

Chapter 18

1. The form of communication management that seeks to make use of publicity and other non-paid forms of promotion and information to influence the audience feelings, opinions, or beliefs about the company, its products or services or activities of the organizations.
 - a. Public relations
 - b. News release
 - c. Article in news paper
 - d. Advertisement
2. What plays a major role in influencing how the public views a company and are crucial for success of the organizations.
 - a. Public relations
 - b. Marketing
 - c. Advertisement
 - d. Brand image
 - e. News release
3. The basic purpose any _____ program is to help the organization achieve its overall objectives
 - a. Public relations
 - b. Marketing
 - c. Advertisement
 - d. Brand image
 - e. News release
4. Understanding the organizational objectives is the first step in setting the public relations objectives. All of the following are the part of organization objectives except?
 - a. Increasing the market share
 - b. Increase the share price
 - c. Increasing the sales
 - d. Increasing the output
 - e. Increasing employee turnover
5. Understanding the organizational objectives is the first step in setting the public relations objectives. All of the following are the part of public relations objectives except?
 - a. Supporting organizational objectives and Explaining organizational policies
 - b. Getting media attentions, Changing the perceptions of customers or influencing their attitudes
 - c. Motivating employee, supporting the marketing and sales efforts

- d. Building ones reputation over time, restoring organization's credibility among public
- e.

#	Question	Correct Answer	Student Answer	Result
1	Promotion is just about advertising; true or false?	False;	False;	Correct
2	The use of promotional media such as television where a business does not have any direct control is known as:	Above the line promotion;	Above the line promotion;	Correct
3	In terms of amount spent by businesses, the most popular medium for advertising in the UK is:	Newspapers;	Internet;	Incorrect
4	Promotional methods over which a business has control are known as:	Below the line methods;	Below the line methods;	Correct
5	Which of the following is an example of an "above the line" promotional method?	Radio advertising;	Radio advertising;	Correct
6	Which of the following is not a method of promotion?	Retailing;	Retailing;	Correct
7	A business wishes to reach a wide audience who would otherwise not know about its product. Which method of promotion is likely to be most effective at achieving this?	Advertising;	Advertising;	Correct
8	Burger King runs a scratch-card competition in their stores with instant prizes on offer ranging from a free burger to £1,000 in cash. This is an example of:	Sales promotion;	Sales promotion;	Correct
9	Makers of hair conditioner and shampoo often send out free samples of their products with magazines. This illustrates use of which one of the following elements of the promotional mix?	Sales promotion;	Sales promotion;	Correct
10	Cost-U-Less, a local frozen food superstore, agrees to provide financial support to a local women's football team provided that its name is shown on the team's jerseys. This is an example of:	Sponsorship;	Sponsorship;	Correct
11	Which of the following is not part of the promotional mix?	Customer care;	Customer care;	Correct
12	The method used to communicate an advertising message is known as the:	Medium;	Meaning;	Incorrect
14	Which of the following kinds of print-based media would be best to use for an advertising campaign targeted at customers in a specific location?	Regional and/or local newspapers;	The Sun;	Incorrect

15	Which of the following possible advertising media is generally the most expensive?	Advertising on ITV;	Magazines;	Incorrect
16	Which of the following factors does not influence the choice of advertising media?	The location of the advertising agency making the adverts;	The location of the advertising agency making the adverts;	Correct
17	A firm of plumbers wishes to promote its services to customers living in a town. It has only a small advertising budget. Which of the following would be the most appropriate choice of advertising media?	Advertisement in the services section of a local free newspaper;	Advertisement in the services section of a local free newspaper;	Correct
18	A small travel company wants to promote its range of new walking and fishing holidays. Which of the following advertising media would be likely to prove most cost-effective and successful?	Advertisements in specialist walking and fishing magazines;	Advertisements in the Yellow Pages;	Incorrect

1. Sales promotion is primarily used to:

- A. :-) Increase sales in the short term.
- B. ? Increase sales in the long-term.
- C. ? Increase instore consumer traffic.
- D. ? Create awareness of a product.

2. Direct marketing is about:

- A. ? Sending publicity to a named person.
- B. ? Selling directly to consumers.
- C. ? Door to door selling.

D. ? None of the above.

3. A push strategy involves:

- A. ? Directing publicity material to retailers to convince them to hold stock.
- B. ? Pushing products onto consumers to convince them to purchase products.
- C. ? Pushing advertising in certain media.
- D. ? Selling products over the internet.

4. Personal selling involves:

- A. ? Selling a product over the internet.
- B. ? Selling a product through personal recommendations.
- C. ? Selling a product one to one.
- D. ? Selling a product through multiple chains.

5. The most probable advertising strategy to use during the introduction stage of the product lifecycle is:

- A. ? Peursasive advertising.
- B. ? Informative advertising.
- C. ? Reminder advertising.
- D. ? Reinforcement advertising

6. The most probable advertising strategy to use during the decline stage of the product lifecycle is:

- A. ? Informative advertising
- B. ? Reminder advertising.
- C. ? Persuasive advertising.
- D. ? Reinforcement advertising.

7. A pull strategy involves:

- A. ? Promoting the product to the consumer to create demand.
- B. ? Promoting product to the retailer.

C. ? Promoting over the internet.

D. ? None of the above,

8. AIDA is a communication model. It stands for:

A. ? Attention, Informative, Desire, Action.

B. ? Attention, Interest, Desire, Action.

C. ? Attention, Interest, Desire, Acquire

D. ? Attention, Interest, Develop, Action

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- B. ? Attention, Interest, Desire, Action.
- C. ? Attention, Interest, Desire, Acquire
- D. ? Attention, Interest, Develop, Action

The correct answer for each question is indicated by a ✓.

1 CORRECT

Any paid form of nonpersonal communication about an organization, good, service, or idea by an identified sponsor is called:

- ☐ A) publicity.
- ☐ B) sales promotion.
- ✓ ☒ C) advertising.
- ☐ D) personal selling.
- ☐ E) promotion.

Feedback: Refer to page(s) 494 in your textbook.
Obj. 19.1

2 CORRECT

What type of ad gets the consumer to take immediate action?

- ☐ A) delayed-response advertising
- ✓ ☒ B) direct-response advertising
- ☐ C) direct-trigger advertising

- ☐ D) direct-action advertising
- ☐ E) delayed-action advertising

Feedback: Refer to page(s) 494 in your textbook.

Obj. 19.1

3 CORRECT

Advertising that promotes a specific brand's features and benefits is:

- ☐ A) institutional.
- ☐ B) hierarchical.
- ☐ C) pioneering.
- ✓ ☒ D) competitive.
- ☐ E) reminder.

Feedback: Refer to page(s) 495 in your textbook.

Obj. 19.1

4 CORRECT

Which one of the following factors may change the importance of the stages in the hierarchy of effects?

- ☐ A) Product category
- ✓ ☒ B) Brand
- ☐ C) Consumer involvement in the purchase process
- ☐ D) Stage of the product life cycle
- ☐ E) All of the above

Feedback: Refer to page(s) 497 in your textbook.

Obj. 19.2

5 CORRECT

Most advertising messages are made up of two types of elements:

- ☐ A) functional and persuasional.
- ☐ B) expository and persuasional.
- ✓ ☒ C) informational and persuasional.
- ☐ D) informational and creative.
- ☐ E) creative and expository.

Feedback: Refer to page(s) 498 in your textbook.

Obj. 19.2

6 INCORRECT

A concern when using sex appeal is:

- ☐ A) what men find sexy, women don't.
- ☐ B) what women find sexy, men don't.
- ☐ C) sex appeal fails to gain audience attention.
- ✓ ☒ D) the sex appeal of the ad distracts the audience from the product.
- ☐ E) sex appeal doesn't have any effect on senior citizens.

Feedback: Refer to page(s) 498 in your textbook.

Obj. 19.2

7 INCORRECT

A concern when using humor appeal is:

- ☐ A) what adults find humorous, children do not.
- ☐ B) what children find humorous, adults do not.
- ☐ C) most humorous advertisements make someone feel offended.

- ✓ ☐ **D)** humor tends to bore consumers quickly, causing "wearout."
☒ **E)** all of the above.

Feedback: Refer to page(s) 498 in your textbook.

Obj. 19.2

8 INCORRECT

What percentage of Canadian homes can be reached by the television medium?

- ☐ **A)** 75 percent
☐ **B)** 80 percent
☐ **C)** 85 percent
☒ **D)** 90 percent
✓ ☐ **E)** 99 percent

Feedback: Refer to page(s) 501 in your textbook.

Obj. 19.3

9 INCORRECT

Which of the following statements is true?

- ☒ **A)** There are seven times as many television stations as radio stations.
☐ **B)** Radio is not a highly segmented medium.
✓ ☐ **C)** The average college student during the day listens to radio more than he/she watches television.
☐ **D)** The peak radio listening time is during the night.
☐ **E)** Radio has unlimited use for conveying complex information.

Feedback: Refer to page(s) 502 in your textbook.

Obj. 19.3

10 INCORRECT

A retail store marketing vice president is developing an advertising budget using the objective and task method. She has the objective of clearing slow-moving merchandise from her shelves and is trying to choose between radio and newspaper ads. Which of the following is an advantage of radio relative to newspaper as a means of achieving the objective?

- ☐ **A)** Better reach
☐ **B)** More effective visuals
☐ **C)** Ads can be saved by consumers
✓ ☐ **D)** Better segmentation capability
☒ **E)** More effective in conveying complex information

Feedback: Refer to page(s) 502 in your textbook.

Obj. 19.3

11 INCORRECT

Billboard advertising is most effective for which type of advertisement?

- ☐ **A)** Pioneering
☒ **B)** Advocacy
✓ ☐ **C)** Reminder
☐ **D)** Comparative
☐ **E)** Differentiation

Feedback: Refer to page(s) 505 in your textbook.

Obj. 19.3

12 CORRECT

The offer of one free pizza with the purchase of two pizzas at the regular price might appeal to you one evening. What is the term for this incentive offer?

- ☐ A) Mass-market communication
- ☐ B) Customer-oriented encoding
- ✓ ☒ C) Consumer-oriented sales promotion
- ☐ D) Consumer encoding
- ☐ E) Consumer feedback

Feedback: Refer to page(s) 509 in your textbook.
Obj. 19.4

13 CORRECT

The objective(s) of distributing coupons is/are to:

- ✓ ☒ A) stimulate demand.
- ☐ B) increase trial, and retaliate against competitor's actions.
- ☐ C) encourage present customers to buy more, and minimize brand-switching behavior.
- ☐ D) encourage new product trial.
- ☐ E) encourage repeat purchases.

Feedback: Refer to page(s) 510 in your textbook.
Obj. 19.4

14 CORRECT

When McDonald's used a free premium in a promotional partnership with Disney/Pixar during the release of the movie Monsters, Inc, they were:

- ☐ A) reacting to competitors' marketing tactics.
- ✓ ☒ B) encouraging customers to return frequently or to consume more products.
- ☐ C) trying to give the movie a positive endorsement.
- ☐ D) Increasing the perception of value by restaurant patrons.
- ☐ E) none of the above.

Feedback: Refer to page(s) 510 in your textbook.
Obj. 19.4

15 INCORRECT

Why does Canada have federal and provincial regulations covering sweepstakes?

- ☒ A) The government prefers to have watchdog operations for every marketing activity.
- ☐ B) Regulations can restrict the potential abuse of contest rules by participants.
- ✓ ☒ C) Regulations ensure that the chance of winning is represented honestly and to guarantee that the prizes are awarded.
- ☐ D) The government likes to monitor the level of sweepstake activity for research purposes.
- ☐ E) None of the above.

Feedback: Refer to page(s) 510 in your textbook.
Obj. 19.4

16 CORRECT

Which type of sales promotion is used when a manufacturer places one small bottle of shampoo in a clear bag and hangs it from the door of each house in a neighborhood?

- ✓ ☒ A) A sample
- ☐ B) A deal
- ☐ C) A premium
- ☐ D) A point-of-purchase display

- ☐ E) An introductory offer

Feedback: Refer to page(s) 511 in your textbook.
Obj. 19.4

17 CORRECT

Which type of sales promotion is demonstrated by the following example? "Mail in three UPCs and cash register tapes with the prices circled to receive a cheque for the full purchase price."

- ☐ A) Point-of-purchase
☐ B) Deal
☐ C) Coupons
✓ ☒ D) Rebates
☐ E) Premium

Feedback: Refer to page(s) 512 in your textbook.
Obj. 19.4

18 CORRECT

Sales tools used to support a company's advertising and personal selling directed to wholesalers, retailers, or distributors are called:

- ✓ ☒ A) trade-oriented sales promotions.
☐ B) consumer promotions.
☐ C) manufacturers promotions.
☐ D) sales promotions.
☐ E) all of the above.

Feedback: Refer to page(s) 513 in your textbook.
Obj. 19.4

19 INCORRECT

A program where a manufacturer pays a percentage of the retailer's local advertising expense for advertising the manufacturer's products:

- ☐ A) Vertical marketing system
☐ B) Push strategy
☒ C) Institutional product advertisement
✓ ☐ D) Cooperative advertising
☐ E) None of the above.

Feedback: Refer to page(s) 513 in your textbook.
Obj. 19.4

20 INCORRECT

Two most common forms of publicity are:

- ☐ A) special events and news conference.
✓ ☐ B) news release and news conference.
☐ C) public service activities and news release.
☐ D) special events and public service activities.
☒ E) news release and special events.

Any paid form of nonpersonal communication about an organization, good, service, or idea by an identified sponsor is called:

- ☐ publicity.
- A)** ☐ sales promotion.
- B)** ☒ advertising.
- C)** ☐ personal selling.

D)

☐

promotion.

E)

2

5

2

What type of ad gets the consumer to take immediate action?

☐

delayed-response advertising

A)

☐

direct-response advertising

B)

☐

direct-trigger advertising

C)

☐

direct-action advertising

D)

☐

delayed-action advertising

E)

3

5

3

Advertising that promotes a specific brand's features and benefits is:

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C)

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4

5

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Which one of the following factors may change the importance of the stages in the hierarchy of effects?

☐

Product category

A)

☐

Brand

B)

☐

Consumer involvement in the purchase process

C)

☐

Stage of the product life cycle

D)

☐

All of the above

E)

5

5

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Most advertising messages are made up of two types of elements:

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A concern when using sex appeal is:

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- C)** ☐ the sex appeal of the ad distracts the audience from the product.
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What percentage of Canadian homes can be reached by the television medium?

- ☐ 75 percent
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- C)**

- ☐ 90 percent
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Which of the following statements is true?

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- ☐ Radio is not a highly segmented medium.
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- ☐ The average college student during the day listens to radio more than he/she watches television.
- C)**
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- ☐ Radio has unlimited use for conveying complex information.
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- B)**
- ☐ Reminder
- C)**
- ☐ Comparative
- D)**
- ☐ Differentiation
- E)**

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- A)**
- ☐ Customer-oriented encoding
- B)**
- ☐ Consumer-oriented sales promotion
- C)**
- ☐ Consumer encoding
- D)**
- ☐ Consumer feedback
- E)**

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- ☐ stimulate demand.
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- B)**
- ☐ encourage present customers to buy more, and minimize brand-switching behavior.
- C)**
- ☐ encourage new product trial.
- D)**
- ☐ encourage repeat purchases.
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- B)**
- ☐ trying to give the movie a positive endorsement.
- C)**
- ☐ Increasing the perception of value by restaurant patrons.
- D)**
- ☐ none of the above.
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Why does Canada have federal and provincial regulations covering sweepstakes?

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- ☐ Regulations can restrict the potential abuse of contest rules by participants.
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- A)** ☐ A deal
- B)** ☐ A premium
- C)** ☐ A point-of-purchase display
- D)** ☐ An introductory offer
- E)**

17

5

17

Which type of sales promotion is demonstrated by the following example? "Mail in three UPCs and cash register tapes with the prices circled to receive a cheque for the full purchase price."

- ☐ Point-of-purchase
- A)** ☐ Deal
- B)** ☐ Coupons
- C)** ☐ Rebates
- D)** ☐ Premium
- E)**

18

5

18

Sales tools used to support a company's advertising and personal selling directed to wholesalers, retailers, or distributors are called:

- ☐ trade-oriented sales promotions.
- A)** ☐ consumer promotions.
- B)** ☐ manufacturers promotions.
- C)**

- ☐ sales promotions.
- D)**
- ☐ all of the above.
- E)**

19	5
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19

A program where a manufacturer pays a percentage of the retailer's local advertising expense for advertising the manufacturer's products:

- ☐ Vertical marketing system
- A)**
- ☐ Push strategy
- B)**
- ☐ Institutional product advertisement
- C)**
- ☐ Cooperative advertising
- D)**
- ☐ None of the above.
- E)**

20	5
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20

Two most common forms of publicity are:

- ☐ special events and news conference.
- A)**
- ☐ news release and news conference.
- B)**
- ☐ public service activities and news release.
- C)**
- ☐ special events and public service activities.
- D)**
- ☐ news release and special events.
- E)**

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		false	false		

1.

Which of the following is not a benefit of direct marketing?

- ☐ Interactive.
- ☐ Immediate response.

- ☐ Assists client prospecting.
- ☐ Greater product access and selection.
- ☐ Customer relationship building.
- ☐ Convenience.

2.

What is the overall goal of relationship marketing?

- ☐ Increase sales of new products.
- ☐ Encourage utilisation of products over the lifespan of the consumer.
- ☐ Developing strategic partnerships with valued customers.
- ☐ Improve profitability.
- ☐ All of the above.
- ☐ None of the above.

3.

Personal selling can be defined as which of the following?

- ☐ Direct communication.
- ☐ Local communication.
- ☐ Inter-connective communication.
- ☐ Interpersonal communication.
- ☐ People communication.

4.

There are four major characteristics of personal selling. Which of the following is not one of these characteristics?

- ☐ Cultivation.

- ☐ Cost.
- ☐ Personality.
- ☐ Precision.
- ☐ Impact.

5.

Precision represents one of the great advantages of personal selling over any of the other promotional mixes and explains why it is so effective at the customer's point of decision-making. Which of the following are two facets of personal selling precision?

- ☐ Advertising precision and targeting precision.
- ☐ Message precision and targeting precision.
- ☐ Advertising precision and message precision.
- ☐ Promotion precision and message precision.
- ☐ Sales precision and advertising precision.

6.

The tasks of the sales representative are beyond the straight selling situation. Which of the following are examples of the tasks of the sales representative?

- ☐ Prospecting; iInforming; persuading.
- ☐ Maintaining relationships; monitoring competitor action.
- ☐ Prospecting; persuading; maintaining relationships.
- ☐ Prospecting; informing; persuading; maintaining relationships.
- ☐ Prospecting; informing; persuading; maintaining relationships; monitoring competitor action.

7.

Sales support is a broad term encompassing a variety of staff whose role is to augment the efforts of the mainstream sales force. Which of the

following are examples of the two categories of support staff?

- ☐ Mining sales representative and sales engineer.
- ☐ Mechanical sales representative and missionary sales representative.
- ☐ Sales engineer and missionary sales representative.
- ☐ Missionary sales representative and sales engineer.
- ☐ Voyager sales representative and mining sales representative.

8.

Which of the following are not a source of company inspired prospects?

- ☐ Exhibitions and trade shows.
- ☐ Referrals.
- ☐ Invoices.
- ☐ Advertising responses.
- ☐ Sales records.

Developing a vision and a mission statement is important because of the following reasons EXCEPT:

- They are useful for large firms only
- They establish organizational culture
- They are the basis for allocating resources
- They translate objectives into work structure

Which of the following is not a pitfall an organization should avoid in strategic planning?

- Failing to involve key employees in all phases of planning
- Involving all managers rather than delegating planning to a planner
- Top managers not actively supporting the strategic planning process
- Doing strategic planning only to satisfy accreditation or regulatory requirements

Departmentalization can be done on the basis of many factors EXCEPT:

- Functions
- Number of employees
- Strategic business units
- Divisions

Assigning rating 3 to an internal factor in IFE matrix indicates what?

- Major weakness
- Minor weakness
- Minor strength
- Major strength

Which of the following can be considered one of the factors of external opportunities and threats of an organization?

- Production/ operations
- Research & development
- Competitive trends
- Management information system

Ethnic balance is affected due to which of the following?

- Change in ethnic values
- Awareness of ethnic norms
- Migration of the people towards different areas
- Introduction of new laws relating to ethnicity

Which category of ratios measures “how effectively a firm can maintain its economic position in the growth of the economy and industry”? :

Liquidity

Leverage

Activity

Growth

Buyers can exercise high bargaining power over their suppliers under which one of the following conditions?

When there are many good substitutes of raw material

There are few buyers in the market

They have few suppliers to choose from

There is a high concentration of suppliers

Which of the following is the first step in the controlling function of management? Select correct option:

Take corrective actions

Restrict breaks employees

take Evaluate expense

reports Establish performance standards

Following are the examples of the sectors that are more technologically oriented EXCEPT: Select correct option:

Textile

Pharmaceutical

Telecommunications

Beverages

which of the following groups represents the stakeholders of a company? Select correct option:

The owners of the company

The people who purchases the shares of the company

The people who have a special stake or claim on the company

Are the people who are in the management a company

In which of the following phase of strategic management, annual objectives are especially important? Select correct option:

Formulation

Evaluation

Implementation

Management

Which of the followings deals with the management of inputs, transformations and outputs that vary across industries and markets? Select correct option:

Marketing

Finance

Operations

Distribution

Which of the following arise when a company can take advantage of conditions in its environment to formulate and implement strategies that enable it to become more profitable? Select correct option:

Strengths

Opportunities

Weaknesses

Threats

Local, state, and national elections, world oil, currency, and labor markets, number of patents, special tariffs are the examples of which one of the following? Select correct option:

- Economic forces
- Social, cultural and, demographic forces
- Political, governmental, and legal forces
- Competitive forces

Which group would be classified as a stakeholder? Select correct option:

- Communities
- Banks
- Suppliers
- All of the given options

Which of the following statement is referred to 'Price fluctuation'? Select correct option:

- Decrease in prices
- Increase in prices
- Fluctuation in the prices of a particular commodity
- Fluctuation in general price level

Which of the following is the process of influencing people to accomplish specific objectives? Select correct option:

- Staffing
- Motivating
- Controlling
- Organizing

Defensive strategies include all of the following EXCEPT: Select correct option:

- Retrenchment
- Acquisition
- Divestiture
- Liquidation

Effective mission statements don't have one of the following features: Select correct option:

- Generate range of feasible strategic alternatives
- Reconcile interests among diverse stakeholders
- What does the firm want to become
- Provide criteria for selecting strategies

What is the first step in the comprehensive strategic management model? Select correct option:

- Performing external audits
- Developing vision and mission statements
- Performing internal audits
- Measuring and evaluating performance

Different types of consumers are created due to new trends, which in turn require which type of products? Select correct option:

- Different products
- Different services
- Different strategies
- All of the given options

A system of several rites connected with a single occasion or event is known as: Select correct option:

- Myth
- Ceremonial
- Saga
- Legend

In Competitive Profile Matrix, the rating 4 indicates what? Select correct option:

Major weakness

Major strength

Minor strength

Minor weakness

In which of the following phase of strategic management, annual objectives are especially important?

Select correct option:

Formulation

Evaluation

Implementation

Management

Question

Backward integration is effective in all of the following situations EXCEPT:

Select correct option:

When an organization competes in an industry that is growing rapidly

When an organization needs to acquire a needed resource quickly

When the advantage of stable prices are not important

When present suppliers have high profit margins

Question

Which one variable falls under the category of the Social, Cultural, Demographic, and Environmental Variable?

Select correct option:

Propensity of people to spend

Buying habits

Level of disposable income

Income differences by region

Question

Which of the following is not a key question that can reveal internal strengths and weaknesses of the marketing department?

Select correct option:

Does the firm have an effective sales organization?

Are markets segmented effectively?

Are the firm's products and services priced appropriately?

Does the firm have good liquidity?

Question

The general conditions for competition that influence business firms, which provide similar products and services is known:

Select correct option:

Remote environment

International environment

External environment

Industry environment

Question

Which of the following marketing entity is NOT an intermediary?

Select correct option:

Brokers

Agents

Producer

Vendors

Question

All of the following are included in the five functions of the management process EXCEPT:
Select correct option:

Planning
Organizing
Leading
Delegating

Question

All of the following are the basic functions of marketing EXCEPT:
Select correct option:

Selling products/services
Product and service planning
Marketing research
Arranging for finance

Question

Defensive strategies include all of the following EXCEPT:
Select correct option:

Retrenchment

Acquisitio
Divestiture
Liquidation

Question

In the process of developing a mission statement, which of the following is CORRECT?

Select correct option:

To involve as few managers as possible

To involve as many managers as possible

To involve upper-level management only

To involve the board of directors only

In which of the following phase of strategic management, annual objectives are especially important?

Select correct option:

Formulation
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Implementation
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Question # 1 of 10 () Total Marks: 1

Which statement is CORRECT about strategic-management process?

Select correct option:

It occurs once a year

It is a continuous process

It applies mostly to large business

It applies mostly to small businesses

Question # 2 of 10 () Total Marks: 1

"A desired future state that the organization attempts to realize". Identify the term relevant to the given statement.

Select correct option:

- Goal
- Strategy
- Policy
- Procedure

Question # 3 of 10 () Total Marks: 1

Selling includes all of the following marketing activities EXCEPT:

Select correct option:

- Advertising
- Pricing
- Sales promotion
- Customer relations

Question # 4 of 10 () Total Marks: 1

Which of the following is not a pitfall an organization should avoid in strategic planning?

Select correct option:

- Failing to involve key employees in all phases of planning
- Involving all managers rather than delegating planning to a planner
- Top managers not actively supporting the strategic planning process
- Doing strategic planning only to satisfy accreditation or regulatory requirements

Question # 5 of 10 () Total Marks: 1

Which management function includes breaking tasks into jobs, combining jobs to form departments and delegating authority?

Select correct option:

- Motivating
- Staffing
- Organizing
- Planning

Question # 6 of 10 () Total Marks: 1

Which category of ratios measures "how effectively a firm can maintain its economic position in the growth of the economy and industry"?

Select correct option:

- Liquidity
- Leverage
- Activity
- Growth

Question # 7 of 10 () Total Marks: 1

Corporate social policy should be designed and articulated during which phase of strategic management?

Select correct option:

- Implementation
- Formulation
- Evaluation
- Management

Question # 8 of 10 () Total Marks: 1

Following are the examples of the sectors that are more technologically oriented EXCEPT:

Select correct option:

- Textile (NOT SURE)
- Pharmaceutical
- Telecommunications
- Beverages

Question # 9 of 10 () Total Marks: 1

For the past four years the ABC Corporation has been planning to expand its operations in order to reach out to the world market. Essentially, the ABC Corporation desires to do what?

Select correct option:

- Become an online business
- Become a brick-n-mortar business
- Embrace globalization
- Become a click-n-mortar business

Question # 10 of 10 () Total Marks: 1

Which of the following is the first step in the controlling function of management?

Select correct option:

- Take corrective actions
- Restrict breaks employees take
- Evaluate expense reports
- Establish performance standards

In BCG growth-share matrix, which of the following would be most likely to possess a low market share and

a high growth rate?

Select correct option:

- Dog
- Question mark
- Cash cow
- Star

Which of the following is NOT a SPACE Matrix quadrant?

Select correct option:

- Aggressive
- Defensive
- Competitive
- Offensive

Lack of access to key distribution channel indicates which of the following?

Select correct option:

- Strength
- Weakness
- Opportunity
- Threat

Which of these is an attractive strategy for a cash cow division?

Select correct option:

- Concentric diversification
- Horizontal integration
- Conglomerate diversification
- Backward integration

Smoothies Tire & Rubber Co. is selling its North American tire business to Avinza International, is an example of which type of strategy?

Select correct option:

- Related diversification
- Retrenchment
- Divestiture
- Liquidation

What kind of strategy retrenchment is?

Select correct option:

- A reorganization strategy
- An expansion strategy
- A diversification strategy
- An integration strategy

According to the Grand Strategy Matrix, which strategy is recommended for a firm with rapid market growth and a strong competitive position?

Select correct option:

- Market penetration

Conglomerate diversification
Joint venture
Retrenchment

Din Mohammad, a farmer sells his crops at the local market rather than to a distribution center. This action of Din Mohammad comes under which of the following?

Select correct option:

Backward integration
Product development
Forward integration
Horizontal integration

Which of the following directs at developing new products before competitors do at improving product quality or at improving manufacturing processes to reduce costs?

Select correct option:

Marketing
Opportunity analysis
Research and development
Management

BCG matrix is used in matching stage of strategy formulation framework. It plots the business units along which of the following dimensions?

Select correct option:

Market share and industry strength
Market share and market growth rate
Market growth rate and competitive position
Market growth rate and environment stability

Which of these strategies is effective when the number of suppliers is small and the number of competitors is large?

Select correct option:

Conglomerate diversification
Forward integration
Backward integration
Horizontal diversification

Which of the following strategy generally entails large research and development expenditures?

Select correct option:

Market penetration
Retrenchment
Forward integration
Product development

All of the following are Porter's Generic Strategies EXCEPT:

Select correct option:

Differentiation
Hybrid
Cost leadership

Focus

Which strategic management analytical tool has four quadrants based on two dimensions i.e. competitive position and market growth?

Select correct option:

Internal-External Matrix

SPACE Matrix

Grand Strategy Matrix

QSPM

All of the following are the limitations of BCG Matrix EXCEPT:

Select correct option:

It is one-dimensional to view every business as a star, cash cow, dog or question mark.

BCG can not be developed if a firm have at less than least three years data.

The businesses that fall in the centre of BCG matrix can not be classified.

Other variables such as size of market and competitive advantages are not considered.

Which of the following stages of strategy formulation framework involves developing Internal-External (IE) Matrix?

Select correct option:

Input stage

Output stage

Matching stage

Decision stage

What will be the location of a firm in Grand strategy matrix, if it is operating in rapidly growing market and holds weak competitive position?

Select correct option:

Quadrant I

Quadrant II

Quadrant III

Quadrant IV

All of the following would be considered as opportunities for a business, EXCEPT:

Select correct option:

Removal of international trade barriers

Emergence of unfulfilled customer need

Emergence of substitute products

MGT603-STRATEGIC MANAGEMENT quiz

Due date for quiz submission is Thursday, April 09, 2009.

1. Buyers can exercise high bargaining power over their suppliers under which one of the following conditions?

a. There are few buyers in the market

b. When there are many good substitutes

c. They have few suppliers to choose from

d. There is a high concentration of suppliers

2. The process of monitoring performance, comparing it with

goals, and correcting any significant deviations is known as:

- a. Planning
- b. Controlling
- c. Organizing
- d. Leading

3. Which category of ratios measures a firm's ability to meet maturing short-term obligations?

- a. Profitability
- b. Leverage
- c. Liquidity
- d. Activity

4. Which of the following directs at developing new products before competitors do at improving product quality or at improving manufacturing processes to reduce costs?

- a. Marketing
- b. Opportunity analysis
- c. Management
- d. Research and development

5. A planning horizon of two to five years applies to which of the following?

- a. Top management
- b. Middle management
- c. Lower management
- d. All levels of management

6. Assessment of competitive rivalry DOES NOT include an

understanding of which of the following?

- a. Mergers and acquisitions in industry
- b. The management structure of an organization
- c. Market growth rates
- d. Exit barriers and operational efficiency of compet

7. Which of the following marketing entity is NOT an intermediary?

- a. Brokers
- b. Agents
- c. Producers
- d. Vendors

8. Investment decisions are also known as:

- a. Capital structure
- b. Business finance
- c. Dividend policy
- d. Capital budgeting

9. Which one of the following area can be the weakness of a firm?

- a. Ineffective Marketing
- b. Changing lifestyle
- c. High oil prices
- d. Increasing pollution

10. What is the systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services?

- a. Management
- b. Marketing Research
- c. Planning
- d. Market segmentation

11. Which of the following are repetitive and symbolic activities/events used to strengthen culture in organizations?

- a. Folktales
- b. Rites
- c. Rituals
- d. Values

12. Departmentalization can be done on the basis of many factors EXCEPT:

- a. Functions
- b. Strategic business units
- c. Divisions
- d. Number of employees

13. The general condition for competition that influences business firms which provide similar products and services is known as:

- a. Industry environment
- b. Remote environment
- c. International environment
- d. External environment

14. In Competitive Profile Matrix, the rating "4" indicates what?

- a. Major weakness
- b. Major strength
- c. Minor strength
- d. Minor weakness

15. Which of the following ties all business functions together and provides the basis for all managerial decisions?

- a. Marketing
- b. Technology
- c. Information
- d. Workforce

16. Which of the following refers to determining the best capital

structure for the company?

- a. Restructuring decisions
- b. Strategic decision
- c. Investment decision
- d. Financing decisions

17. All of the following are the outputs of a system EXCEPT:

- a. Data
- b. Tables
- c. Charts
- d. Graphs

18. Lack of access to key distribution channels indicates which of the following?

- a. Strength
- b. Weakness
- c. Opportunity
- d. Threat

19. Which of the following marketing functions includes test marketing?

- a. Selling products/services
- b. Customer analysis
- c. Product/service planning
- d. Distributing

20. The total weighted score of IFE matrix below "2.5" characterizes an organization as:

- a. Organization is externally weak
- b. Organization is internally strong
- c. Organization is externally strong
- d. Organization is internally weak

1. Buyers can exercise high bargaining power over their suppliers under which one of the following conditions?

- b. When there are many good substitutes

2. The process of monitoring performance, comparing it with goals, and correcting any significant deviations is known as:

- b. Controlling (Page # 59)

3. Which category of ratios measures a firm's ability to meet maturing short-term obligations?

- c. Liquidity

4. Which of the following directs at developing new products before competitors do at improving product quality or at improving manufacturing processes to reduce costs?

- d. Research and development (Page # 71)

5. A planning horizon of two to five years applies to which of the following?

a. Top management (Page # 55)

6. Assessment of competitive rivalry DOES NOT include an understanding of which of the following?

a. Mergers and acquisitions in industry (not sure)

7. Which of the following marketing entity is NOT an intermediary?

c. Producers (Page # 62)

8. Investment decisions are also known as:

d. Capital budgeting (Page# 64)

9. Which one of the following area can be the weakness of a firm?

a. Ineffective Marketing

10. What is the systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services

b. Marketing Research? (Page # 62)

11. Which of the following are repetitive and symbolic activities/events used to strengthen culture in organizations?

c. Rituals

12. Departmentalization can be done on the basis of many factors

EXCEPT:

d. Number of employees (Page # 56)

13. The general condition for competition that influences business firms which provide similar products and services is known as:

d. External environment

14. In Competitive Profile Matrix, the rating "4" indicates what?

b. Major strength (page # 46)

15. Which of the following ties all business functions together and provides the basis for all managerial decisions?

c. Information (Page # 73)

16. Which of the following refers to determining the best capital structure for the company?

d. Financing decisions (Page # 64)

17. All of the following are the outputs of a system EXCEPT:

a. Data (page # 74)

18. Lack of access to key distribution channels indicates which of the following?

b. Weakness

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19. Which of the following marketing functions includes test marketing?

c. Product/service planning (Page # 61)

20. The total weighted score of IFE matrix below "2.5" characterizes an organization as:

d. Organization is internally weak (page # 47)