

## **MECA - Review for Final**

*Indicate the answer choice that best completes the statement or answers the question.*

- \_\_\_ 1. Consumers usually buy a \_\_\_\_\_ only after comparing several brands or stores on style, practicality, price, and lifestyle compatibility.
- major product
  - specialty product
  - convenience product
  - shopping product
- \_\_\_ 2. If the goal of the promotion plan is to improve the image of the company or the industry, \_\_\_\_\_ may be used.
- institutional advertising
  - pioneering advertising
  - competitive advertising
  - comparative advertising
- \_\_\_ 3. \_\_\_\_\_ consists of all marketing activities that stimulate consumer purchasing and dealer effectiveness.
- Sales promotion
  - Divesting
  - Personal selling
  - Advertising
- \_\_\_ 4. The \_\_\_\_\_ is a model that outlines the process for achieving promotional goals in terms of stages of consumer involvement with a promotional message.
- BCG matrix
  - IMC model
  - AIDA model
  - SWOT matrix
- \_\_\_ 5. \_\_\_\_\_ is the number of times an individual is exposed to a given message during a specific period.
- Reach
  - Life span
  - Frequency
  - Contact
- \_\_\_ 6. If an advertiser wants to enhance the sales of a specific good or service, \_\_\_\_\_ should be used.
- institutional advertising
  - product advertising
  - corporate advertising
  - advocacy advertising

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- \_\_\_ 7. In the context of the product characteristics that can be used to predict and explain the rate of acceptance and diffusion, the degree of difficulty involved in understanding and using a new product is known as \_\_\_\_\_.  
a. complexity  
b. compatibility  
c. observability  
d. trialability
- \_\_\_ 8. \_\_\_\_\_ is a pricing policy whereby a firm charges a relatively low price for a product when it is first rolled out as a way to reach the mass market.  
a. Penetration pricing  
b. Price skimming  
c. Price discrimination  
d. Status quo pricing
- \_\_\_ 9. Advertising campaigns follow the \_\_\_\_\_.  
a. BCG matrix  
b. IMC model  
c. AIDA model  
d. SWOT matrix
- \_\_\_ 10. \_\_\_\_\_ is sometimes called a "market-plus" approach to pricing because it denotes a high price relative to the prices of competing products.  
a. Price skimming  
b. Penetration pricing  
c. Status quo pricing  
d. Bait-and-switch pricing
- \_\_\_ 11. Firms use competitive or brand advertising when a product enters the \_\_\_\_\_ of the product life cycle and other companies begin to enter the marketplace.  
a. introductory stage  
b. growth stage  
c. formative stage  
d. decline stage
- \_\_\_ 12. \_\_\_\_\_ does not change as output is increased or decreased.  
a. Marginal cost  
b. Dependent cost  
c. Fixed cost  
d. Opportunity cost
- \_\_\_ 13. Dynamic pricing is used to:  
a. implement bait pricing to get more loyal customers.  
b. perform price discrimination among customers.  
c. adjust prices over time to maximize a company's revenues.  
d. attain price equilibrium.

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- \_\_\_ 14. Inelastic demand is a situation in which:
- an increase or a decrease in price does not significantly affect the demand for a product.
  - prices are adjusted over time to maximize a company's revenues.
  - demand is created for new products by aggressive brand awareness campaigns.
  - consumers' demand is sensitive to price changes.
- \_\_\_ 15. \_\_\_\_\_ represents all the activities directly related to the sale of goods and services to the ultimate consumer for personal, nonbusiness use.
- Product development
  - Production
  - Retailing
  - Manufacturing
- \_\_\_ 16. \_\_\_\_\_ is a form of distribution aimed at maximum market coverage.
- Narrow distribution
  - Intensive distribution
  - Selective distribution
  - Exclusive distribution
- \_\_\_ 17. \_\_\_\_\_ negotiate with one another, buy and sell products, and facilitate the change of ownership between buyer and seller in the course of moving finished goods from the manufacturer into the hands of the final consumer.
- Intermediaries
  - Laggards
  - Early adopters
  - Innovators
- \_\_\_ 18. \_\_\_\_\_ is a public relations strategy that involves getting a product, service, or company name to appear in a movie, television show, radio program, magazine, newspaper, video game, video or audio clip, book, or commercial for another product; on the Internet; or at special events.
- Audience selectivity
  - Product placement
  - Corporate communication
  - Advergaming
- \_\_\_ 19. A \_\_\_\_\_ requires a manufacturer to focus its promotional efforts on end consumers.
- push strategy
  - print marketing strategy
  - pull strategy
  - service strategy
- \_\_\_ 20. For convenience, pricing objectives can be divided into three categories, which are:
- refundable, competitive, and attainable.
  - perceived, actual, and situational.
  - differentiated, niche, and undifferentiated.
  - profit oriented, sales oriented, and status quo.

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- \_\_\_ 21. \_\_\_\_\_ is the element in the promotional mix that evaluates people's attitudes, identifies issues that may elicit their concern, and executes programs to gain their understanding and acceptance.
- Personal selling
  - Advertising
  - Sales promotion
  - Public relations
- \_\_\_ 22. A cost that changes with the level of output is called a(n) \_\_\_\_\_.
- liquid cost
  - variable cost
  - independent cost
  - indirect cost
- \_\_\_ 23. \_\_\_\_\_ is the quantity of a product that will be offered to the market by a supplier at various prices for a specified period.
- Demand
  - Supply
  - Market share
  - Product share
- \_\_\_ 24. \_\_\_\_\_ refers to communication by marketers that informs, persuades, and reminds potential buyers of a product in order to influence an opinion or elicit a response.
- Upselling
  - Production
  - Promotion
  - Encoding
- \_\_\_ 25. Which of the following statements best describes simultaneous product development?
- It is a strategy that provides general guidelines for generating, screening, and evaluating new-product ideas.
  - It is used to determine the reactions of potential customers in a market situation.
  - It is the process where all the involved areas work together rather than sequentially during a product's development.
  - It is a strategy that links the new-product development process with the objectives of the marketing department, the business unit, and the corporation.
- \_\_\_ 26. To consumers, value is based upon:
- the absolute monetary value of price.
  - their perceived satisfaction.
  - their ability to get discount on a product.
  - the steadiness of price over a period of time.

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- \_\_\_ 27. \_\_\_\_\_ is based on the traditional advertising model, whereby a brand offers money for media space.
- Paid media
  - Owned media
  - Earned media
  - Free media
- \_\_\_ 28. In the context of the product life cycle, a long-run drop in a product's sales signals the beginning of the \_\_\_\_\_.
- introductory stage
  - growth stage
  - maturity stage
  - decline stage
- \_\_\_ 29. \_\_\_\_\_ is a promotional element with a very low cost per contact.
- Social media
  - Personal selling
  - Public relations
  - Sales promotion
- \_\_\_ 30. Pioneering advertising is heavily used during the \_\_\_\_\_ of the product life cycle.
- introductory stage
  - growth stage
  - formative stage
  - conception stage
- \_\_\_ 31. A \_\_\_\_\_ occurs when a company's management decides to add products to an existing product line in order to compete more broadly in the industry.
- product line reeling
  - product line extension
  - product line classification
  - product line contraction
- \_\_\_ 32. A \_\_\_\_\_ is a price reduction offered to a consumer, an industrial user, or a marketing intermediary in return for prompt payment of a bill.
- cash discount
  - quantity discount
  - functional discount
  - seasonal discount
- \_\_\_ 33. A \_\_\_\_\_ is not possible when a brand name has a negative or vulgar connotation in the local language.
- repositioning strategy
  - one-brand-name strategy
  - co-branding strategy
  - family branding strategy

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- \_\_\_ 34. \_\_\_\_\_ is the channel used to convey a message to a target market.
- A medium
  - An advertising appeal
  - Reach
  - Audience selectivity
- \_\_\_ 35. The \_\_\_\_\_ is the combination of advertising, personal selling, sales promotion, social media, and public relations that is used to reach a target market and fulfill an organization's overall goals.
- product mix
  - retailing mix
  - distribution mix
  - promotional mix
- \_\_\_ 36. Product line depth refers to the number of:
- competitors present in the market for a particular product line.
  - product lines an organization offers.
  - market segments a firm is willing to target or serve.
  - product items in a product line.
- \_\_\_ 37. In the context of the rate of adoption, relative advantage is defined as the degree to which:
- a product is perceived as superior to existing substitutes.
  - a new product is consistent with existing values and product knowledge, past experiences, and current needs.
  - the benefits of using a product can be communicated to target customers.
  - a product can be tried on a limited basis.
- \_\_\_ 38. A \_\_\_\_\_ is a business structure of interdependent organizations that reaches from the point of production to the consumer and facilitates the downstream physical movement of goods through the supply chain.
- market grouping
  - common trade alliance
  - retailer monopoly
  - marketing channel
- \_\_\_ 39. \_\_\_\_\_ is designed to stimulate a purchase or an action.
- Connective promotion
  - Reminder promotion
  - Informative promotion
  - Persuasive promotion
- \_\_\_ 40. \_\_\_\_\_ seeks to convert an existing need into a want or to stimulate interest in a new product.
- Reminder promotion
  - Persuasive promotion
  - Informative promotion
  - Connective promotion

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- \_\_\_ 41. \_\_\_\_\_ is a method of determining what sales volume must be reached before total revenue equals total costs.
- Break-even analysis
  - Markup pricing
  - Opportunity analysis
  - Fixed-cost pricing
- \_\_\_ 42. At a price of \$2,000 per unit, the demand for Ranger 60 mountain bikes from Cloyd's Inc. is 300 units, which is same as the number of bikes manufactured every year. If the marketing managers at Cloyd's Inc. decide to sell each bike at a price lower than \$2,000 per unit, \_\_\_\_\_.
- a shortage of bikes will be created
  - the number of bikes being made will increase drastically
  - an inelastic demand for the bikes will be created
  - the demand and supply for the bike will attain equilibrium
- \_\_\_ 43. Which of the following happens if demand is elastic?
- As price goes up, consumer demand changes.
  - The competition between organizations reduces.
  - There is no substitute for a product in such case.
  - Purchasing power of the consumer decreases.

\_\_\_ 44.

**For the following graph:  
at what price is and quantity is equilibrium?**



- a. 15; 500
- b. 10; 300
- c. 20; 250
- d. 5; 1000



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\_\_\_ 45.

1. Your Memory Lane produces custom made art prints that include graphics and icons to celebrate life's special moments. For example, on his wedding anniversary, David had an art print produced that celebrated highlights of his ten years with his wife, Kathy. Suppose that Your Memory Lane sells the custom artwork for \$500. It estimates its average variable costs to be \$200 per unit produced. It figures its fixed costs to be \$900,000 per year. How many prints does it have to sell to break even?
  - a. 1800
  - b. 4500
  - c. 3000
  - d. 1286

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### **Answer Key**

1. d

2. a

3. a

4. c

5. c

6. b

7. a

8. a

9. c

10. a

11. b

12. c

13. c

14. a

15. c

16. b

17. a

18. b

19. c

20. d

21. d

22. b

23. b

24. c

25. c

26. b

27. a

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28. d

29. a

30. a

31. b

32. a

33. b

34. a

35. d

36. d

37. a

38. d

39. d

40. c

41. a

42. a

43. a

44. a

45. c