

- 1. The Wheeler-Lea Act:**
 - A requires disclosure of USDA requirements for food products.
 - B sets standards for product safety.
 - C prohibits false advertising of food products.
 - D limits the number of commercials aired during children's television shows.

- 2. A consumerist advocating percentage labeling would call for labels that:**
 - A state the product cost in standard measurement units.
 - B rate the product quality level.
 - C describe product freshness.
 - D show the proportion of each important ingredient in the product.

- 3. The Robinson-Patman Act was enacted to curb:**
 - A discrimination.
 - B monopolies in most industries.
 - C deceptive advertising.
 - D forward dating price.

- 4. Which of the following is considered a drawback of brand licensing for most companies?**
 - A Timing of distribution channel development.
 - B Trademark protection issues.
 - C Lack of extra revenues derived from an existing brand.
 - D Lack of manufacturing control.

- 5. The American Marketing Association's Code of Ethics suggests that marketers should always:**
 - A avoid selling or fundraising under the guise of marketing research.
 - B disclose the full cost associated with any purchase.
 - C identify any extra cost-added features.
 - D adhere to all of the above practices.

- 6. The American Marketing Association argues and debates that the most effective way of improving ethics in research is through:**
 - A formal ethics-reporting programs from trade associations.
 - B additional local legislation.
 - C self-regulation.
 - D more stringent federal legislation.

These questions are representative of the types of test items and content that you will see on the PCM. They are not intended to predict your actual performance

7. **A marketing researcher selects a sample that is one-half randomly selected males and one-half randomly selected females. This is a:**

- A stratified sample.
- B simple random sample.
- C judgement sample.
- D cluster sample.

8. **The most appropriate promotion strategy for a product in the maturity stage of the product life cycle is:**

- A to stress key competitive differences.
- B reminder communication.
- C no promotions.
- D to inform and educate.

9. **A firm typically begins international marketing through a/an:**

- A export department.
- B joint venture.
- C international division.
- D global organization.

10. **Which of the following would best be described as "internal marketing"?**

- A McDonald's trains employees to serve customers well.
- B IBM prepares to launch a new product.
- C Kodak determines prices for a new line of cameras.
- D Sony selects retailers for a new cordless telephone line.

11. **Which of the following is NOT a major trend in the area of customer service?**

- A Customers want to unbundle services associated with products so that they can purchase only the support that they specifically need.
- B Manufacturers are building more reliable products that are easier to repair.
- C Customer service choices are increasing rapidly in most industries.
- D Service contracts (extended warranties) are increasing in importance to most customers because producers are reducing standard warranties.

12. **It is important to standardize service-performance processes throughout organizations that deliver services to customers. This is accomplished by developing service blueprints or maps that examine:**

- A the physical setting of where the service is actually delivered to the customer.
- B both the demand side and the supply side of service delivery.
- C the demand side of service delivery to better understand where service customers are located.
- D the recruiting and hiring process of service industry workers.

13. **Which of the following elements of marketing is most likely responsible for creating instant recognition of a product?**

- A Brand position
- B Advertising
- C Packaging
- D Brand name

14. A firm is operating in a large market that is unaware of the new product. There is strong potential competition and manufacturing costs have declined. The firm should launch the product at a:

- A low price and high level of promotion.
- B low price and low level of promotion.
- C high price and high level of promotion.
- D high price and low level of promotion.

15. The marketing department has received a request for conducting a study of consumers' regional telephone calling plans. The marketer's FIRST step would be to:

- A identify the critical issues that need to be addressed regarding regional calling plans.
- B select an appropriate sampling methodology for the given market.
- C obtain further information about the intended use of the results.
- D review relevant secondary data available within the organization.

16. Focus groups and depth interviews are used for what type of marketing research?

- A Sampling
- B Casual
- C Qualitative
- D Observational

17. A company is designing a new car that it wants to sell to various socioeconomic segments. The best type of marketing sample would be a/an:

- A nonprobability sample.
- B stratified random sample.
- C economic sample.
- D random sample.

18. Services have few, if any, evaluative attributes primarily due to the:

- A inseparability of services.
- B intangibility of services.
- C heterogeneity of services.
- D perishability of services.

19. Which of the following is not part of the traditional marketing mix?

- A Price
- B Product
- C Position
- D Promotion

20. A brand strategy decision in which the product bears two or more well-known brand names is called:

- A multibranding.
- B line extension.
- C brand extension.
- D cobranding.

21. The marketer of life insurance products is concerned with firms that provide other savings and income instruments to consumers because such products are of the same product:

- A family.
- B type.
- C class.
- D line.

22. Companies often serve middle-priced markets to reduce risk when initially marketing their product lines. Adding items to these lines eventually increases profits. The strategy of adding both higher priced and lower priced items to a product line is called:

- A two-way stretching.
- B line filling.
- C upmarket stretching.
- D line featuring.

23. Marketing strategists argue that all products go through stages, such as growth and maturity. The model used to assess products' behavior during their time in the marketplace is known as the:

- A diffusion of innovations.
- B new-product development process.
- C classification of products.
- D product life cycle.

24. A firm's product is at the stage of the product life cycle where distribution is very limited, a penetration pricing strategy is being used, and promotion is designed to inform. At which stage is the product?

- A Introduction
- B Growth
- C Maturity
- D Decline

25. Cross-functional teams are used by many organizations to help improve new-product development programs. Which of the following is the most accurate conclusion about using such teams?

- A Teamwork results can happen very quickly.
- B Teams should be ongoing, rather than just a one-shot effort.
- C Teams need to avoid identifying "champions" who will carry messages and requests to management.
- D Teams should be structured very informally.

26. A marketing researcher enters a consumer's home, observes consumption behavior, and records pantry and garbage content. Which term best describes the marketer's technique?

- A Projective
- B Ethnographic
- C Intercept
- D Survey

27. Only one competitive factor is critical to success in a particular industry. The industry most likely has:

- A numerous national/international competitors.
- B more than three but less than ten total competitors.
- C numerous regional competitors.
- D no more than two or three total competitors.

28. Marketers define elasticity of demand in terms of changes in:

- A product costs.
- B gross profit.
- C total revenue.
- D net profit.

29. A consumer who is willing to pay more than the market price for a product, nevertheless perceives a bargain. Economists refer to the difference between the value of a purchase and the price paid as:

- A inelastic demand.
- B consumer demand.
- C negative profit.
- D elastic supply.

30. An estimate of the maximum amount of sales available to all the firms in an industry during a given period under a given level of industry marketing effort is known as:

- A total market potential.
- B area market potential.
- C market share.
- D company sales potential.

31. The demand curve for microwave ovens is downward sloping, and falling faster than the curve for potatoes. The demand for potatoes is probably:

- A shrinking.
- B inelastic.
- C elastic.
- D nearing equilibrium.

32. The process of dividing a total market into groups consisting of people or organizations with relatively similar product needs is known as:

- A customer orientation.
- B market segmentation.
- C brand expansion.
- D product positioning.

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| 1. C | 12. B | 22. A |
| 2. D | 13. C | 23. D |
| 3. A | 14. B | 24. A |
| 4. D | 15. C | 25. B |
| 5. D | 16. C | 26. B |
| 6. C | 17. B | 27. D |
| 7. A | 18. B | 28. C |
| 8. B | 19. C | 29. B |
| 9. A | 20. D | 30. A |
| 10. A | 21. A | 31. B |
| 11. D | | 32. B |