

Multiple Choice Questions (Enter your answers on the enclosed answer sheet)

1. _____ is the amount of money charged for a product or service.
 - a. Price
 - b. Salary
 - c. Experience curve
 - d. Demand curve
 - e. Wage

2. Which of the following is a cost-based approach to pricing?
 - a. good-value pricing
 - b. value-based pricing
 - c. break-even pricing
 - d. going-rate pricing
 - e. both a and c

3. A challenge for management in product line pricing is to decide on the price steps between the _____.
 - a. various products in a line
 - b. product mixes
 - c. product groupings
 - d. various target markets
 - e. product lines

4. By definition, this type of pricing is used when a firm sells a product or service at two or more prices, even though the difference in price is not based on differences in cost.
 - a. cost-plus pricing
 - b. reference pricing
 - c. variable pricing
 - d. segmented pricing
 - e. flexible pricing

5. When Circuit Town Electronics sets its televisions at three price levels of \$699, \$899 and \$1,099, it is using _____.
 - a. market-skimming pricing
 - b. market-penetration pricing
 - c. break-even pricing
 - d. target return pricing
 - e. product line pricing

6. Another term for the supply chain that suggests a sense-and-respond view of the market is _____.
- a. physical distribution
 - b. channel of distribution
 - c. supply and demand chain
 - d. distribution channel
 - e. demand chain
7. Hybrid marketing systems are also called _____.
- a. dual distribution systems
 - b. multichannel distribution systems
 - c. administered franchises
 - d. contractual marketing systems
 - e. horizontal multichannel systems
8. Marketing logistics involves getting the right product to the right customer in the right place at the right time. Which one of the following is NOT included in this process?
- a. gathering customers' ideas for new products
 - b. controlling the physical flow of goods, services and information
 - c. planning the physical flow of goods and services
 - d. planning the flow of logistics information to meet customer requirements at a profit
 - e. implementing the plan for the flow of goods and services
9. Which of the following is NOT an area of responsibility for a logistics manager?
- a. marketing
 - b. warehousing
 - c. purchasing
 - d. inventory
 - e. information systems
10. To reduce inventory management costs, many companies use a system called _____, which involves carrying only small inventories of parts or merchandise, often only enough for a few days of operation.
- a. limited inventory logistics
 - b. economic order quantity
 - c. just-in-time logistics
 - d. supply chain management
 - e. reduction-inventory management

11. Companies manage their supply chains through _____.
- a. transportation modes
 - b. information
 - c. skilled operators
 - d. the Internet
 - e. competitors
12. In designing its marketing channel, Chairs for Every Occasion has moved from a make-and-sell view of its business, which focused on productive inputs and factory capacity as a starting point for marketing planning, to a sense-and-respond view, which begins instead with the needs of target customers. With this new view, Chairs for Every Occasion is developing its _____.
- a. demand chain
 - b. logistics
 - c. vertical marketing system
 - d. wholesaler chain
 - e. supply chain
13. Which of the following is an example of a manufacturer-sponsored retailer franchise system?
- a. licensed bottlers that bottle and sell Coca-Cola to retailers
 - b. fast-food restaurants such as McDonald's and Burger King
 - c. motels such as Holiday Inn and Ramada Inn
 - d. Starbucks operating within Target stores
 - e. Ford and its network of independent franchised dealers
14. Which product will most likely be exclusively distributed?
- a. BMW cars
 - b. Prairie Farms yogurt
 - c. Bazooka bubble gum
 - d. Levi's blue jeans
 - e. Coca-Cola
15. Why is it important for manufacturers to be sensitive to the needs of their dealers?
- a. Dealers have few legal rights.
 - b. Dealer support is essential to creating value for the customer.
 - c. Manufacturers cannot break commitments to channel members.
 - d. Poorly performing dealers will be replaced.
 - e. Dealers fail to provide value to the entire channel system.

16. UPS Supply Chain Solutions, which handles all of its clients' "grunt work" associated with logistics, is an example of _____.
- a. a distribution center
 - b. a third-party logistics provider
 - c. a cross-functional, cross-company team
 - d. selective distribution
 - e. integrated logistics management
17. _____ sell standard merchandise at lower prices by accepting lower margins and selling higher volume.
- a. Merchant wholesalers
 - b. Discount stores
 - c. Factory outlets
 - d. Full-service retailers
 - e. Limited-service retailers
18. _____ includes all activities involved in selling goods and services to those buying for resale or business use.
- a. Wholesaling
 - b. Retailing
 - c. Discounting
 - d. Franchising
 - e. Disintermediation
19. At Neiman Marcus, a first-class department store, customers shop for specialty products and have come to expect assistance in every phase of the shopping process. Neiman Marcus is a _____.
- a. self-service retailer
 - b. full-service retailer
 - c. specialty store
 - d. power center
 - e. limited-service retailer
20. A company's total marketing communications mix consists of a special blend of advertising, sales promotion, public relations, personal selling and direct-marketing tools that the company uses to communicate customer value and build customer relationships. This is also called _____.
- a. competitive marketing
 - b. the promotion mix
 - c. target marketing
 - d. direct marketing
 - e. integrated marketing

21. _____ consists of short-term incentives to encourage the purchase or sale of a product or service.
- a. A patronage reward
 - b. A segmented promotion
 - c. Advertising
 - d. Publicity
 - e. Sales promotion
22. Which promotional mix strategy directs marketing efforts toward final consumers?
- a. pull
 - b. buzz
 - c. push
 - d. blitz
 - e. pulse
23. Which promotional mix strategy directs marketing efforts toward market channel members?
- a. pull
 - b. pulse
 - c. push
 - d. blitz
 - e. buzz
24. _____ becomes more important as competition increases. The company's objective is to build selective demand.
- a. Informative advertising
 - b. Reminder-oriented advertising
 - c. Patronage advertising
 - d. Persuasive advertising
 - e. POP promotion advertising
25. Advertising media costs _____ from country to country.
- a. are usually comparable
 - b. are rarely negotiated
 - c. differ vastly
 - d. are impossible to compare
 - e. remain about the same