



Preparation Manual Marketing 6–12 (275)

**Overview and Exam Framework
Sample Selected-Response Questions
Sample Selected-Response Answers and Rationales**

Preparation Manual

Section 3: Overview and Exam Framework Marketing 6–12 (275)

Exam Overview

Exam Name	Marketing 6–12
Exam Code	275
Time	5 hours
Number of Questions	100 selected-response questions
Format	Computer-administered test (CAT)

The TExES Marketing 6–12 (275) exam is designed to assess whether an examinee has the requisite knowledge and skills that an entry-level educator in this field in Texas public schools must possess. The 100 selected-response questions are based on the Marketing 6–12 exam framework and cover grades 6–12. The exam may contain questions that do not count toward the score. Your final scaled score will be based only on scored questions.

The Standards

- Standard I** The marketing teacher understands and applies knowledge of the foundations of marketing, including principles and techniques related to business, economics, management and entrepreneurship.
- Standard II** The marketing teacher understands and applies knowledge of marketing principles, concepts and techniques.
- Standard III** The marketing teacher understands and applies principles, concepts and techniques related to international business and marketing.
- Standard IV** The marketing teacher understands and applies knowledge of technological, quantitative, communication and career-development skills for the marketing sector.
- Standard V** The marketing teacher knows how to advise and assist students in career planning and promote student development through work-based learning and participation in student organizations such as DECA.

Standard VI

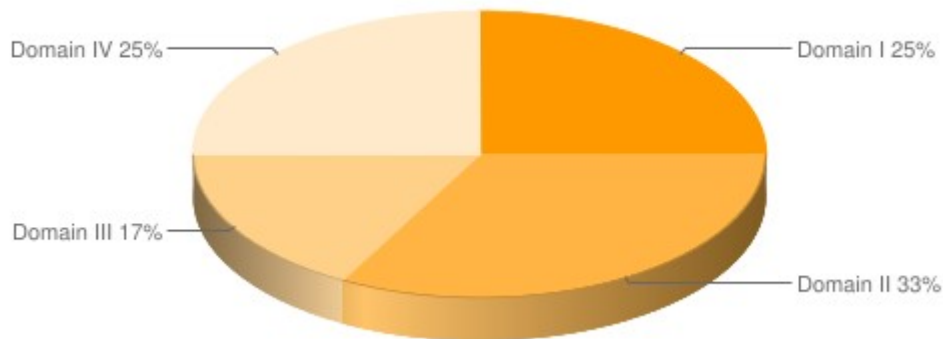
The marketing teacher knows how to organize and manage an effective marketing education program and how to work with school, community and industry representatives to support the program.

Standard VII

The marketing teacher knows how to plan and implement effective and appropriate instruction and student assessment.

Domains and Competencies

Domain	Domain Title	Approx. Percentage of Exam	Standards Assessed
I	Foundations of Marketing	25%	Marketing 6–12: I
II	Marketing Principles	33%	Marketing 6–12: II, III
III	Business Communication, Problem Solving and Technology	17%	Marketing 6–12: I, II, IV
IV	Marketing Education Program	25%	Marketing 6–12: IV–VII



The content covered by this exam is organized into broad areas of content called **domains**. Each domain covers one or more of the educator standards for this field. Within each domain, the content is further defined by a set of **competencies**. Each competency is composed of two major parts:

- The **competency statement**, which broadly defines what an entry-level educator in this field in Texas public schools should know and be able to do.
- The **descriptive statements**, which describe in greater detail the knowledge and skills eligible for testing.

Domain I—Foundations of Marketing

Competency 001—The teacher understands business organization, management and concepts.

The beginning teacher:

- A. Identifies categories of business activity and how each activity is interdependent with marketing and evaluates organizational structures and their appropriateness for different types of businesses.

- B. Explains the impact of an international economy on business activities.
- C. Demonstrates knowledge of the history and characteristics of various industries and their significance and how they relate to today's marketplace.
- D. Understands functions of general business management (e.g., goal setting, planning, motivating), levels of management and the strengths and weaknesses of different management styles.
- E. Understands, models and demonstrates ethical behavior relevant to business and marketing.
- F. Identifies federal, state and local agencies and the laws and regulations that affect business and marketing.
- G. Understands the societal significance of business conduct, ways that businesses can contribute to the community and the responsibility a business has with regard to impact on the local environment.
- H. Lists major environmental influences on various industries.
- I. Describes and simulates activities to market a property.
- J. Understands the impact of business and marketing on society.
- K. Understands human resource management and the value of diversity in the workplace.

Competency 002—The teacher understands and applies basic economic principles.

The beginning teacher:

- A. Applies knowledge of economic concepts (e.g., supply and demand, pricing, business cycle, productivity, role of laws and regulations, economic measurements used to analyze the economy).
- B. Understands fundamental features of the U.S. free enterprise system (e.g., entrepreneurial opportunity, role of competition, profit, consumer choice, private ownership).
- C. Understands the relationships between business and the economy and the factors that shape a nation's economic system (e.g., what is produced, how it is produced, how it is distributed).
- D. Analyzes current economic conditions and indicators (e.g., gross domestic product, unemployment, standard of living) and their influence on markets.
- E. Understands how government economic policies (e.g., tax policies, subsidies, tariffs) affect the marketing aspects of business.
- F. Understands the nature of trade regulations and the impact of the antitrust regulation.
- G. Explains the determinants of exchange rates and their effects on the domestic economy.

Competency 003—The teacher understands and applies principles related to finances, accounting and mathematics in marketing and entrepreneurship.

The beginning teacher:

- A. Applies strategies for identifying entrepreneurial opportunities (e.g., buying an established business, expanding an existing business, buying into a franchise) and understands the benefits and costs (e.g., financial, time, emotional) of starting a business.
- B. Identifies the characteristics and purposes of different types of business ownership.
- C. Understands and explains accounting functions and terms.
- D. Demonstrates the use of common accounting forms to illustrate their functions and results.
- E. Understands types of revenues, expenses and liabilities.

- F. Understands the components, development and evaluation of business, harvest and location plans.
- G. Understands the relationship of marketing plans to business plans.
- H. Knows how to conduct a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis for use in the marketing planning process.
- I. Understands the importance of financial and merchandise planning to entrepreneurial success and knows methods and procedures for financial planning.
- J. Explains how to evaluate and measure financial performance and analyze cost and profit relationships to guide business decision making (e.g., return on investment, return on assets, return on equity, debt ratios).
- K. Understands formulas and equations in business and marketing such as estimations, projections and performance.
- L. Understands how to compare and contrast pricing policies for an entrepreneurial venture.
- M. Knows how to distinguish between warranties and guaranties.
- N. Understands the nature and significance of business risks and basic principles of risk management.
- O. Examines types of consumer credit and the effects of credit on sales, prices and profit.
- P. Understands how to explain the nature of debtor-creditor and agency relationships.
- Q. Understands the critical role of management (e.g., goal setting, planning, motivating) in the success or failure of entrepreneurial ventures.
- R. Describes the process of selecting, merchandising and advertising products in various industries.
- S. Knows how to categorize retailing activities and explain the interdependence of each activity in marketing and business.
- T. Knows how to analyze vendor performance in order to choose vendors and merchandise.

Domain II—Marketing Principles

Competency 004—The teacher understands fundamental concepts, goals and strategies of marketing.

The beginning teacher:

- A. Understands basic concepts in marketing (e.g., vocabulary, types of market segmentation, market identification, target market strategies, mass marketing) and their significance in the facilitation of merchandising activities.
- B. Understands the importance, functions and goals of marketing and understands management skills and procedures relevant to marketing functions.
- C. Describes each marketing function and the marketing concept and how they relate to various industries.
- D. Knows how to explain applicable grades and standards.
- E. Applies marketing strategy, the strategic-planning process and the development of a marketing plan.
- F. Defines branding elements and designs a product package, brand and label.
- G. Recognizes the impact and value of multiculturalism and multigenerationalism (e.g., culture, linguistics) in relation to specific industries, marketing and the workplace.
- H. Explains how the use of demographics has influenced the industry.

- I. Understands the role and purpose of marketing research (e.g., relationship to marketing plan, identifying markets).
- J. Understands the marketing research process and applies the steps of conducting marketing research to analyze demand, forecast sales and make other marketing decisions.
- K. Knows how to develop and make recommendations based on a research report.
- L. Evaluates informational texts, Web sites, technical manuals and other resources to identify reliable and credible information.
- M. Understands how to explain and record a list of the benefits and limitations of different types of marketing research.
- N. Identifies sources of primary and secondary data and collects information about the competition.
- O. Understands the characteristics and purposes of a marketing information system (MIS).
- P. Understands purchasing functions (e.g., resale/organization buying, consumer buying) and activities (e.g., completing purchase orders and invoices, buying habits).
- Q. Describes the components of, the exchanges in, and the effects of media broadcasting on the event triangle.
- R. Explains Web log data mining and the use of electronic data interchange in marketing information and research activities.
- S. Understands and analyzes emerging trends in marketing and research.

Competency 005—The teacher understands product and service planning, pricing and distribution.

The beginning teacher:

- A. Identifies and applies components of the marketing mix (e.g., product, price, place, promotion, people) and understands how each component contributes to quality assurance and successful marketing.
- B. Understands the elements and processes of product and service planning, the stages of new-product planning, the stages of the product life cycle and the laws and regulations that affect new-product development.
- C. Explains the elements and principles of design and lists the steps from design to the finished product.
- D. Analyzes pricing policies, objectives, structures and strategies.
- E. Analyzes factors that affect pricing.
- F. Understands the concept of product mix (e.g., positioning products and services to create a desired business image) and its role in product and service planning.
- G. Understands and evaluates the significance of distribution plans and activities (e.g., transportation, storage, product handling, inventory control) and their cost.
- H. Understands which goods and services retailers use for daily operations.
- I. Analyzes how distribution channel members (e.g., manufacturers, wholesalers) facilitate the movement of products.
- J. Recognizes the role of geography and other variables in product and service distribution.

Competency 006—The teacher understands product promotion and the selling process.

The beginning teacher:

- A. Understands the role of promotion in creating and implementing marketing strategy and how to develop, implement and evaluate promotional plans and campaigns.
- B. Identifies the components of a promotional mix (e.g., advertising, selling, public relations, visual merchandising) and analyzes factors affecting promotional activities (e.g., laws, cultural diversity, target groups, consumer characteristics, technology).
- C. Demonstrates visual merchandising techniques for advertising marketing goods, services or ideas to increase interest and sales potential in product offerings.
- D. Analyzes types of advertising, elements of an advertisement and the role of advertising in a competitive environment and understands the characteristics, advantages and disadvantages of different types of advertising media.
- E. Examines the potential impact of publicity and possible strategies for handling the results.
- F. Understands influences on customers and consumers, consumer credit and factors that influence buying and selling.
- G. Applies selling techniques, develops a sales presentation, exhibits methods for closing a sale, uses product and service knowledge and support activities to facilitate selling and demonstrates the steps in the selling process.
- H. Knows how to use special events to increase sales.
- I. Understands major laws that affect sales and promotion and understands sellers' and buyers' obligations under the Uniform Commercial Code (UCC).
- J. Defines and explains the issues and cost associated with a sponsorship.
- K. Knows how to identify and examine benefits of sponsorship opportunities, types of sponsorship sales and relationship development.

Competency 007— The teacher understands and applies principles, concepts and techniques related to international business and marketing.

The beginning teacher:

- A. Understands basic economic concepts as they relate to international business and marketing (e.g., specialization, comparative advantage, opportunity cost, effects of different types of economic systems, international trade, impact of exports and imports, interdependence of nations).
- B. Understands business and marketing strategies, principles and techniques in situations involving international markets.
- C. Understands the issues and risks involved in entering international markets and the procedures for planning international marketing of business ventures.
- D. Describes how international marketing has affected various industries.
- E. Understands the differences in communication methods in global markets and applies strategies for adapting business systems to different cultural environments.
- F. Examines the advantages and disadvantages of international trade.
- G. Investigates the labor issues associated with international trade.

- H. Describes the cultural, economic and political factors considered when engaging in international trade.
- I. Explains the impact of cultural and social environments on international trade.
- J. Understands the international monetary exchange system and the effects of currency exchange fluctuations on international trade.
- K. Understands the reasons for the growth in international trade and investments and analyzes trends and their significance in international marketing.

Domain III—Business Communication, Problem Solving and Technology

Competency 008—The teacher understands basic elements of effective business communication and problem solving.

The beginning teacher:

- A. Understands factors that can affect a business's image and the roles of public relations, publicity and advertising in a successful business.
- B. Knows how to identify a company brand promise.
- C. Identifies and demonstrates customer service.
- D. Determines client needs and wants as the first step of the marketing concept and responds with planned, personalized communication to influence purchase decisions.
- E. Understands the social and communication skills needed to work effectively in the marketing aspects of business.
- F. Understands the methods for achieving business and marketing objectives.
- G. Understands how to use appropriate customer service, customer relationships and workplace strategies to increase the likelihood of a sale.
- H. Applies features of various types of business communications (e.g., business letter, presentation).
- I. Understands the responsibilities of team leaders and team members (e.g., leadership characteristics, team functions and formation, teamwork in problem solving, result measurement and acknowledgement).
- J. Understands and applies steps in the problem-solving and decision-making processes in the marketing aspects of business.
- K. Understands quantitative methods of analysis (e.g., forecasting, profit analysis) as they apply to marketing functions and marketing research.
- L. Understands basic mathematical concepts (e.g., percentages, mathematical operations) as they apply to marketing.

Competency 009—The teacher understands the use of technology, the Internet and e-commerce in the marketing aspects of business.

The beginning teacher:

- A. Understands basic technology concepts and terms related to business and marketing.
- B. Understands the influence of technology on business and marketing.
- C. Understands the scope of the Internet in marketing (e.g., search engines, Website development, structure and design, legal implications).

- D. Understands different types of technology applications (e.g., spreadsheet, database, desktop publishing, communications technology) as they relate to the marketing aspects of business.
- E. Identifies transactional sales data through electronic means.
- F. Understands and applies technology for a variety of marketing purposes (e.g., receiving and sending business communications; designing; advertising; pricing; selling; placing orders; production; creating charts, graphs and business documents; creating advertisement layouts; managing inventory; distribution).
- G. Analyzes various marketing functions on existing websites and understands the importance of search engine optimization.
- H. Explains how to obtain an Internet name and how to identify methods of determining the Internet identity of a business.
- I. Develops website goals and objectives and describes criteria for identifying a potential website product or service.
- J. Understands the fundamentals of computer networking and communication systems in business environments.
- K. Understands the characteristics, role, advantages and disadvantages, collection and payment options and legal obligations of e-commerce in marketing and business.
- L. Understands the ethical, safety and security issues related to the use of computer technology in business and marketing.
- M. Applies computer technology in an ethical, safe and secure manner.

Domain IV—Marketing Education Program

Competency 010—The teacher knows how to organize and manage an effective Marketing Education program and how to work with others to support the program.

The beginning teacher:

- A. Applies strategies (e.g., joining professional organizations, subscribing to professional journals, attending conferences, researching on the Internet) and identifies their role in keeping abreast of and applying current research, trends and practices in the marketing sector of business.
- B. Understands methods and strategies for planning, implementing, maintaining and evaluating a Marketing Education program, including student organizations (e.g., DECA).
- C. Understands the importance of basing classroom instruction on the approved Texas Essential Knowledge and Skills (TEKS).
- D. Understands the roles and responsibilities of advisory committees and how to organize and work effectively with them.
- E. Understands procedures for developing articulation agreements with educational institutions.
- F. Applies procedures for developing and maintaining training agreements and training plans for programs that have a work-based learning component.
- G. Applies strategies for working effectively with community and industry representatives and local and civic organizations to encourage involvement in and support for the Marketing Education program.
- H. Applies professional development and lifelong learning skills and techniques to ensure continuous improvement.

Competency 011—The teacher understands how to promote student development and assist students in career planning and work-based learning.

The beginning teacher:

- A. Identifies various career opportunities in marketing and the education and training requirements associated with these careers, including the role of industry and professional licenses/certifications.
- B. Evaluates student interests, skills, abilities, self-assessments and aptitudes to determine strengths and needs related to career planning and development.
- C. Understands employers' expectations, appropriate work habits (e.g., time management, positive customer relationships, ethics) and the personal characteristics necessary for a successful career in marketing.
- D. Analyzes and evaluates alternative responses to workplace situations based on legal responsibilities, employer policies and personal or professional ethical considerations.
- E. Identifies and explains the personal and long-term consequences of unethical or illegal behaviors.
- F. Understands company policies and procedures (e.g., discrimination, harassment, inequality).
- G. Understands procedures for obtaining employment in marketing and related fields and strategies for assisting students in career planning and development.
- H. Understands goal development and implementation.
- I. Understands the goals, purposes and models of work-based programs (e.g., mentoring, co-op experiences, job shadowing) and the connections between classroom learning and work-based learning.
- J. Applies strategies for coordinating programs with work-based learning components (e.g., developing individualized training plans, maintaining records, evaluating student progress, analyzing data to determine program effectiveness).
- K. Understands the legal, ethical and safety issues associated with marketing careers.
- L. Understands the purposes, characteristics, functions and structures of student leadership organizations (e.g., DECA) and understands and manages relationships between classroom learning and student organizations.
- M. Understands the roles and responsibilities of advisors to student organizations (e.g., DECA), the procedures for developing a program of activities and conducting effective meetings, and the strategies for encouraging student participation in these organizations.
- N. Understands and promotes the personal development and career development skills and techniques essential for student success.

Competency 012—The teacher knows how to plan and implement effective and appropriate instruction and student assessment.

The beginning teacher:

- A. Understands state content and performance standards in marketing education as defined by the Texas Essential Knowledge and Skills (TEKS).
- B. Understands and applies instructional strategies that engage students, provide positive and effective learning experiences, and model business practices (e.g., group brainstorming, research, team projects, studies).

- C. Applies strategies for working effectively with students who have diverse strengths, needs and backgrounds.
- D. Applies strategies for integrating marketing education with concepts and skills in other academic areas (e.g., language arts, mathematics, science, social studies).
- E. Understands and applies a variety of instruments and methods (e.g., performance-based methods) for evaluating instructional effectiveness, student progress and student needs.
- F. Applies strategies for using current and emerging technologies as tools for learning, communicating and assessing marketing education concepts in the classroom.

Preparation Manual

Section 4: Sample Selected-Response Questions Marketing 6–12 (275)

This section presents some sample exam questions for you to review as part of your preparation for the exam. To demonstrate how each competency may be assessed, sample questions are accompanied by the competency that they measure. While studying, you may wish to read the competency before and after you consider each sample question. Please note that the competency statements do not appear on the actual exam.

For each sample exam question, there is a correct answer and a rationale for each answer option. The sample questions are included to illustrate the formats and types of questions you will see on the exam; however, your performance on the sample questions should not be viewed as a predictor of your performance on the actual exam.

Domain I—Foundations of Marketing

Competency 001—The teacher understands business organization, management and concepts.

1. One of a small bakery's best customers orders a thousand chocolate croissants to be delivered in three days. To meet this deadline, the manager demands that the employees just follow instructions, without any input or discussion. This is an example of which of the following management styles?

- A. Autocratic
- B. Democratic
- C. Participative
- D. Laissez-faire

Answer _____

2. Which of the following incidents is most likely to be investigated by the Federal Communications Commission, which regulates interstate and international media communications?

- A. A cartoon station showing more than 12 minutes per hour of commercials on a Monday afternoon
- B. A consumer expressing concern about the correct calorie labeling on a candy bar
- C. A consumer questioning the percentage of salt content in food
- D. Two local gas stations colluding to set their gas prices

Answer _____

Competency 002—The teacher understands and applies basic economic principles.

3. A complementary relationship exists between

- A. synthetic oil and batteries.
- B. mechanical pencils and pens.

- C. peanut butter and jelly.
- D. ground coffee and tea.

Answer _____

4. A free enterprise system is also known as

- A. capitalism.
- B. democracy.
- C. socialism.
- D. monopoly.

Answer _____

5. Which of the following are the most important factors that influence the value of a nation's currency?

- A. GDP, imports, exports, and CPI
- B. Imports, GDP, immigration, and unemployment rate
- C. Unemployment rate, job availability, imports, and exports
- D. CPI, immigration, unemployment rate, and job availability

Answer _____

6. Exchange rates play a crucial role in a country's

- A. level of trade.
- B. trading venues.
- C. economic utility.
- D. innovative products.

Answer _____

Competency 003—The teacher understands and applies principles related to finances, accounting and mathematics in marketing and entrepreneurship.

7. Which of the following terms best describes the portion of a corporation's profits that is distributed to shareholders?

- A. Preferred stock
- B. Earned income
- C. Investments
- D. Dividends

Answer _____

8. Which of the following statement is most accurate concerning marketing and business plans?

- A. The business plan focuses on the business as a whole, including items such as the mission statement and financial plan, and the marketing plan focuses specifically on all marketing activities.
- B. The business plan focuses on certain aspects of the business, such as marketing activities such as product pricing, whereas a Marketing Plan focuses on the business as a whole.
- C. The business plan and the marketing plan are the same and can be used as interchangeable terms when discussing the business.
- D. The marketing plan focuses on employment, chain of command, and a company's mission statement, whereas a business plan focuses on sales and advertising.

Answer _____

9. The two main forms of accounting are

- A. managerial and financial.
- B. statement and financial.
- C. managerial and equity.
- D. financial and structural.

Answer _____

10. Which of the following is true about a warranty?

- A. A warranty must be written.
- B. A warranty is sometimes legally binding.
- C. A warranty is applicable only with products.
- D. The rules of a warranty are outlined in the UCC.

Answer _____

11. Which of the following is the objective of the operations section of a business plan?

- A. Summarizing goals and objectives
- B. Defining staffing requirements and daily procedures
- C. Defining the legal structure
- D. Justifying funding by identifying risks

Answer _____

Domain II—Marketing Principles

Competency 004—The teacher understands fundamental concepts, goals and strategies of marketing.

12. Which of the following statements about stratification and cluster sampling is true?

- A. Stratification divides a population into comparable groups, while clustering divides the population into unique groups.
- B. Stratification takes random samples from only some groups, while clustering takes random samples from every group.
- C. Stratification is more accurate than simple random sampling, while clustering is less accurate than simple random sampling.
- D. Stratification reduces the cost of sampling, while clustering is more expensive.

Answer _____

13. A company that allows a vendor's system to communicate directly with the company's inventory management system is using which of the following?

- A. Universal product codes
- B. A point of sale
- C. An electronic data interchange
- D. A data warehouse

Answer _____

14. A company primarily uses crowdsourcing for

- A. sales promotions.
- B. product development.
- C. market penetration.
- D. brand recognition.

Answer _____

15. Which of the following best describes Web log data mining?

- A. Managing risk associated with Web server activity
- B. Automatically analyzing customer activity on a Web log
- C. Storing a company's historical data
- D. Designing a collection of interlinked electronic documents

Answer _____

16. Which of the following statements best describes the power of hashtags as a marketing tool?

- A. They allow a business to control material linked to hashtags that the business created.
- B. They increase engagement in all demographic groups of customers and potential customers.
- C. They create searchable links that allow a business to organize content and track discussion topics.
- D. They are links that allow a business to send e-mail to anyone who uses a hashtag that the business created.

Answer _____

Competency 005—The teacher understands product and service planning, pricing and distribution.

17. Customers primarily visit an ice-cream store to see its old-time, hand-cranked method of production. Which of the following is the best pricing approach for the storeowner to use?

- A. Pricing the product based on the consumer's perceived value
- B. Pricing the product as cheaply as possible
- C. Using status quo pricing to meet the competition
- D. Using inelastic demand to price the product

Answer _____

18. Which of the following best describes a Brazilian company that sells production materials to a company based in the United States?

- A. A part of the supply chain
- B. A distribution center
- C. The inventory manager
- D. The manufacturing agent

Answer _____

- 1. Received cash from owner as investment, \$15,000.00
- 2. Paid cash for insurance, \$5,000.00
- 3. Bought supplies on account from Solar Supply, \$1,650.00
- 4. Paid cash on account to Solar Supply, \$1,600.00

19. Which of the following most accurately represents the result of the transactions above?

- A. \$1,600.00 Account Payable, Solar Supply, Liabilities
- B. \$5,000.00 Prepaid Insurance, Assets
- C. \$8,400.00 Cash, Assets
- D. \$1,650.00 Supplies, Owner's Equity

Answer _____

20. In a company that targets value-conscious customers, offering designer handbags indicates an error in which of the following?

- A. Product mix
- B. Open-to-buy policy
- C. Basic stock list
- D. Enterprise resource planning

Answer _____

Questions 21–22 refer to the following information.

An owner of a coffee bistro is implementing a pricing objective that encourages customer loyalty by offering free coffee after the purchase of a specific number of cups of coffee. In order to accomplish this pricing goal, the owner needs to know the break-even point. After gathering the data, the owner found that the variable costs to produce a cup of coffee is \$1.00, and fixed costs are \$60,000. Each cup of coffee is priced at \$2.50.

21. Which of the following amounts best represents the break-even point in units?

- A. 21,000
- B. 24,000
- C. 40,000
- D. 60,000

Answer _____

22. By offering a loyalty program, the owner of the bistro is primarily using which of the following types of pricing objectives?

- A. Maximizing profits
- B. Maintaining the status quo
- C. Targeted return on investment
- D. Maximizing market share

Answer _____

23. Which of the following is an example of a product-related decision in the marketing mix?

- A. Bundling
- B. Packaging
- C. Order processing
- D. Sales promotion

Answer _____

Competency 006—The teacher understands product promotion and the selling process.

24. Which of the following actions is the first step in initiating a new advertising campaign?

- A. Setting the advertising objective
- B. Identifying the target audience
- C. Creating the advertisements

D. Determining the budget

Answer _____

25. Which of the following types of advertising best describes an advertisement by a celebrity encouraging children to eat fresh fruits and vegetables?

- A. Word of mouth
- B. Product-focused advertising
- C. Public service announcement
- D. Reminder advertising

Answer _____

26. Which of the following is a term that describes a process that enables a customer to access information about product features and retail loyalty rewards by using a smartphone to read a 2-D bar code?

- A. Astroturfing
- B. Cloud computing
- C. Geotagging
- D. Mobile tagging

Answer _____

27. Businesses primarily seek publicity to develop which of the following?

- A. A working relationship with the media
- B. A positive perception of the business
- C. Awareness of the business's products or services
- D. A source of free advertising controlled by the business

Answer _____

Competency 007—The teacher understands and applies principles, concepts and techniques related to international business and marketing.

28. A basis for trade exists between two countries when one country has which of the following?

- A. Comparative advantage
- B. Export quota
- C. Opportunity cost
- D. Joint venture

Answer _____

29. Which of the following best accounts for the interdependence of nations?

- A. Governments monitor and control trade with foreign countries.
- B. Most countries do not produce all the goods and services they need.
- C. An unfavorable balance of trade reduces a nation's revenue and prosperity.
- D. Tariffs collected by importing countries often serve as a major source of revenue.

Answer _____

30. Which of the following describes the use of globalization as an international marketing strategy?

- A. Adapting products or promotions to each country in which a company does business
- B. Selling the same product using the same promotional methods in all countries
- C. Creating specially designed products or promotions for specific countries or regions
- D. Identifying countries that represent potential target markets for a company's products and promotions

Answer _____

31. Which of the following is the law of comparative advantage?

- A. A company will produce less and consume less of a good for which it has a comparative advantage.
- B. A company will produce more and consume less of a good for which it has a comparative advantage.
- C. A company will produce less and consume more of a good for which it has a comparative advantage.
- D. A company will produce more and consume more of a good for which it has a comparative advantage.

Answer _____

32. The population of industrialized nations is aging, while many developing countries have more youthful populations. Which of the following most accurately states what this trend will mean for the growth potential of an international business?

- A. Companies based in the United States will benefit from marketing their products to developed nations because the demographics are similar.
- B. Companies should focus on doing trade with countries that are members of the World Trade Organization so that products can be matched with demand.
- C. Companies based in the United States will benefit from marketing their products to developing countries since domestic companies have experience in identifying what families with children want and need.
- D. Companies with products appealing to retirees should focus on countries such as the United States and France, while those targeting families with children should focus on countries such as those in Africa and Latin America.

Answer _____

33. Which of the following is the outcome of a strengthening United States dollar?

- A. United States companies decrease their foreign operations.
- B. The cost of United States-made products increases relative to the cost of those of other countries.

- C. United States-made goods become more attractive in the global marketplace.
- D. The net income declines for United States companies that trade with other countries.

Answer _____

34. A teacher who encourages a safe classroom environment, in which differences in culture are viewed as positives rather than negatives, is demonstrating an understanding of which of the following business principles?

- A. The uniformity of cultures in today's market
- B. The potential impact of publicity on a product
- C. The impact of cultural and social environments
- D. The risks involved in entering unfamiliar markets

Answer _____

Domain III—Business Communication, Problem Solving and Technology

Competency 008—The teacher understands basic elements of effective business communication and problem solving.

35. A consumer purchases the same breakfast sandwich daily from the same restaurant. The sandwich consists of egg, cheese, and bacon on a whole-wheat bun. Today, the price of the whole-wheat sandwich has risen by ten cents. The consumer chooses to have the sandwich made with sourdough bread instead. In this case, the whole-wheat and sourdough buns are primarily considered to be

- A. complementary goods.
- B. normal goods.
- C. superior goods.
- D. substitute goods.

Answer _____

36. Forecasting is an important part of the sales management process because it enables companies to

- A. analyze past sales.
- B. identify the optimal time for launching a new product.
- C. estimate employee compensation for the upcoming year.
- D. solicit employee opinion of company performance over the past year.

Answer _____

Competency 009—The teacher understands the use of technology, the Internet and e-commerce in the marketing aspects of business.

37. As part of an effort to improve inventory movement, the owner of a large manufacturing plant uses radio-frequency identification tags to track the location of items. Which of the following business areas is most affected by this type of technology?

- A. Account management
- B. Operations
- C. Finance
- D. Human Resources

Answer _____

38. Which of the following technology applications is best to use for forecasting and performing calculations?

- A. Database
- B. Spreadsheet
- C. Presentation
- D. Word processor

Answer _____

39. A fraudulent e-mail that seeks to verify personal information is an example of

- A. spam.
- B. crowdsourcing.
- C. data mining.
- D. phishing.

Answer _____

40. Which of the following best describes an employee who prepares the content and layout of a Web site, including music clips, team photos, fan photos, testimonials, and other features that enhance the consumer experience?

- A. A copywriter
- B. A systems analyst
- C. A designer
- D. A brand manager

Answer _____

41. Which of the following methods of publicizing an opinion article about healthy food choices most effectively increases a restaurant's store traffic?

- A. E-mailing the article to current restaurant customers
- B. Publishing the article on the restaurant's Web site
- C. Displaying the article in the restaurant
- D. Posting the article on a public blog about local restaurants

Answer _____

Domain IV—Marketing Education Program

Competency 010—The teacher knows how to organize and manage an effective Marketing Education program and how to work with others to support the program.

42. Which of the following is the most important reason for an employer to implement a work-based learning program for high school students?

- A. To access a new group of potential employees
- B. To participate in education within the community
- C. To become part of an advisory group with the program
- D. To develop a curriculum for training younger employees

Answer _____

43. The Distributive Education Clubs of America (DECA) sponsor is assisting a company that will help students learn how to effectively operate a school store. As part of the required training plans, which of the following activities will best prepare the students for this venture?

- A. Participating in team-building games
- B. Taking part in on-the-job coaching
- C. Designing store logos
- D. Researching management styles

Answer _____

Competency 011—The teacher understands how to promote student development and assist students in career planning and work-based learning.

44. Which of the following is the best reason for beginning a job-shadowing program for high school students?

- A. To show students good work ethics and communication skills
- B. To provide students with experience working in a career interest
- C. To build good rapport with those in the community
- D. To assess students' aptitudes and skill levels in the workplace

Answer _____

45. When encouraging students in the Distributive Education Clubs of America (DECA) to connect with businesspersons in marketing, it is most important for the teacher to

- A. include business persons as part of an advisory committee.
- B. share the business plans of the marketing business with students.
- C. develop a newsletter to send to marketing businesses.
- D. allow students to interview a business person about a job.

Answer _____

Competency 012—The teacher knows how to plan and implement effective and appropriate instruction and student assessment.

46. Which of the following academic disciplines should be integrated into a discussion about the benefits of an ergonomically correct keyboard design?

- A. Mathematics
- B. Science
- C. Social studies
- D. Language arts

Answer _____

47. Which of the following instructional strategies best models a common business practice that engages students?

- A. Simulation
- B. Role-playing
- C. Brainstorming
- D. Journal writing

Answer _____

48. A teacher who wants to evaluate student progress using a performance-based approach should choose which of the following assessment methods?

- A. Matching questions
- B. True-false questions
- C. Open-ended questions
- D. Multiple-choice questions

Answer _____

49. Which of the following strategies best allows a teacher to work effectively with a classroom of students who have diverse backgrounds?

- A. Lecture-centered instruction
- B. Demonstration-centered instruction
- C. Differentiated instruction
- D. Teacher-centered instruction

Answer _____

50. A sports-marketing teacher designs a unit on sponsorship and would like to use a performance-based assessment to evaluate student learning of the objective. Which of the following assessments is most appropriate for this purpose?

- A. Students research sponsorship contracts of a major sports franchise.
- B. Students aid a local sports team in acquiring sponsors and contracts.

C. Students write a research paper about how sponsorships benefit sports.

D. Students compare and contrast current school sports sponsors.

Answer _____

Preparation Manual

Section 4: Sample Selected-Response Answers and Rationales Marketing 6–12 (275)

This section presents some sample exam questions for you to review as part of your preparation for the exam. To demonstrate how each competency may be assessed, sample questions are accompanied by the competency that they measure. While studying, you may wish to read the competency before and after you consider each sample question. Please note that the competency statements do not appear on the actual exam.

For each sample exam question, there is a correct answer and a rationale for each answer option. The sample questions are included to illustrate the formats and types of questions you will see on the exam; however, your performance on the sample questions should not be viewed as a predictor of your performance on the actual exam.

Domain I—Foundations of Marketing

Competency 001—The teacher understands business organization, management and concepts.

1. One of a small bakery's best customers orders a thousand chocolate croissants to be delivered in three days. To meet this deadline, the manager demands that the employees just follow instructions, without any input or discussion. This is an example of which of the following management styles?

- A. Autocratic
- B. Democratic
- C. Participative
- D. Laissez-faire

Answer

Option A is correct because the baker is taking control of the situation to make sure that the job gets completed on time. **Option B is incorrect** because the democratic leader is a facilitator who encourages discussion and the free flow of ideas. **Option C is incorrect** because participative management allows employees to take responsibility, accountability, and authority over work done for a company. **Option D is incorrect** because the laissez-faire or free-rein style is when subordinates are not directly supervised and instead must function on their own and prove their worth through accomplishments.

2. Which of the following incidents is most likely to be investigated by the Federal Communications Commission, which regulates interstate and international media communications?

- A. A cartoon station showing more than 12 minutes per hour of commercials on a Monday afternoon
- B. A consumer expressing concern about the correct calorie labeling on a candy bar
- C. A consumer questioning the percentage of salt content in food
- D. Two local gas stations colluding to set their gas prices

Answer

Option A is correct because the Federal Communications Commission (FCC) regulates media advertising. The FCC regulates commercial television stations and cable operators, which must limit the amount of advertising

during children's programming to 10.5 minutes per hour on weekends and to 12 minutes per hour on weekdays. **Options B and C are incorrect** because the Food and Drug Administration monitors advertising on food packages and advertisements for medicines. **Option D is incorrect** because the Federal Trade Commission has the dual mission of protecting consumers and promoting competition.

Competency 002—The teacher understands and applies basic economic principles.

3. A complementary relationship exists between

- A. synthetic oil and batteries.
- B. mechanical pencils and pens.
- C. peanut butter and jelly.
- D. ground coffee and tea.

Answer

Option C is correct because peanut butter and jelly have a relationship in that the demand for peanut butter can affect the demand for jelly. **Option A is incorrect** because oil and batteries have no demand relationship with each other. **Option B is incorrect** because mechanical pencils and pens have no demand relationship with each other. **Option D is incorrect** because the demand for coffee does not affect the demand for tea.

4. A free enterprise system is also known as

- A. capitalism.
- B. democracy.
- C. socialism.
- D. monopoly.

Answer

Option A is correct because a free enterprise system is also known as capitalism. **Option B is incorrect** because even though a democracy is usually involved, it is not another word for a free enterprise system. **Option C is incorrect** because socialism is not a free enterprise system. **Option D is incorrect** because a monopoly is not a type of economic system.

5. Which of the following are the most important factors that influence the value of a nation's currency?

- A. GDP, imports, exports, and CPI
- B. Imports, GDP, immigration, and unemployment rate
- C. Unemployment rate, job availability, imports, and exports
- D. CPI, immigration, unemployment rate, and job availability

Answer

Option A is correct because the GDP or gross domestic product, imports, exports, and CPI, or consumer price index are all factors that influence the value of a nation's currency. **Option B is incorrect** because immigration and unemployment do not influence a nation's currency directly. **Option C is incorrect** because unemployment rate and job availability are not influential factors on the value of a nation's currency. **Option D is incorrect** because immigration, job availability, and unemployment do not influence a nation's currency directly.

6. Exchange rates play a crucial role in a country's

- A. level of trade.
- B. trading venues.
- C. economic utility.
- D. innovative products.

Answer

Option A is correct because exchange rates are vital in determining the level of trade one country carries out with another. **Option B is incorrect** because a trading venue is a place where buyers and sellers of securities go to trade. **Option C is incorrect** because economic utility is the total satisfaction received from consuming a good or service. **Option D is incorrect** because exchange rates do not play a role in innovative products.

Competency 003—The teacher understands and applies principles related to finances, accounting and mathematics in marketing and entrepreneurship.

7. Which of the following terms best describes the portion of a corporation's profits that is distributed to shareholders?

- A. Preferred stock
- B. Earned income
- C. Investments
- D. Dividends

Answer

Option D is correct because dividends are after-tax profits that are distributed in the form of money to a corporation's shareholders based on the number of shares of stocks and the class of stock held by each shareholder. **Option A is incorrect** because preferred stock is a class of stock (shares) that pays fixed and regular interest income instead of a dividend. **Option B is incorrect** because earned income is derived from goods sold, services rendered, and work performed. **Option C is incorrect** because investments involve money committed to or property acquired for future income.

8. Which of the following statement is most accurate concerning marketing and business plans?

- A. The business plan focuses on the business as a whole, including items such as the mission statement and financial plan, and the marketing plan focuses specifically on all marketing activities.
- B. The business plan focuses on certain aspects of the business, such as marketing activities such as product pricing, whereas a Marketing Plan focuses on the business as a whole.
- C. The business plan and the marketing plan are the same and can be used as interchangeable terms when discussing the business.
- D. The marketing plan focuses on employment, chain of command, and a company's mission statement, whereas a business plan focuses on sales and advertising.

Answer

Option A is correct because the business plan focuses on the entire business as a whole, whereas the marketing plan focuses on specific marketing activities. **Option B is incorrect** because the business plan focuses on the

entire business as a whole and the marketing plan focuses on all marketing activities. **Option C is incorrect** because the marketing plan is a portion of the business plan; however, they are not the same thing. **Option D is incorrect** because the marketing plan focuses on marketing activities such as sales and advertising, and the business plan focuses on employment, mission statements, and chain of command.

9. The two main forms of accounting are

- A. managerial and financial.
- B. statement and financial.
- C. managerial and equity.
- D. financial and structural.

Answer

Option A is correct because managerial and financial are the two main forms of accounting. **Option B is incorrect** because statement is not a form of accounting. **Option C is incorrect** because equity is not a form of accounting. **Option D is incorrect** because structural is not a form of accounting.

10. Which of the following is true about a warranty?

- A. A warranty must be written.
- B. A warranty is sometimes legally binding.
- C. A warranty is applicable only with products.
- D. The rules of a warranty are outlined in the UCC.

Answer

Option D is correct because the rules of a warranty are outlined in the UCC, or Uniform Commercial Code. **Option A is incorrect** because a warranty can either be written or implied. **Option B is incorrect** because a warranty, either written or implied, is legally binding. **Option C is incorrect** because warranties can be used with both products and services.

11. Which of the following is the objective of the operations section of a business plan?

- A. Summarizing goals and objectives
- B. Defining staffing requirements and daily procedures
- C. Defining the legal structure
- D. Justifying funding by identifying risks

Answer

Option B is correct because the operations section of the business plan is there to explain the personnel procedures of the business, as well as, how the business will run from day to day. **Option A is incorrect** because summarizing the goals and objectives of the business should be done in the concluding statement of the business plan. **Option C is incorrect** because the legal structure of the business should be identified in the introduction part of the business plan. **Option D is incorrect** because any request for funding of the business should be done in the financial portion of the business plan.

Domain II—Marketing Principles

Competency 004—The teacher understands fundamental concepts, goals and strategies of marketing.

12. Which of the following statements about stratification and cluster sampling is true?

- A. Stratification divides a population into comparable groups, while clustering divides the population into unique groups.
- B. Stratification takes random samples from only some groups, while clustering takes random samples from every group.
- C. Stratification is more accurate than simple random sampling, while clustering is less accurate than simple random sampling.
- D. Stratification reduces the cost of sampling, while clustering is more expensive.

Answer

Option C is correct because stratification divides the population into groups that are different from each other and then samples from each one of those groups. **Option A is incorrect** because clustering divides a population into comparable groups, while stratification divides the population into unique groups. **Option B is incorrect** because clustering takes random samples from only some groups, while stratification takes random sampling from every group. **Option D is incorrect** because clustering reduces the cost of sampling, while stratification is more expensive.

13. A company that allows a vendor's system to communicate directly with the company's inventory management system is using which of the following?

- A. Universal product codes
- B. A point of sale
- C. An electronic data interchange
- D. A data warehouse

Answer

Option C is correct because an electronic data interchange involves different types of technology communicating with each other rather than human contact in the ordering process. **Option A is incorrect** because a universal product code is the barcode attached to product packaging. **Option B is incorrect** because the point of sale is where the sale actually occurs and ownership of the product moves from the seller to the buyer. **Option D is incorrect** because a data warehouse is a massive database serving as a centralized repository of all data generated by all departments and units of a large organization.

14. A company primarily uses crowdsourcing for

- A. sales promotions.
- B. product development.
- C. market penetration.
- D. brand recognition.

Answer

Option B is correct because crowdsourcing allows companies to gain insight into customers' wants and needs so that they can develop products that their customers will use. **Option A is incorrect** because sales promotion is the stimulation of sales through contests, demonstrations, discounts, giveaways, special offers, and other similar activities that do not require crowdsourcing. **Option C is incorrect** because market penetration is the activity of increasing market share through strategies such as bundling, advertising, lowering prices, and implementing volume discounts — none of which requires crowdsourcing. **Option D is incorrect** because brand recognition is consumer awareness of a particular brand.

15. Which of the following best describes Web log data mining?

- A. Managing risk associated with Web server activity
- B. Automatically analyzing customer activity on a Web log
- C. Storing a company's historical data
- D. Designing a collection of interlinked electronic documents

Answer

Option B is correct because data mining is automated, and it examines customer activity on a Web log. **Option A is incorrect** because Web log data mining is not concerned with server security. **Option C is incorrect** because a data warehouse contains a company's historical data. **Option D is incorrect** because Web log data mining does not involve the design of Web pages.

16. Which of the following statements best describes the power of hashtags as a marketing tool?

- A. They allow a business to control material linked to hashtags that the business created.
- B. They increase engagement in all demographic groups of customers and potential customers.
- C. They create searchable links that allow a business to organize content and track discussion topics.
- D. They are links that allow a business to send e-mail to anyone who uses a hashtag that the business created.

Answer

Option C is correct because hashtags do create searchable links, and they do allow the associated content to be organized. **Option A is incorrect** because anyone can link their text to a hashtag, and businesses cannot control the material. **Option B is incorrect** because not all demographic groups are routine users of hashtags. **Option D is incorrect** because hashtags do not link to e-mail addresses.

Competency 005—The teacher understands product and service planning, pricing and distribution.

17. Customers primarily visit an ice-cream store to see its old-time, hand-cranked method of production. Which of the following is the best pricing approach for the storeowner to use?

- A. Pricing the product based on the consumer's perceived value
- B. Pricing the product as cheaply as possible
- C. Using status quo pricing to meet the competition
- D. Using inelastic demand to price the product

Answer

Option A is correct because the price is based on the value of the product to the consumer. **Option B is incorrect** because pricing the product as low as possible can indicate poor quality to a consumer. **Option C is incorrect** because status quo pricing is an approach that aims at keeping things as they are by not trying to grab a larger market share, thus avoiding direct and expensive confrontation with the competitors. **Option D is incorrect** because inelastic demand is a situation in which the demand for a product does not increase or decrease correspondingly with a fall or rise in its price.

18. Which of the following best describes a Brazilian company that sells production materials to a company based in the United States?

- A. A part of the supply chain
- B. A distribution center
- C. The inventory manager
- D. The manufacturing agent

Answer

Option A is correct because the Brazilian company is supplying a piece of the product and is part of the chain that creates the product. **Option B is incorrect** because a distribution center is a warehouse that temporarily stores goods to be shipped to retail stores. **Option C is incorrect** because inventory management tracks pieces and parts to maintain the optimum number of items. **Option D is incorrect** because the manufacturing agent carries noncompetitive but complementary products from several manufacturers for distribution along the same channels or to the same customers.

1. Received cash from owner as investment, \$15,000.00
2. Paid cash for insurance, \$5,000.00
3. Bought supplies on account from Solar Supply, \$1,650.00
4. Paid cash on account to Solar Supply, \$1,600.00

19. Which of the following most accurately represents the result of the transactions above?

- A. \$1,600.00 Account Payable, Solar Supply, Liabilities
- B. \$5,000.00 Prepaid Insurance, Assets
- C. \$8,400.00 Cash, Assets
- D. \$1,650.00 Supplies, Owner's Equity

Answer

Option B is correct because Prepaid Insurance is classified as an Asset for an item in advance of its usage, the Solar Supply transactions net each other out, and the investment is not considered a short-term asset. **Option A is incorrect** because the number being calculated is not a negative amount, and the funds are not liabilities. **Option C is incorrect** because an amount of \$5,000 was subtracted for cash, which should have resulted in a balance of \$10,000 (the line item for cash), not in a balance of \$8,400.00. **Option D is incorrect** because Supplies is not being affected at this time with the Prepaid Insurance transaction.

20. In a company that targets value-conscious customers, offering designer handbags indicates an error in which of the following?

- A. Product mix
- B. Open-to-buy policy
- C. Basic stock list
- D. Enterprise resource planning

Answer

Option A is correct because a product mix includes all the different products that a company sells, and it should be consistent with the company's business image and customer needs. **Option B is incorrect** because open-to-buy is the amount of money left for buying goods after all purchases received and all purchases on order have been taken into account. **Option C is incorrect** because a basic stock list is used for staple items that should always be in stock. **Option D is incorrect** because enterprise resource planning software integrates all parts of a company's business management.

Questions 21–22 refer to the following information.

An owner of a coffee bistro is implementing a pricing objective that encourages customer loyalty by offering free coffee after the purchase of a specific number of cups of coffee. In order to accomplish this pricing goal, the owner needs to know the break-even point. After gathering the data, the owner found that the variable costs to produce a cup of coffee is \$1.00, and fixed costs are \$60,000. Each cup of coffee is priced at \$2.50.

21. Which of the following amounts best represents the break-even point in units?

- A. 21,000
- B. 24,000
- C. 40,000
- D. 60,000

Answer

Option C is correct because the break-even formula in units is $BE = 60,000 / (\$2.50 - \$1.00) = 40,000$. **Option A is incorrect** because the number represents $BE = 60,000 * (\$.250 + .100) = 21,000$. **Option B is incorrect** because the number represents $BE = 60,000 / \$2.50 = 24,000$. **Option D is incorrect** because the number represents $BE = 60,000 / \$1.00 = 60,000$.

22. By offering a loyalty program, the owner of the bistro is primarily using which of the following types of pricing objectives?

- A. Maximizing profits
- B. Maintaining the status quo

- C. Targeted return on investment
- D. Maximizing market share

Answer

Option A is correct because implementing a loyalty program will encourage more purchases from loyal customers, which increases sales. **Option B is incorrect** because maintaining the status quo is a pricing objective that maintains current price levels or meets the price levels of the competition. **Option C is incorrect** because targeting a return on investment objective is one way of considering profits in relation to capital invested. **Option D is incorrect** because maximizing market share is a pricing objective that increases sales volume in a market captured by a brand, product, or company.

23. Which of the following is an example of a product-related decision in the marketing mix?

- A. Bundling
- B. Packaging
- C. Order processing
- D. Sales promotion

Answer

Option B is correct because a decision about packaging for a tangible, physical product may enhance its appeal toward the target market. **Option A is incorrect** because the choice to bundle is a decision that influences price. **Option C is incorrect** because order processing is part of the distribution and logistics and eventually influences the final shelf placement of items to be sold. **Option D is incorrect** because sales promotions are part of the communication that persuades the consumer to consider one product instead of another.

Competency 006—The teacher understands product promotion and the selling process.

24. Which of the following actions is the first step in initiating a new advertising campaign?

- A. Setting the advertising objective
- B. Identifying the target audience
- C. Creating the advertisements
- D. Determining the budget

Answer

Option B is correct because identifying the target market to understand the audience and its needs should be the first step in an advertising campaign. **Option A is incorrect** because setting the objective is the second step in the process. The objective cannot be set until it is known who the audience is and what the outcome should be. **Option C is incorrect** because creating the advertisements comes later in the process so that the ads appeal to the target market. **Option D is incorrect** because budgeting is the third step and must come after determining the objective. The budget cannot be set until the desired final outcome of the project is known.

25. Which of the following types of advertising best describes an advertisement by a celebrity encouraging children to eat fresh fruits and vegetables?

- A. Word of mouth
- B. Product-focused advertising
- C. Public service announcement
- D. Reminder advertising

Answer

Option C is correct because this is a type of ad that relays and promotes a message of public interest. **Option A is incorrect** because word of mouth is a casual social interaction with family and friends to promote a product. **Option B is incorrect** because product focused advertising primarily showcases only the product. **Option D is incorrect** because reminder advertising is a brief message designed to keep a familiar product in the mind of the consumer.

26. Which of the following is a term that describes a process that enables a customer to access information about product features and retail loyalty rewards by using a smartphone to read a 2-D bar code?

- A. Astroturfing
- B. Cloud computing
- C. Geotagging
- D. Mobile tagging

Answer

Option D is correct because mobile tagging is identifying visually marked products and places with a smartphone. The two-dimensional bar code is activated when users capture it with the camera on a mobile device, and the tag code usually directs the user to online resources and information. **Option A is incorrect** because astroturfing is the artificial creation of a fake grassroots campaign used to create the impression of a real buzz around a product, service, or idea. **Option B is incorrect** because cloud computing is the storing and accessing of data and programs over remote networks on the internet. **Option C is incorrect** because geotagging is the process of adding location-based metadata to various media.

27. Businesses primarily seek publicity to develop which of the following?

- A. A working relationship with the media
- B. A positive perception of the business
- C. Awareness of the business's products or services
- D. A source of free advertising controlled by the business

Answer

Option B is correct because the main goal of publicity is to develop a positive perception of an organization. **Option A is incorrect** because it is the goal of public relations, not publicity, to develop positive relations with reporters. **Option C is incorrect** because developing an awareness of a business's products or services it receives is the function of advertising. **Option D is incorrect** because a business cannot control the publicity it receives, and it is not the goal of publicity to develop a source of free advertising.

Competency 007—The teacher understands and applies principles, concepts and techniques related to international business and marketing.

28. A basis for trade exists between two countries when one country has which of the following?

- A. Comparative advantage
- B. Export quota
- C. Opportunity cost
- D. Joint venture

Answer

Option A is correct because the scenario describes the ability of one country to efficiently produce a good better than another country. **Option B is incorrect** because an export quota is a restriction imposed on its own exports by a country, either voluntarily or on the behest of other countries. **Option C is incorrect** because opportunity cost is a benefit, profit, or value of something that must be given up to acquire or achieve something else. **Option D is incorrect** because a joint venture is a new firm formed to achieve specific objectives of a partnership such as a temporary arrangement between two or more firms.

29. Which of the following best accounts for the interdependence of nations?

- A. Governments monitor and control trade with foreign countries.
- B. Most countries do not produce all the goods and services they need.
- C. An unfavorable balance of trade reduces a nation's revenue and prosperity.
- D. Tariffs collected by importing countries often serve as a major source of revenue.

Answer

Option B is correct because countries need goods and services from other nations to satisfy demand, and this causes interdependence. **Option A is incorrect** because government monitoring of trade does not cause the interdependence of nations. **Option C is incorrect** because while a true statement, an unfavorable balance of trade does not cause the interdependence of nations. **Option D is incorrect** because while tariffs do serve as a source of revenue for countries, they do not cause the interdependence of nations.

30. Which of the following describes the use of globalization as an international marketing strategy?

- A. Adapting products or promotions to each country in which a company does business
- B. Selling the same product using the same promotional methods in all countries
- C. Creating specially designed products or promotions for specific countries or regions
- D. Identifying countries that represent potential target markets for a company's products and promotions

Answer

Option B is correct because when a company identifies a common need across cultures, it can sell the same product with the same promotions, which is an international marketing strategy known as globalization. **Option A is incorrect** because the answer describes the adaptation marketing strategy. **Option C is incorrect** because the answer describes the customization marketing strategy. **Option D is incorrect** because determining potential markets is not an international marketing strategy.

31. Which of the following is the law of comparative advantage?

- A. A company will produce less and consume less of a good for which it has a comparative advantage.
- B. A company will produce more and consume less of a good for which it has a comparative advantage.
- C. A company will produce less and consume more of a good for which it has a comparative advantage.
- D. A company will produce more and consume more of a good for which it has a comparative advantage.

Answer

Option B is correct because that is the law of comparative advantage. **Option A is incorrect** because producing and consuming less is not the law. **Option C is incorrect** because producing less and consuming more is not the law. **Option D is incorrect** because producing and consuming more is not the law.

32. The population of industrialized nations is aging, while many developing countries have more youthful populations. Which of the following most accurately states what this trend will mean for the growth potential of an international business?

- A. Companies based in the United States will benefit from marketing their products to developed nations because the demographics are similar.
- B. Companies should focus on doing trade with countries that are members of the World Trade Organization so that products can be matched with demand.
- C. Companies based in the United States will benefit from marketing their products to developing countries since domestic companies have experience in identifying what families with children want and need.
- D. Companies with products appealing to retirees should focus on countries such as the United States and France, while those targeting families with children should focus on countries such as those in Africa and Latin America.

Answer

Option D is correct because it is a valid application of the stated trend. **Option A is incorrect** because marketing products to countries with similar demographics is not a valid application of the stated trend. **Option B is incorrect** because the WTO makes rules governing international trade, not matching products with demand, and is not a valid application of the stated trend. **Option C is incorrect** because marketing products that were successful in one culture may not be successful in another culture, and the answer is not a valid application of the stated trend.

33. Which of the following is the outcome of a strengthening United States dollar?

- A. United States companies decrease their foreign operations.
- B. The cost of United States-made products increases relative to the cost of those of other countries.
- C. United States-made goods become more attractive in the global marketplace.
- D. The net income declines for United States companies that trade with other countries.

Answer

Option B is correct because United States goods cost comparatively more in foreign countries when the dollar is strong. **Option A is incorrect** because companies often increase their foreign operations when the dollar is strong because they will pay comparatively less for that country's goods and/or services. **Option C is incorrect** because United States goods are less attractive in the foreign marketplace because they cost more in foreign currency. **Option D is incorrect** because United States companies experience a drop in net income when the dollar weakens in value.

34. A teacher who encourages a safe classroom environment, in which differences in culture are viewed as positives rather than negatives, is demonstrating an understanding of which of the following business principles?

- A. The uniformity of cultures in today's market
- B. The potential impact of publicity on a product
- C. The impact of cultural and social environments
- D. The risks involved in entering unfamiliar markets

Answer

Option C is correct because the teacher understands how valuable cultural differences can be in teaching students international trade. **Option A is incorrect** because not all cultures are uniform; they are diverse. **Option B is incorrect** because the teacher is not publicizing a product. **Option D is incorrect** because the teacher is not entering an unfamiliar market.

Domain III—Business Communication, Problem Solving and Technology

Competency 008—The teacher understands basic elements of effective business communication and problem solving.

35. A consumer purchases the same breakfast sandwich daily from the same restaurant. The sandwich consists of egg, cheese, and bacon on a whole-wheat bun. Today, the price of the whole-wheat sandwich has risen by ten cents. The consumer chooses to have the sandwich made with sourdough bread instead. In this case, the whole-wheat and sourdough buns are primarily considered to be

- A. complementary goods.
- B. normal goods.
- C. superior goods.
- D. substitute goods.

Answer

Option D is correct because the buns can replace one another. **Option A is incorrect** because complementary goods are interconnected with the use of an associated good such that a demand for one generates demand for the other. **Option B is incorrect** because normal goods are goods for which demand increases as consumer income rises but at a rate slower than the rate of increase in income. Normal goods are also defined as goods for which the income elasticity of demand is positive but is less than one. **Option C is incorrect** because superior goods are items for which demand increases as income increases. Unlike a normal good, the income elasticity of demand for a superior good is always above one. Superior goods are always expensive and often are relatively scarce or harder to come by. Superior goods are purchased in place of a lesser-quality item, therefore making up a larger proportion of consumption as income increases.

36. Forecasting is an important part of the sales management process because it enables companies to

- A. analyze past sales.
- B. identify the optimal time for launching a new product.
- C. estimate employee compensation for the upcoming year.
- D. solicit employee opinion of company performance over the past year.

Answer

Option B is correct because forecasting helps a company understand the best time to introduce a new product into the market. **Option A is incorrect** because forecasting is looking forward based on past sales. **Option C is incorrect** because forecasting is not directly related to employee pay. **Option D is incorrect** because forecasting is not based on employees' opinions.

Competency 009—The teacher understands the use of technology, the Internet and e-commerce in the marketing aspects of business.

37. As part of an effort to improve inventory movement, the owner of a large manufacturing plant uses radio-frequency identification tags to track the location of items. Which of the following business areas is most affected by this type of technology?

- A. Account management
- B. Operations
- C. Finance
- D. Human Resources

Answer

Option B is correct because radio-frequency identification (RFID) tags affect the operations of businesses because it is a unique identifier that can track items in real-time. **Option A is incorrect** because account management refers to managing clients and is not directly impacted by RFID tags. **Option C is incorrect** because finance is not directly impacted by RFID tags. **Option D is incorrect** because RFID tags are used for the management of items, and Human Resources is a departmental area concerned with the hiring and administration of people.

38. Which of the following technology applications is best to use for forecasting and performing calculations?

- A. Database
- B. Spreadsheet
- C. Presentation
- D. Word processor

Answer

Option B is correct because a spreadsheet is the most effective way to make calculations and display numbers. **Option A is incorrect** because a database is used for organizing information, not making calculations. **Option C is incorrect** because a presentation does not make calculations. **Option D is incorrect** because a word processor does not make calculations or display numbers in the most effective way.

39. A fraudulent e-mail that seeks to verify personal information is an example of

- A. spam.
- B. crowdsourcing.
- C. data mining.
- D. phishing.

Answer

Option D is correct because phishing is attempting to acquire a consumer's personal information. **Option A is incorrect** because spam is mass mailing over the Internet by sending promotional messages to practically everyone whose email address is known, without asking for anyone's permission. **Option B is incorrect** because crowdsourcing is the outsourcing of job functions to groups of people who operate independently and who are willing to provide their services in exchange for experience, recognition, or low rates of pay. **Option C is incorrect** because data mining is sifting through very large amounts of data for useful information.

40. Which of the following best describes an employee who prepares the content and layout of a Web site, including music clips, team photos, fan photos, testimonials, and other features that enhance the consumer experience?

- A. A copywriter
- B. A systems analyst
- C. A designer
- D. A brand manager

Answer

Option C is correct because a designer is focused on how the website looks and operates for the consumer. **Option A is incorrect** because a copywriter is a professional who composes headings, sub-headings, and body copy of advertisements, brochures, catalogs, direct mail offers, product literature, etc. **Option B is incorrect** because a systems analyst is charged with verifying and validating that all the components of the system meet customer requirements. **Option D is incorrect** because a brand manager collaborates with the creative services for catalog layouts and the proofing process, and also participates as an integral partner with visual, merchandising, sourcing, and catalog to ensure that market- and company-specific strategies are communicated and executed efficiently.

41. Which of the following methods of publicizing an opinion article about healthy food choices most effectively increases a restaurant's store traffic?

- A. E-mailing the article to current restaurant customers
- B. Publishing the article on the restaurant's Web site
- C. Displaying the article in the restaurant
- D. Posting the article on a public blog about local restaurants

Answer

Option D is correct because publishing in a forum like a blog would potentially reach a larger audience. **Option A is incorrect** because an email to current customers is not a public forum like a blog that many people can view. **Option B is incorrect** because, although the restaurant's Web site will have information on location, menu or discounts, it will reach only those looking at the Web page. **Option C is incorrect** because only current customers would see an article that is posted in the restaurant; even then, not many would read it.

Domain IV—Marketing Education Program

Competency 010—The teacher knows how to organize and manage an effective Marketing Education program and how to work with others to support the program.

42. Which of the following is the most important reason for an employer to implement a work-based learning program for high school students?

- A. To access a new group of potential employees
- B. To participate in education within the community
- C. To become part of an advisory group with the program
- D. To develop a curriculum for training younger employees

Answer

Option A is correct because offering a work-based learning program gives an employer a new group of potential employees who are looking to train and work for the company. **Option B is incorrect** because participating in the education of those within the community would only help public relations, not the entire company as a whole. **Option C is incorrect** because being with an advisory group would most benefit the school, not necessarily the employer. **Option D is incorrect** because the curriculum should be the same for any age employee, school age or not.

43. The Distributive Education Clubs of America (DECA) sponsor is assisting a company that will help students learn how to effectively operate a school store. As part of the required training plans, which of the following activities will best prepare the students for this venture?

- A. Participating in team-building games
- B. Taking part in on-the-job coaching
- C. Designing store logos
- D. Researching management styles

Answer

Option D is correct because researching management styles helps student managers determine how they will make decisions and relate to subordinates. **Option A is incorrect** because team-building games help facilitate group work norms. **Option B is incorrect** because on-the-job coaching cannot happen until the students are actually operating the store. **Option C is incorrect** because designing store logos will not help the students learn how to manage a school store.

Competency 011—The teacher understands how to promote student development and assist students in career planning and work-based learning.

44. Which of the following is the best reason for beginning a job-shadowing program for high school students?

- A. To show students good work ethics and communication skills
- B. To provide students with experience working in a career interest
- C. To build good rapport with those in the community
- D. To assess students' aptitudes and skill levels in the workplace

Answer

Option B is correct because job shadowing will allow the students to explore a career that interests them and give them an opportunity to see what the job is like. Shadowing allows a student to spend a few hours or a day with a professional working in the student's area interest. **Option A is incorrect** because although a student may

be job shadowing, he or she may not be shown good work ethics and communication skills. **Option C is incorrect** because having students do job shadowing may not necessarily build a good rapport with the community. **Option D is incorrect** because students who are job shadowing will not actually be doing all the work, and therefore, it would be hard to gain a good assessment of a student's aptitudes and skill levels in the workplace.

45. When encouraging students in the Distributive Education Clubs of America (DECA) to connect with businesspersons in marketing, it is most important for the teacher to

- A. include business persons as part of an advisory committee.
- B. share the business plans of the marketing business with students.
- C. develop a newsletter to send to marketing businesses.
- D. allow students to interview a business person about a job.

Answer

Option A is correct because involving businesspersons in advisory roles of DECA can promote meaningful, relevant learning. **Option B is incorrect** because sharing business plans would only aid as a reference for DECA; it would not help the student connect with the businessperson. **Option C is incorrect** because creating a newsletter for business would only give information; it would not directly connect students and businesspersons. **Option D is incorrect** because although the students would be learning about the businessperson and the business, an interview alone will not connect the student and the businessperson. Further steps will need to be taken following the interview.

Competency 012—The teacher knows how to plan and implement effective and appropriate instruction and student assessment.

46. Which of the following academic disciplines should be integrated into a discussion about the benefits of an ergonomically correct keyboard design?

- A. Mathematics
- B. Science
- C. Social studies
- D. Language arts

Answer

Option B is correct because ergonomics is the scientific study of humans in the workplace. **Option A is incorrect** because mathematics is the study of numbers, quantity, and space. **Option C is incorrect** because social studies is the study of social relationships and the functioning of society and is usually made up of courses from history, government, economics, civics, sociology, geography, and anthropology. **Option D is incorrect** because language arts is the study of grammar, composition, spelling, and (sometimes) public speaking and is typically taught as a single subject in elementary and middle school.

47. Which of the following instructional strategies best models a common business practice that engages students?

- A. Simulation
- B. Role-playing
- C. Brainstorming
- D. Journal writing

Answer

Option C is correct because brainstorming is a common business practice where employees generate creative ideas and solutions through intensive and freewheeling group discussion. Brainstorming is also an instructional strategy that can be used in the classroom. **Option A is incorrect** because a simulation is a form of experiential learning. Simulations are instructional scenarios where the learner is placed in a world defined by the teacher. The business world is the real world and by nature not a simulation. This is not the best strategy for modeling a common business practice. **Option B is incorrect** because role-playing allows students to take risk-free positions by acting out characters in hypothetical situations. This is not the best strategy in modeling a common business practice. **Option D is incorrect** because journal writing is a learning tool based on the idea that students write to learn. Students use journals to write about topics of personal interest, to note their observations, to imagine, to wonder, and to connect new information with things they already know. This is not the best strategy for modeling a common business practice.

48. A teacher who wants to evaluate student progress using a performance-based approach should choose which of the following assessment methods?

- A. Matching questions
- B. True-false questions
- C. Open-ended questions
- D. Multiple-choice questions

Answer

Option C is correct because performance-based assessment strategies typically involve students explaining how they would answer the question or solve a problem by writing a few sentences or paragraphs, drawing and explaining a diagram, or performing an experiment. **Options A, B, and D are incorrect** because they are examples of traditional assessment tools. These assessments are easy to grade but only test the understanding of facts, or the memorization of data that requires only lower-level thinking skills.

49. Which of the following strategies best allows a teacher to work effectively with a classroom of students who have diverse backgrounds?

- A. Lecture-centered instruction
- B. Demonstration-centered instruction
- C. Differentiated instruction
- D. Teacher-centered instruction

Answer

Option C is correct because differentiated instruction is a teaching approach in which teachers adapt their instruction to students' differences. **Option A is incorrect** because the lecture is the most criticized of all teaching methods AND the most commonly used because 1) planning time is limited, 2) lectures are flexible and can be applied to any content, and 3) lectures are simple. The most critical fact about the lecture is that it puts students in a passive role and is a one-size-fits-all approach. **Option B is incorrect** because demonstration involves the teacher showing students a process or procedure and is not a differentiated instruction strategy that takes into consideration the diversity of the students. **Option D is incorrect** because single-method instruction utilizes a teacher-centered approach in which the teacher identifies the lesson objectives and takes full responsibility for guiding the instruction through explanation and modeling.

50. A sports-marketing teacher designs a unit on sponsorship and would like to use a performance-based assessment to evaluate student learning of the objective. Which of the following assessments is most appropriate for this purpose?

- A. Students research sponsorship contracts of a major sports franchise.
- B. Students aid a local sports team in acquiring sponsors and contracts.
- C. Students write a research paper about how sponsorships benefit sports.
- D. Students compare and contrast current school sports sponsors.

Answer

Option B is correct because having the student work hands-on to acquire sponsors and contracts for a local sports team will have the student put into practice what has been taught about sponsorship. This will give the teacher an effective evaluation of the unit. **Option A is incorrect** because having students conduct research is not considered hands on and will not effectively evaluate the teacher's performance during the unit. **Option C is incorrect** because having the students write a paper is not the best way to learn the effectiveness of the unit. The student will not be able to work hands-on in actually putting into practice what has been learned. **Option D is incorrect** because having the students compare and contrast current school sports sponsors would only have the student performing an analysis of situations. This is not a hands-on evaluation that would give the teacher a true insight into the unit's effectiveness.