it takes place. What type of security device should Major Company implement?
- A. Electronic sensors
 - B. Closed-circuit television
 - C. Undercover shoppers
 - D. Convex, one-way, and two-way mirrors

28. Henderson, an employee at Acme Co., injured his ankle during the afternoon shift. Since Acme has insurance that provides benefits to employees who are injured on the job, Henderson was able to stay home and let his ankle heal. What type of insurance does Acme have?
- A. Business security
 - B. Workers' compensation
 - C. Surety bonds
 - D. Fidelity bond
29. One of the purposes of a complex written report is to _____ information.
- A. collect
 - B. publicize
 - C. arrange
 - D. interpret
30. One of the reasons why it is important for managers to give employees clear work instructions is to enable the employees to _____
- A. do their jobs.
 - B. ask questions.
 - C. teach skills.
 - D. disregard rules.
31. Sally is a sales associate. When Fred was looking for a new product, Sally showed him a wide variety of styles and assisted him in selecting accessories to go with the product. Sally was exhibiting what key aspect of the definition of selling?
- A. Ensuring customer satisfaction
 - B. Determining purchase decisions
 - C. Stylistic planning
 - D. Selling communications
32. Klear She'Laque Hairspray Co. raised its prices because it changed to a new type of hairspray propellant in response to studies that showed that the old propellant negatively affected the ozone layer. What external factor affected the change in selling policy?
- A. Human resources
 - B. Actions of competitors
 - C. Social concerns
 - D. Production capacity
33. Jan is shopping for a new business product. She has searched the Internet for manufacturer's claims, read *Consumer Reports* magazine, comparison shopped, and checked the variety and information available at other companies in town. What actions should you take when she comes to your company?
- A. Show a variety of products and demonstrate them.
 - B. Exhibit confidence with tact and know what is new.
 - C. Know what facts to give and reassure Jan of the value.
 - D. Emphasize manufacturer's claims and suggest care techniques.
34. Salespeople listen to customers and concentrate on what they are saying for the purpose of determining customers' _____
- A. buying motives.
 - B. unique interests.
 - C. career goals.
 - D. personal traits.
35. Every time Andrea closes a sale, she writes a thank-you note to the customer. A week after the sale, she calls the customer to make sure the product is satisfactory. Which of the following attitudes in building a clientele is Andrea demonstrating:
- A. Expressing appreciation to the client
 - B. Occasionally doing favors for customers
 - C. Showing an interest in the client's business
 - D. Possessing the ability to handle mistakes with care
36. Which of the following is the most critical step in reducing business risk:
- A. Developing a financial plan
 - B. Organizing an inventory system
 - C. Installing a telephone code
 - D. Preparing an employment policy
37. In order to help Steve purchase a product, the salesperson asked Steve questions about his business and its purpose. This is an example of what stage of the selling process?
- A. Discovering client needs
 - B. Establishing relationships with customers
 - C. Reaching closure
 - D. Prescribing solutions to needs
38. What should a salesperson ask a customer who is undecided about which product to buy?
- A. What product they want
 - B. The intended use of the product
 - C. How much they want to pay
 - D. How many of the products they want
39. Mark is a salesperson and a customer is asking him questions about the different products. The customer told Mark about his last experience with a similar company. He said once he had purchased the product all assistance stopped. No one would return his calls. He couldn't get the product fixed in a timely manner, and he was still leery about this purchase. What feature should Mark emphasize when selling a product to this customer?
- A. Product uses
 - B. Service and warranty
 - C. Appearance and style
 - D. Unique or novel features

40. What method of handling objections can a salesperson use in order to help customers answer their own objections?
- A. Inquiry
 - B. Show 'em
 - C. Deny it
 - D. Yes, but. . .
41. Which of the following closing statements would best demonstrate a salesperson using the choice close:
- A. "Those items are an excellent choice, Mr. Purcell. May I charge them to your account?"
 - B. "During our appreciation week, we are also offering a free gift with any \$100 purchase."
 - C. "I feel we've narrowed your favorites down to these two selections. Which one fits your needs best, Mr. Travis?"
 - D. "Since our business will be closed for the next couple of days, should we deliver the product this afternoon?"
42. Which of the following should salespeople stress to undecided customers in order to encourage them to buy:
- A. Value
 - B. Quantity
 - C. Volume
 - D. Loyalty
43. What do salespeople need to do in order to maintain long-term buyer-seller relationships?
- A. Follow up
 - B. Set quotas
 - C. Manage time
 - D. Raise prices
44. What should salespeople do regularly in order to maintain effective prospect files?
- A. Establish goals
 - B. Organize statistics
 - C. Prioritize data
 - D. Update information
45. What type of product information contained in a company's promotional materials might a salesperson be able to use for selling?
- A. Price changes
 - B. Business hours
 - C. Location
 - D. Competition
46. Business managers can obtain detailed product information for use in selling by
- A. attending press conferences.
 - B. touring advertising agencies.
 - C. visiting manufacturing facilities.
 - D. joining professional organizations.
47. What is a telephone order processor usually expected to do when taking an order from a customer?
- A. Ask managers for new pricing information
 - B. Obtain any special delivery instructions
 - C. Suggest the purchase of competitors' products
 - D. Do other work while listening to the customer
48. The Barnes Company expanded the sales territories of some of the salespeople and reduced the territories of others but kept the same volume quotas for all of the salespeople. The company's actions upset some of the salespeople because the company had ignored the fact that in order to be effective, quotas must be
- A. low.
 - B. equal.
 - C. fair.
 - D. high.
49. Which of the following is a benefit to businesses of providing sales training:
- A. Improved customer relations
 - B. Increased employee turnover
 - C. Reduced performance level
 - D. Decreased sales successes
50. Which of the following documents do businesses often include with credit applications in order to encourage lenders to grant them credit:
- A. Promissory note
 - B. Disbursement journal
 - C. Labor contract
 - D. Executive summary
51. Which of the following is an expensive way of obtaining cash that businesses should use as a last resort:
- A. Bank loan
 - B. Personal funds
 - C. Credit card
 - D. Trade credit
52. Why would a manager of a local business keep track of the prices that similar businesses in the area are charging?
- A. To offer new services
 - B. To improve advertising
 - C. To promote an image
 - D. To remain competitive

53. The senior class has decided to sell popcorn at the football games to raise money for the prom. The popcorn popper will cost \$45 to rent for each game. Corn costs \$10 for 10 pounds, including 100 bags and seasoning for the popped corn. The bags of popped corn will sell for \$1.00 a bag. What is the break-even point in dollars?
- A. \$45
B. \$50
C. \$100
D. \$145
54. A local business is stocking some higher quality items that are priced higher than similar items it has previously carried, but the new items are not selling well. What factor of pricing objectives has been overlooked?
- A. Future markdowns
B. Customer reaction
C. Supply and demand
D. Competing products
55. What is an important step that businesses must take in order to set the prices of goods or services?
- A. Obtain credit reports.
B. Gather cost information.
C. Review advertising data.
D. Analyze marketing plans.
56. Markdowns expressed as a percentage are calculated by subtracting the new price from the original price and dividing the difference by the _____ price.
- A. new
B. list
C. original
D. wholesale
57. "Take these diet pills and you will lose seven pounds in one week" is a promotion that is based on
- A. stereotypes.
B. offensiveness.
C. fears.
D. deception.
58. Which of the following is the most visible element of the promotional mix:
- A. Publicity
B. Sales promotion
C. Advertising
D. Personal selling
59. What type of promotional media might a statewide chain of specialty businesses use in order to reach a large number of potential customers in its geographic area?
- A. National television
B. Suburban radio stations
C. Regional magazines
D. Transit advertising
60. When calculating cost per thousand (CPM), a business takes into consideration a newspaper's cost per column inch as well as the size of its
- A. local competitor.
B. circulation area.
C. delivery system.
D. target audience.
61. Advertising cough medications during the winter when sales are the highest and swimwear in the summer when the weather is warm are examples of which type of timing strategy?
- A. Pulsing
B. Flighting
C. Spacing
D. Continuous
62. Businesses often posttest promotions in order to evaluate the effectiveness of the promotions
- A. under actual market conditions.
B. before launching a major campaign.
C. while scheduling media space.
D. during the developmental stage.
63. In an ad for a specific product, Jamie talked about how satisfied he was with the way the product operated. Jamie's comments would be considered a(n)
- A. tag line.
B. endorsement.
C. testimonial.
D. comparison.
64. Which of the following is one of the steps in the step-by-step procedure that copywriters can follow in writing effective advertising copy:
- A. Develop a theme.
B. Identify the audience.
C. Use passive voice.
D. Prepare an outline.
65. One of the main reasons why businesses carefully check advertising proofs is to
- A. change printing techniques.
B. revise production schedules.
C. replace outdated typefaces.
D. correct typographical errors.
66. One way that businesses can make their publicity information available to all the media at the same time is to
- A. prepare a press kit.
B. hold a news conference.
C. develop a fact sheet.
D. record a radio announcement.

MARKETING MANAGEMENT

67. Identifying the target market often is one of the first steps a business takes in order to develop a
 A. promotional plan.
 B. distribution channel.
 C. receiving process.
 D. production schedule.
68. What is a factor that many businesses consider when selecting products to promote in order to remain competitive?
 A. Price
 B. Tariffs
 C. Credit
 D. Quotas
69. Which of the following promotional activities should be coordinated with a business's advertising:
 A. Market trips
 B. Special events
 C. Trade shows
 D. Customer services
70. What might a new business take into consideration when preparing an advertising budget for the coming year?
 A. Suppliers' schedules
 B. Competitors' spending
 C. Community expectations
 D. Governmental requirements
71. Which of the following is one reason why businesses often try to obtain cooperative advertising from manufacturers:
 A. To negotiate discounts on finance charges
 B. To arrange for marketing-research studies
 C. To have more money available for promotions
 D. To get personal attention from representatives
72. If a business sells a product for \$46.95 and it only costs the business \$16.50 to purchase the product, what would be the gross profit per product?
 A. \$30.45
 B. \$31.45
 C. \$46.95
 D. \$63.45
73. Which of the following is the net loss for a business with net sales of \$384,600, cost of merchandise sold of \$235,250, and operating expenses of \$176,550:
 A. \$17,650
 B. \$23,520
 C. \$27,200
 D. \$38,400
74. One of the benefits of a marketing-information management system is that it provides businesses with
 A. greater control of the product life cycle.
 B. enhanced accounting and payroll procedures.
 C. up-to-date financial statements about competitors.
 D. a broad view of customers' changing buying patterns.
75. Deciding how to allocate funds and when to purchase additional materials and equipment are ways that most businesses use their
 A. sales forecasts.
 B. personal budgets.
 C. credit policies.
 D. financial quotas.
76. Which of the following might have an effect on a business's sales potential:
 A. Personal issues
 B. Research methods
 C. Labor standards
 D. Seasonal factors
77. What is one technique that a business might use in order to increase its market share?
 A. Lower salaries
 B. Decrease costs
 C. Cut discounts
 D. Reduce prices
78. The managers of a small company in the business solutions field needed to forecast sales for the upcoming year. They decided to develop a company sales forecast and use that as the basis for developing their departmental forecasts. What approach to forecasting sales are the managers using?
 A. Top-down approach
 B. Bottom-up approach
 C. The Delphi technique
 D. Jury of executive opinion approach
79. Do businesses ever have more than one objective for their marketing-research projects?
 A. No, businesses set one objective for each marketing-research project.
 B. Yes, businesses generally combine several marketing-research objectives.
 C. Yes, businesses sometimes have more than one marketing-research objective.
 D. No, businesses do not have specific marketing-research objective at a time.
80. Which of the following often helps employees to make the best use of their time while on the job:
 A. Organized work area
 B. Shortened lunch break
 C. Strict supervision
 D. Limited communication

81. Which of the following is often the best way for a salesperson to handle the slow/methodical type of difficult customer:
- A. Be brief.
 - B. Ask their advice.
 - C. Summarize benefits.
 - D. Let the customer do the talking.
82. Lu Sing works for a small business. Each of the departments within the business is responsible for ordering its own supplies. This is an example of
- A. dispersed buying strategy.
 - B. decentralized purchasing structure.
 - C. concentrated buying strategy.
 - D. centralized purchasing structure.
83. A business that wants to purchase products and receive them as quickly as possible without incurring additional expenses should negotiate the _____ with the vendor.
- A. return privileges
 - B. transportation terms
 - C. special allowances
 - D. cooperative programs
84. Why does a business try to select for purchase the types of products that match its image?
- A. To set policies
 - B. To satisfy customers
 - C. To reduce expenses
 - D. To coordinate displays
85. High Wire and Cable Company purchased \$300 worth of office supplies from Whack's Paper Corp. When the invoice arrived, it had terms of 3/10, net 30. What is the discount if High Wire and Cable pays the invoice 20 days after receiving it?
- A. \$0
 - B. \$9
 - C. \$30
 - D. \$90
86. A business that wants to save money by having the products it is ordering delivered in two months is placing a(n) _____ order.
- A. blanket
 - B. advance
 - C. regular
 - D. standing
87. What is the final cost of a product to a business if the original price is \$450, the chain trade discount is 20/10/5, and the business pays a \$25 delivery fee?
- A. \$325.30
 - B. \$330.25
 - C. \$332.80
 - D. \$345.50
88. Increasing awareness of the need for environmental controls is one way that marketing has
- A. improved the quality of life.
 - B. regulated the standard of living.
 - C. made buying more convenient.
 - D. added usefulness to products.
89. Patrick's Marketing Company borrowed \$4,000 from Fifth National Bank. He owns \$7,000 worth of supplies and still has \$24,000 of his original initial investment in the business. What is the liability of Patrick's Marketing Company?
- A. \$4,000
 - B. \$7,000
 - C. \$24,000
 - D. \$35,000
90. On the box of McDonald's Happy Meals, there is a warning label indicating that children under a certain age should not play with the enclosed toy because they may choke on it. This is an example of McDonald's being socially responsible to
- A. the community.
 - B. its employees.
 - C. the company.
 - D. product users.
91. A large corporation directed its advertising to the majority of its customers who had been loyal to the corporation and its products for many years. The corporation had segmented the market based on
- A. demographics.
 - B. psychographics.
 - C. behavior.
 - D. geographics.
92. J.V. Lumber Company is selling lumber to the Dellworth Company, a manufacturer of fine office furniture. J.V. Lumber will most likely use a(n) _____ to handle the transaction.
- A. agent
 - B. industrial distributor
 - C. wholesaler
 - D. service provider
93. You sell robots to companies that use them to cut stained glass in order to produce lamps. What classification of industrial goods are robots?
- A. Equipment
 - B. Installations
 - C. Supplies
 - D. Materials

94. Astro Corporation had to close its doors because management couldn't find enough employees. Astro Corporation was experiencing a shortage of
- A. economic wants.
 - B. natural resources.
 - C. capital goods.
 - D. human resources.
95. Which of the following is one way that freedom in a private enterprise system is limited by laws:
- A. Specific pay scales are regulated.
 - B. All workers must take ability tests.
 - C. Certain occupations must be licensed.
 - D. Employees must register with the state.
96. An economic risk that most businesses must take into consideration involves
- A. changes in consumer demand.
 - B. unfavorable weather conditions.
 - C. careless employee behavior.
 - D. the spreading of false rumors.
97. Which of the following work situations would best demonstrate a job with high depth and high scope:
- A. The manager signs the employee time cards at the end of each work week.
 - B. The manager evaluates employee performance according to the owner's standard.
 - C. A manager is responsible for developing the monthly work schedule for employees.
 - D. The manager of a business selects the monthly specials and designs a newspaper advertisement.
98. Which problem for measuring GDP occurs when restaurant employees fail to report the tips they earn as part of their income?
- A. Inflation
 - B. Underground economy
 - C. Double counting
 - D. Uncounted production
99. In 1999, both Congress and the Senate passed a tax cut for the citizens of the United States. If President Clinton hadn't vetoed the cut, it would have helped the economy by affecting which internal cause of business cycles?
- A. Money supply
 - B. Aggregate demand
 - C. Inventory levels
 - D. Investment in capital goods
100. One reason that a multinational corporation might move its operations to a foreign country is if that country offers
- A. higher tax base.
 - B. limited natural resources.
 - C. lower labor costs.
 - D. increased restrictions.