

RELEVANT MIDTERM QUESTIONS FROM PRIOR EXAMS

Below are questions from prior exams addressing issues covered on this semester's midterm. Questions that cover material not covered this semester have been removed.

This is intended as an illustration of the types of questions that have appeared in the past. To prepare for the exam, you should *understand* the issues addressed rather than attempting to memorize past exam questions. Therefore, a key is *not* provided. You may come to my office to discuss any specific questions of interest, but please do not ask me to e-mail answers to specific questions.

1. In marketing, it is usually most effective to:
 - a. Try to make a product that appeals to as large a part of the population as possible so that there is a larger customer base.
 - b. Promote one's brand as being less expensive than competing brands.
 - c. Focus mostly on high growth markets.
 - d. Both (a) and (b).
 - e. All of the above.

2. For a firm:
 - a. It is usually possible to exercise a great deal of control over the environment.
 - b. It is almost impossible to change the marketing mix.
 - c. The environment is usually less important than internal forces in the firm.
 - d. All the above.
 - e. None of the above.

3. Which of the following is/are likely to be major reasons why Tony the Tiger wears a scarf?
 - a. Cereal is sold mostly in cold climates.
 - b. This is required by the Food & Drug Administration.
 - c. All brands of cereal contain an animal of some species wearing a scarf.
 - d. Both (a) and (b).
 - e. None of the above.

4. From our discussion customer value, it is clear that:
 - a. A product of low quality selling at a low price will represent high value.
 - b. Different consumer segments will find different offerings (e.g., an expensive, high quality camera vs. an inexpensive, low price one) more valuable.
 - c. Value equals price times quality.
 - d. Both (a) and (b).
 - e. Both (a) and (c).

5. When one has done a search in a secondary sources database using certain search terms and so many articles appear that one cannot meaningfully examine all, the researcher may want to use the ____ operator in a new search:
 - a. AND NOT
 - b. OR
 - c. NOT
 - d. Both (a) and (b).
 - e. Both (a) and (c).

6. In marketing, value:
 - a. Focuses on getting a product in a particular market to customers at prices lower than those charged by competitors.
 - b. Depends on the utility gained by consumers relative to the amount of money paid or other sacrifices made.
 - c. Will occur only imbalanced markets.
 - d. Is no longer a meaningful concept due to the rise of “component lifestyles.”
 - e. None of the above.

7. In Lexus-Nexus, the “W/3” operator in the term “promotion W/3 chocolate milk:” specifies that:
 - a. The term “promotion” must occur at least three times in the article.
 - b. The term “promotion” must appear up to three words before or up to three words after the phrase “chocolate milk.”
 - c. Both terms must occur in the first third of the article.
 - d. The article must have been published within the last three years.
 - e. The article must have at least three authors.

8. Within the context of secondary sources search, the technique of “snowballing:”
 - a. Is employed by bored librarians who throw snowballs at students and faculty walking by the library.
 - b. Enables the researcher to find the NAICS code in a firm through the use of the “AND NOT” operator.
 - c. Can be useful in identifying additional relevant articles not found in an initial search.
 - d. Both (b) and (c).
 - e. None of the above.

9. NAICS codes:
 - a. Are used to implement the “snow balling” technique of secondary market research.
 - b. Are a critical part of the idea behind “The Breakfast Blast.”
 - c. Are used to identify industries at various levels of specificity.
 - d. Both (a) and (b).
 - e. None of the above.

10. Selling online tends to be more effective for:
 - a. Large items that are difficult to ship to stores.
 - b. Items sought by a large number of people (e.g., bestselling novels) rather than niche items.
 - c. Items that have a high value/bulk ratio.
 - d. Both (b) and (c).
 - e. None of the above.

11. Social forces in the marketing environment:
 - a. Tend to be relatively unimportant when compared to technological changes.
 - b. Involve issues such as changing demographics, a changing family structure, and changing cultural values.
 - c. May have different effects on different industries.
 - d. Both (b) and (c).
 - e. All of the above.

12. Competition among firms:
 - a. Is generally discouraged by U.S. laws since this tends to reduce firm profitability, meaning that some firms will go out of business and leave their former employees unemployed.
 - b. Can only be meaningfully analyzed by looking at firms' primary NAICS codes.
 - c. Tends to be less of an issue today due to technological advances.
 - d. Tends to happen during inter-firm athletic events rather than in the commercial market place.
 - e. None of the above.

13. Strategic plans:
 - a. Must state all objectives in terms of profit targets desired.
 - b. May differ between firms that have different objectives.
 - c. May be stated in terms of factors such as market share and unit sales.
 - d. Both (a) and (b).
 - e. Both (b) and (c).

14. The purpose of a SWOT analysis is to:
 - a. Discuss a firm's strengths and weaknesses for its annual report.
 - b. Identify strategic opportunities for a firm based on its strengths and weaknesses and the opportunities and threats it faces.
 - c. Assemble a team to assist in law enforcement activities.
 - d. Both (a) and (b).
 - e. None of the above.

15. A highly desirable characteristic of elephants is that:
 - a. They work for peanuts.

16. Under the right circumstances, industry-charity partnerships may provide the opportunity for:
- Firms to actually profit on helping non-profit groups.
 - Firms to eliminate costly environmental scanning efforts.
 - Charities to extort additional payments from the industry.
 - Opportunities for firms to sell more dangerous products with reduced legal liability.
 - None of the above.
17. In a relatively balanced market, firms tend:
- Not to compete significantly.
 - To compete intensely on price.
 - To consist mostly of cash cows.
 - To offer different tangible products but relatively similar services.
 - Compete less intensely on price than firms in less balanced markets do.
18. Which of the following would represent a “chicken-and-egg” problem?
- Chicken dishes attract a large number of consumers who like a low fat meal, but eggs are high in fat.
 - There is usually a much larger demand for eggs than for chicken meat, creating an imbalance in agricultural production.
 - An auction service needs to have listings in order to attract potential buyers to the site, but potential sellers are unlikely to list items until enough potential buyers visit the site.
 - Both (b) and (c).
 - None of the above.
19. With respect to electronic commerce:
- Niche markets tend to *be extremely unprofitable* even if the products involved feature a very high value-bulk ratio.
 - It is usually most profitable to compete in markets for products that *are bought by a large percentage of the population*.
 - This method usually results in *much lower costs* than are experienced under traditional retailing.
 - Many of the tasks involved are actually quite labor intensive.
 - None of the above.
20. A readily apparent difference between a Bruin and a bag of horse manure is:¹
- The bag.

¹ Everyone received full credit for this question regardless of the answer chosen.

21. The International Product Life Cycle suggests that:
- Certain products will spread more quickly in some countries than they will in other countries.
 - Certain capital goods may be bought by businesses in more affluent countries and then re-sold to less affluent countries when some of the useful life of the product still remains.
 - Firms that do businesses in many countries will almost never experience any decline stage in the Product Life Cycle.
 - Both (a) and (b).
 - None of the above.
22. The *Foreign Corrupt Practices Act*:
- Allows American firms to pay bribes in Israel, but not in Arab countries.
 - Is intended mainly to protect employees of American firms against harmful practices that other countries may allow (e.g., the use of dangerous drugs or viewing of indecent material).
 - Forbids the paying of bribes or other fees to foreign officials in return for a decision that would benefit the firm (e.g., having the product classified in such a way that tariffs would be lower than they would otherwise have been).
 - Both (a) and (c).
 - None of the above.
23. Environmental scanning:
- Involves using a radio that “scans” police and fire personnel communications.
 - Should be seen as a never-ending process.
 - Is generally only worthwhile in high tech industries.
 - Both (b) and (c).
 - None of the above.
24. The *marketing concept* emphasizes:
- Using aggressive marketing campaigns to promote a company’s exiting product line.
 - Using advertising to increase sales.
 - Identifying and serving consumer needs and wants.
 - Both (a) and (b).
 - All of the above.
25. Strategic plans:
- Must state all objectives in terms of profit targets desired.
 - May differ between firms that have different objectives.
 - May be stated in terms of factors such as market share and unit sales.
 - Both (a) and (b).
 - Both (b) and (c).

26. The purpose of a SWOT analysis is to:
- Discuss a firm's strengths and weaknesses for its annual report.
 - Identify strategic opportunities for a firm based on its strengths and weaknesses and the opportunities and threats it faces.
 - Assemble a team to assist in law enforcement activities.
 - Both (a) and (b).
 - None of the above.
27. For which of the following would a five digit NAICS code be *most* useful?
- Determining the product category lifecycle stage.
 - Identifying *indirect* competitors.
 - Identifying *direct* competitors.
 - Identifying promotional objectives.
 - Encrypting important corporate documents relating to the firm's advertising and positioning strategies.
28. The "bricks-and-clicks" model suggests that:
- In most product categories, traditional retailing is likely to be replaced by online sales.
 - Some synergy is likely to exist in many markets between retail and online sales units.
 - Red brick buildings tend to be perceived by most customers as hopeless outdated.
 - Bricks and other high bulk products tend to be especially well suited for being sold online.
 - None of the above.
29. Selling goods online:
- Is likely to be a great investment since, in the long run, expenses will be much lower than those of traditional retail stores, thus increasing profits for firms selling online.
 - Is never profitable.
 - May be useful in trying to reach one or more segments of customers who buy a particular type of product (e.g., bracelets) but may not be successful in selling to one or more other segments of customers buying in the same product category.
 - Both (a) and (c).
 - None of the above.
30. Bruin Bricks manufactures low quality bricks. Although houses built with these bricks are unlikely to pass building inspections, they are significantly cheaper, at 18¢ a piece, than those of most other manufacturers, which usually sell for 41¢ a piece. Bruin Bricks are usually sold in quantities of 100. Which of the following factors favor the sale of Bruin Bricks online, as opposed to through a traditional retail store?
- The value-bulk ratio.
 - Absolute margins.
 - Opportunities for customization.
 - Both (a) and (b).
 - None of the above.

31. The phenomenon of leap-frogging suggests that:
- Many consumers tend to resist new technology.
 - Since most people are satisfied with their MP3 players, there will be very little demand for MP4 players.
 - In some developing countries, many people are likely to buy MP3 players without ever having owned CD players.
 - Both (a) and (b).
 - None of the above.
32. The Bruin Felonship Association is a club for criminal alumni of UCLA. To be eligible for membership, an individual must have been convicted of at least three major felonies, at least two of which must involve violence. Annual membership is \$50, but in addition, members can buy a directory listing recommended defense attorneys for \$299.99. The directory weighs approximately 0.5 ounces. A large number of members are currently sitting in prisons around the World. The cost of printing the directory and shipping together add up to approximately 48 cents. Which of the following factors favor the use of online, as opposed to brick-and-mortar, sales of the attorney directory?
- The absolute margin.
 - Geographic dispersion of customers.
 - Lack of access to credit cards and Internet connections in the prison systems.
 - Both (a) and (b).
 - None of the above.
33. The most important reason why automobiles driven by students, faculty, staff, and alumni at the University of California, Los Angeles, tend to be dangerous is that:
- These cars are more likely to contain a scumbag than an airbag.
34. Traitor Joe, a graduate of an educational institution in the West Los Angeles area whose curriculum does not emphasize ethics, engages in various questionable business practices, including questionable imports. Because Joe saves money by blackmailing, rather than bribing, customs officials, his costs are lower than those of his competitors. Which of the following of Joe's activities is/are illegal for Americans and American firms?
- Importing Cuban cigars, Libyan figs, North Korean ginseng, and Iranian dates into the United States.
 - Selling high speed computers and fissionable nuclear material to North Korea.
 - Refusing to meet with competitors to arrange a minimum price that would allow all importers of North Korean ginseng can make a fair profit.
 - Both (a) and (b).
 - All of the above.

35. Which of the following new firms is most likely to face a “chicken-and-egg” problem?
- A new neighborhood convenience store.
 - A manufacturer of low carbohydrate ice cream.
 - A new online site that matches employers with job applicants.
 - A new color inkjet printer which uses less ink to print a picture of the same quality as existing printers.
 - A manufacturer of vitamin enriched chicken feed.
36. Expedia.com has been selling airline tickets online since 1996. Since the customers do most of the work in entering information, Expedia’s costs are much lower than those of traditional travel agencies. Based on the economics of electronic commerce, we would expect that, in the *long run*:
- Expedia is likely to experience *very large* profit margins.
 - Expedia is *unlikely* to be profitable.
 - Expedia is likely to have “normal” profits for an industry featuring a similar level of investment and risk.
 - Expedia is likely to be extremely profitable selling airline tickets, but to lose money on hotel brokering and car rentals.
 - None of the above.
37. Assuming that the merchant is not able to sell anything else in the same transaction or make future sales to the same customer, which of the following products is *most* likely to be profitable to sell online?
- Best selling novels.
 - Soft drinks.
 - Specialty books on architectural engineering.
 - A new brand of scented candles.
 - Yellow #2 pencils.
38. Selling goods online:
- Is likely to be a great investment since, in the long run, expenses will be much lower than those of traditional retail stores, thus increasing profits for firms selling online.
 - Is never profitable.
 - May be profitable in selling to one or more segments of customers who buy a particular type of product (e.g., pearl necklaces) but may not be successful in selling to one or more other segments of customers buying in the same product category.
 - Both (a) and (c).
 - None of the above.
39. In secondary market research databases, the approach of “snow balling” involves:
- Running several databases at the same time so that time is saved.
 - Throwing snow balls at competitors to distract them from engaging in their own market research efforts.
 - Using key terms found in article records to search for additional articles.
 - Electronically storing articles found so that they will be readily available for use on future occasions.
 - None of the above.

40. Sponsored fundraising involves:
- A method to encourage tobacco companies to reduce the quantity of product sold.
 - An opportunity for firms to solicit donations for non-profit groups, resulting in publicity that may be worth more than the advertising that could be bought for the amount of money spent on the fundraising campaign.
 - A firm donating money to a charitable group.
 - Both (a) and (b).
 - None of the above.
41. When a competitor lowers its price or adds a new feature:
- The firm should immediately do the same thing.
 - The firm should make a larger reduction in its price than what the competitor did.
 - The best response, in some circumstances, is *not* to lower the firm's price.
 - The firm should complain to the media that the competitor's actions were unfair.
 - None of the above.
42. Anti-boycott laws, as discussed in class:
- Prohibit American firms from refusing to sell to firms in countries which are members of the European Union.
 - Prohibit foreign firms from participating in boycotts against the United States.
 - Make it illegal for American firms to certify that they do not do business with Israel even if no one in Israel is interested in buying what the firm sells.
 - Both (b) and (c).
 - None of the above.
43. The extent of market balance in a market is related to:
- The extent to which different firms differentiate their offerings from those of others.
 - The extent of price competition in the market.
 - The extent to which customers perceive differences between the offerings of the various firms.
 - Both (a) and (b).
 - All of the above.
44. If a competitor lowers its price:
- The firm should immediately lower its own prices so that its offerings are now even cheaper than those of the competitors.
 - The firm should avoid changing its own price under any circumstances.
 - The firm may be better off *raising* its own prices.
 - The firm should immediately sue the competitor.
 - The firm should run an advertising campaign attacking the unfairness of the competitor's choice.

45. In secondary market research, the *snow balling* technique:
- Is used mostly as a way to reposition a brand.
 - Involves using search terms found in article records to search for more articles.
 - Is used to reduce the number of irrelevant articles found.
 - Usually makes it unnecessary to use the Boolean terms AND, AND NOT, and OR.
 - None of the above.
46. Of the following, which are significant motivations for a firm to engage in *sponsored fundraising* efforts:
- The desire to avoid the *mere exposure* effect.
 - The possibility that the value of favorable publicity and consumer perception of the firm will be greater than what could be obtained from spending a comparable amount of money on advertising.
 - The desire to avoid working on the *belief* component of attitudes by directly influencing consumers' behavioral intentions.
 - Both (a) and (c).
 - Both (b) and (c).
47. The most enjoyable kind of travel is:
- Ego tripping.
48. Marshall Music has performed market research to determine consumer preferences. Based on this research, Marshall has decided make its music available online without digital rights management (DRM) and instead make most of its profits on arranging concerts featuring its artists. Market research has found that Marshall's customers perceive a great deal of value in paying \$50 for concert tickets and would frequently attend such concerts. Marshall is practicing:
- The "selling" concept.
 - The "marketing" concept.
 - Counterintuitive implementation of purchasing power strategies based on integrated differentiation of the component lifestyle approach to marketing audits.
 - Both (a) and (b).
 - All of the above.
49. Tammy Trojan is happy to pay the higher cost of tuition at USC because she believes that the high quality of learning (facilitated in part by the presence of exceptionally wise marketing professors) by far outweighs the extra money spent. To Tammy:
- Attending USC is well worth the money although a lower priced institution would provide greater value.
 - The educational market appears *not* to be balanced.
 - Place and time utility are clearly unimportant.
 - Both (a) and (b).
 - None of the above.

50. For secondary market research, appropriate sources of information about firms and industries include:
- ABI/Inform.
 - The Business & Company Resource Center.
 - Company web sites.
 - Both (a) and (b).
 - All of the above.
51. You are a manufacturer of cologne. A competitor has just reduced its prices by 25% and added an ingredient that has been shown to be preferred by 62% of men buying in this product category. Based on this information:
- It is important that you immediately reduce your prices by at least as much as the competitor did as a way to stay competitive.
 - You should immediately add the same ingredient to your product.
 - You should be sure that your product better meets the needs of some customer group other than the 62% that prefer the new ingredient.
 - You should run television advertisements saying that your product already contains the ingredient in question since most consumers probably will not be able to smell the difference anyway.
 - Both (a) and (b).
52. The “bricks-and-clicks” model suggests that:
- In most product categories, traditional retailing is likely to be replaced by online sales.
 - Increased sales volumes from the combined online and physical store sales may result in increased bargaining power with suppliers.
 - A web site such as Target.com, on which customers can actually buy merchandise, may also be used by customers to find information such as store hours and product availability in a particular store.
 - Both (b) and (c).
 - None of the above.
53. The *marketing concept* emphasizes:
- Using aggressive marketing campaigns to promote a company’s existing product line.
 - Using advertising to increase sales of existing products.
 - Identifying and serving consumer needs and wants.
 - Both (a) and (b).
 - All of the above.
54. In general:
- Micropayments refer to the idea that the cost of certain things—e.g., electronics—tends to go down rather than up.
 - Strategic plans should be specific, measurable, and realistic.
 - Dell is likely to be able to offer significantly lower prices to customers because of the practice of customization whereby a customer can choose exactly the components of a computer that he or she wants.
 - Both (a) and (b).
 - All of the above.

55. To decent society, _____ are likely to be among the most objectionable elements of the lifestyles of vampires.²
- Nutritional habits.
56. Commercial comedy:
- Provides an opportunity for firms to create good will with potential consumers.
 - Involves the use of collaborative filtering.
 - Is based on the “selling” rather than the “marketing” concept.
 - Both (a) and (b).
 - Both (a) and (c).
57. Orbitz.com sells airplane tickets online. Since the customers do most of the work in entering information, Orbitz’ costs are much lower than those of traditional travel agencies. Based on the economics of electronic commerce, we would expect that, in the *long run*:
- Orbitz is likely to experience *very large* profit margins.
 - Orbitz is *unlikely* to be profitable.
 - Orbitz is likely to have “normal” profits for an industry featuring a similar level of investment and risk.
 - Orbitz is likely to be extremely profitable selling airline tickets, but to lose money on hotel brokering and car rentals.
 - None of the above.
58. Anti-boycott laws, as discussed in class:
- Prohibit American firms from trading with Israeli firms.
 - Prohibit foreign firms from participating in boycotts against the United States.
 - Make it illegal for American firms to certify that they do not do business with Israel even if no one in Israel is interested in buying what the firm sells.
 - Both (b) and (c).
 - None of the above.
59. Research on social responsibility shows that:
- Firms that act in a socially responsible manner tend to be significantly *less* profitable than those less concerned about ethics.
 - Firms that act in a socially responsible manner within the United States tend to be highly profitable, but those acting ethically outside the U.S. tend to be much less profitable than those that have lower ethical standards.
 - The relationship between social responsibility and profitability is likely complex.
 - Socially responsible firms tend to be more successful mostly because of tax advantages associated with socially responsible behavior.
 - In practice, few if any firms behave in a socially responsible manner.

² This is a “single choice” question. You will receive full credit by selecting option (a).

60. Based on the factors we discussed in class, which of the following would be *best* suited for online sales (assuming that no other items can be sold in the same sale)?
- Sets of bestselling movies (e.g., three of the current best selling movies in a box).
 - Sets of specialty movies appealing to a smaller number of people (e.g., *Beverly Hills Cop I, II, and III*).
 - Paper towels.
 - Jeans.
 - A microwave oven with a suggested retail price of \$65.99.
61. Which of the following is likely to be the *most* important reason why Dell Computer may be able to sell cost effectively on the Internet?
- The ability to customize each computer so that each customer gets exactly what he or she needs, thus eliminating the cost of undesired features.
 - The fact that Dell, in the long run, will only be competing against computer manufacturers that sell through traditional retail stores.
 - Relatively high absolute margins.
 - An ability of customers to do all the work associated with the sale of the computer.
 - The company's reputation among customers.
62. The "bricks-and-clicks" model suggests that:
- In most product categories, traditional retailing is likely to be replaced by online sales.
 - Some synergy is likely to exist in many markets between retail and online sales units.
 - Red brick buildings tend to be perceived by most customers as hopeless outdated.
 - Bricks and other high bulk products tend to be especially well suited for being sold online.
 - None of the above.
63. If the United States imports more from Uruguay than it exports to Uruguay:
- The value of the U.S. dollar relative to Uruguayan currency will likely *increase*.
 - The value of the U.S. dollar relative to Uruguayan currency will likely *decrease*.
 - The International Product Life Cycle will most likely undergo a process of standardization through the process of extra-territoriality.
 - Both (b) and (c).
 - None of the above.

64. An American firm is looking into the possibility of manufacturing laundry detergent in Ecuador and selling it there. Which of the following would be *most* useful in assessing the ability of Ecuadorian consumers to buy this furniture line?
- SWOT analysis.
 - Nominal per capita gross domestic product.
 - Purchasing power parity adjusted per capita gross domestic product.
 - Non-tariff barriers.
 - Local prices hamburgers.
65. Within the context of electronic commerce:
- The most important factor in evaluating the suitability for a product to be sold online is the *percentage* margin made on the sale of the product.
 - The most important factor in search engine placements is the repetition of key words on a web site.
 - Collaborative filtering is a means of increasing the value/bulk ratio of a product.
 - All of the above.
 - None of the above.
66. Selling goods online:
- Is likely to be a great investment since, in the long run, expenses will be much lower than those of traditional retail stores, thus increasing profits for firms selling online.
 - Is never profitable.
 - May be useful in trying to reach one or more segments of customers who buy a particular type of product (e.g., bracelets) but may not be successful in selling to one or more other segments of customers buying in the same product category.
 - Both (a) and (c).
 - None of the above.
67. If a product market is imbalanced:
- Firms will tend to compete on factors other than price (e.g., ease of use and reliability).
 - Price competition is likely to be strong.
 - The vulnerability of firms in the industry to changes in the environment will be limited.
 - Both (a) and (b).
 - None of the above.

68. Traitor Joe is an American citizen who engages in a number of objectionable activities. Which of the following is/are illegal?
- Selling fissionable nuclear material to the governments of Cuba, Libya, North Korea, and Syria and in return buying Cuban cigars, Libyan figs, Syrian dates, and North Korean ginseng.
 - Refusing* to sign an agreement with other sellers of ginseng in the U.S. not to sell below an agreed upon price so that *everyone can make a fair profit*. (Because Joe's costs are lower than those of competitors, he feels that his profit maximizing price will likely be lower than theirs).
 - Signing a statement certifying that he does not do business with Israel. (As it happens, no one in Israel wants to buy anything that he has available for sale).
 - Both (a) and (c).
 - All of the above.
69. Bruin Bricks manufactures low quality bricks. Although houses built with these bricks are unlikely to pass building inspections, they are significantly cheaper, at 18¢ a piece, than those of most other manufacturers, which usually sell for 41¢ a piece. Bruin Bricks are usually sold in quantities of 100. Which of the following factors favor the sale of Bruin Bricks online, as opposed to through a traditional retail store?
- The value-bulk ratio.
 - Absolute margins.
 - Opportunities for customization.
 - Both (a) and (b).
 - None of the above.
70. The phenomenon of leap-frogging suggests that:
- Many consumers tend to resist new technology.
 - Many countries will experience a serious shortage of princesses.
 - In some developing countries, many people are likely to buy MP3 players without ever having owned CD players.
 - Both (a) and (b).
 - None of the above.
71. In a relatively balanced market, firms tend:
- Not to compete significantly.
 - To compete intensely on price.
 - To consist mostly of cash cows.
 - To offer different tangible products but relatively similar services.
 - Compete less intensely on price than firms in less balanced markets do.

72. The *Foreign Corrupt Practices Act*:
- Allows American firms to pay bribes in Israel, but not in Arab countries.
 - Is intended mainly to protect employees of American firms against harmful practices that other countries may allow (e.g., the use of dangerous drugs or viewing of indecent material).
 - Forbids the paying of bribes or other fees to foreign officials in return for a decision that would benefit the firm (e.g., having the product classified in such a way that tariffs would be lower than they would otherwise have been).
 - Both (a) and (c).
 - None of the above.
73. NAICS codes:
- Provide similar results to those of the Boston Consulting Group matrix, but at a much lower cost.
 - Can be used as a convenient way to identify *indirect* competitors.
 - Are used in the “snowballing” process.
 - Can be used to specify broad industries (e.g., light manufacturing) with two or three digits and more specific industries (e.g., canned pet food) with a larger number of digits.
 - Represent the most secure methods of encryption in electronic commerce.
74. The competitive environment facing today’s businesses:
- Means that only the firms that offer the lowest prices for products in a given category are likely to stay in business.
 - Has become increasingly intense because high quality products can now be manufactured in an increasing number of countries.
 - Is relatively unimportant for firms that practice “snow-balling” in their secondary market research efforts.
 - Both (a) and (b).
 - All of the above.
75. Sponsored fundraising:
- Involves a potential “win-win” opportunity for firms and non-profit organizations.
 - Is unlikely to be effective for firms that operate in high tech industries.
 - Requires that the firms that participate receive an exemption from laws that prohibit firms from getting together with competitors to “fix” prices.
 - Requires the use of “snow balling” techniques.
 - None of the above.
76. A relatively long NAICS code such as “511130:”
- Refers to a more specific industry than does a shorter code such as “511.”
 - May help identify firms which are “close” competitors which operate in a given product/service product category.
 - Makes it clear that most firms whose activities are covered by this code will fall into the “cash cow” quadrant of the Boston Consulting Group matrix.
 - Both (a) and (b).
 - Both (a) and (c).

77. Tang is an orange flavored powder that, when mixed with water, is used to create an orange flavored drink. In the U.S., Tang is often bought as a way to have something to drink on hand if children unexpectedly bring home friends. In Brazil, however, fresh squeezed orange juice can usually be bought at a lower cost right at the street, so Tang is neither inexpensive nor particularly convenient. Instead, Tang sells a pineapple flavored mix there, intended as “something fun” to have on occasion. This approach involves:
- A physical product adaptation.
 - A communications adaptation.
 - An attempt to induce non-compensatory decision making among consumers.
 - Both (a) and (b).
 - Both (b) and (c).
78. The phenomenon of “leap frogging” is likely to be good news for:
- French restaurants.
 - Cell phone manufacturers.
 - Airlines.
 - Wal-Mart.
 - Nordstrom’s.
79. Research on sustainability has found that:
- Companies that practice social responsibility tend to be an average of 9.5% *more* profitable than those who do not.
 - Although companies that embrace social responsibility tend to be an average of 4.5% *less* profitable than firms which do not, their stock prices are actually higher because many socially conscious investors are willing to sacrifice profits in order to be able to put their money to socially responsible use.
 - Most companies tend to go through a period of social responsibility but usually abandon efforts after an average of three years.
 - Both (b) and (c).
 - None of the above.
80. It is generally illegal for U.S. firms doing business in foreign countries to:
- Pay bribes to foreign government officials.
 - Collude with foreign manufacturers to “fix” prices paid by consumers in the U.S. even if all the price fixing is done in the foreign country.
 - Sell most products—even those which are not useful for military purposes—to countries such as Cuba and North Korea (except by special permission).
 - Both (a) and (b).
 - All of the above.
81. Marketing is used by:
- Businesses.
 - Non-profit groups.
 - Governments.
 - Both (a) and (b).
 - All of the above

82. In using library databases:
- It is possible to reduce the number of irrelevant articles showing up in a search by using the “AND” condition.
 - When several different words might be used to describe a concept of interest, using the “OR” condition allows one to identify articles that use at least one of the listed words.
 - It is usually *impossible* to find relevant information for most consumer goods industries.
 - Both (a) and (b).
 - None of the above.
83. Which of the following factors appear to directly influence how well a particular web site is ranked in search engines on a specific term or phrase?
- How many people put the site into their “favorites” collection in their web browsers.
 - The number of links to the site from other web sites that are highly ranked on the term or phrase in question.
 - Credible repetition of the term or phrase on the site.
 - Both (b) and (c).
 - All of the above.
84. The International Product Life Cycle suggests that:
- Certain products will spread more quickly in some countries than they will in other countries.
 - Certain capital goods may be bought by businesses in more affluent countries and then re-sold to less affluent countries when some of the useful life of the product still remains.
 - Firms that do businesses in many countries will almost never experience any decline stage in the Product Life Cycle.
 - Both (a) and (b).
 - None of the above.
85. Likely reasons that Tony the Tiger wears a scarf include, but are not limited to:
- A reduction in tariffs and import duties in many countries because this appearance causes the cereal to be re-classified as International Type IV serial.
 - The desire to cause consumers not to look at the cereal box.
 - The likelihood that among several prototypes tested, this version—which included a scarf—was evaluated more favorably by consumers.
 - Both (a) and (b).
 - Both (a) and (c).

86. NAICS codes:
- Can be used to identify “intermediate” and “remote” level competitors, but cannot be used to identify certain “direct” (“head on”) competitors.
 - Indicate a more specific industry if there are more digits (e.g., 512333) than if there are few (e.g., 512).
 - Raise serious questions about the validity of the Boston Consulting Group Model.
 - Both (b) and (c).
 - None of the above.
87. In secondary market research, “snow balling:”
- Involves the use of the “OR” operator to decrease the number of irrelevant results.
 - Involves the use of the “AND NOT” operator.
 - Uses search terms found in search results to identify additional potentially relevant articles.
 - All of the above.
 - None of the above.
88. In a relatively balanced market:
- There should be at least three times as many “dogs” as there are “stars.”
 - Firms should all concentrate on the largest segments to make sure that everyone offers a competitive product.
 - Price competition is likely to be less than it would be in an imbalanced market.
 - Both (b) and (c).
 - All of the above.
89. The example of the experiences of a laundry detergent manufacturer in the Middle East demonstrated:
- The failure of the firm to adapt the product to the physical infrastructure of the country.
 - That people in the U.S. and the Middle East have very different reasons for using laundry detergent.
 - That the product was too expensive to sell in the Middle East.
 - Both (a) and (b).
 - None of the above.
90. An important reason for treating others with kindness is that:
- This may increase the likelihood that you will be generously remembered in the respective individuals’ wills.
91. Likely reasons that Tony the Tiger wears a scarf include, but are not limited to:
- That this makes Tony look more aggressive.
 - The likelihood that among several prototypes tested, this version—which included a scarf—was evaluated more favorably by consumers.
 - The desire to appeal to children in countries where scarfs are currently in fashion among tigers.
 - Both (a) and (b).
 - Both (a) and (c).

92. Badley Bruin has gotten together with his old friend Traitor Joe. Together, they attended a business school in West Los Angeles whose curriculum did not—and still does not—address the topic of ethics. They are hoping to make large profits on activities such as importing Cuban cigars to the U.S., importing *ginseng* from North Korea, and selling high speed computers to government of Iran. Which of the following of their practices is/are *illegal* in the United States?
- Paying bribes to government officials in foreign countries.
 - Signing a statement that they do not do business with Israel because no one in Israel has any interest in their products.
 - Exporting fissionable nuclear material to North Korea, Libya, Iran, and Cuba.
 - Both (a) and (c).
 - All of the above.
93. NAICS codes:
- Are more likely to be helpful in identifying *remote* or *indirect* competitors than they are in identifying *direct* (“head-on”) competitors.
 - Indicate a more specific industry if there are more digits (e.g., 512333) than if there are few (e.g., 512).
 - Raise serious questions about the validity of the Boston Consulting Group Model.
 - Both (a) and (c).
 - Both (b) and (c).
94. The Foreign Corrupt Practices Act:
- Is intended to prevent disintermediation based on nominal and purchasing power parity adjusted income levels.
 - Makes it illegal for U.S. firms to pay bribes to foreign government officials.
 - Permits U.S. firms to pay bribes to foreign government officials, but only if these bribes take place outside U.S. territorial borders.
 - Both (a) and (b).
 - Both (a) and (c).
95. Since Japanese homes tend to be smaller than American homes, many products adapted for sale in Japan are sold in smaller packages. This practice involves:
- A *physical product* adaptation.
 - A *communications* adaptation.
 - An attempt to use NAICS codes to reduce the impact of disintermediation.
 - Both (a) and (b).
 - None of the above.
96. Among most currencies, exchange rates:
- Are determined by the relative supply of and demand for the various currencies.
 - Tend to have a corrective impact on trade imbalances since a country that imports more than it exports is likely to see the value of its currency go down, making imports more expensive and making products that the country can export cheaper for potential foreign buyers.
 - Are driven mostly by the International Product Life cycle.
 - Both (a) and (b).
 - Both (b) and (c).

97. Extra-territoriality:
- Is a method of secondary market research.
 - Involves the practice of U.S. courts to enforce U.S. law under some circumstances even if the violations in question take place outside the United States.
 - Results from global marketing standardization.
 - Both (a) and (c).
 - Both (b) and (c).
98. Firms:
- Are generally better off competing aggressively on price since most consumers tend to switch brands frequently in order to save money.
 - Should try to imitate successful competitors closely since those which go with a “proven” strategy tend to be more profitable.
 - Should attempt to provide value for their customers.
 - Both (a) and (b).
 - All of the above.
99. Which of the following would be *most* useful in assessing the ability of consumers in Portugal to afford a digital camera manufactured in Japan?
- NAICS codes.
 - Nominal per capita gross national product.
 - Purchasing power parity adjusted gross national product.
 - “Snow balling.”
 - Extra-territoriality.
100. “Discretionary” adaptations are:
- Adaptations that really are not necessary and probably will not make much difference one way or the other in the success of a product introduced in a new country.
 - Adaptations that are not expressly required by law, infrastructure, or other environmental conditions in a country.
 - Usually *not* relevant when food products are introduced.
 - Both (a) and (c).
 - Both (b) and (c).
101. Among the potential benefits of product standardization across countries is/are:
- Likely cost savings from economies of scale.
 - The opportunity to invest more in research and development since these costs can be spread among a large number of units sold, thus creating the opportunity to produce a better and more competitive product.
 - The ability to avoid features which are *not* necessary in some countries.
 - Both (a) and (b).
 - Both (a) and (c).
102. If a Bruin is trying to sell helium oxide as a cure for baldness, the common cold, or influenza and/or claims to hold a Ph.D. in inorganic microbiology:
- It can be safely concluded that he or she is a fraud.

103. DachshundDivas.com sells fancy outfits for Dachshunds online. Which of the following would be *most* likely to significantly help improve the site's rankings on Google under the search term "Dachshund?"
- Increasing the number of times the word "Dachshund" appears on the web site by 30%.
 - Getting all the seventy-two employees who work at the firm to add links from their family web sites.
 - Obtaining a link from the web site of the International Dachshund Society, a large and well known organizational devoted to the breed whose web site is highly ranked.
 - Using classical conditioning to encode material as a way to avoid the influence of the Elaboration Likelihood Model of the "S"-shaped curve of advertising effectiveness.
 - Writing a letter to Google asking that the site's rankings be improved.
104. Which of the following are ways in which graduates of USC can show their appreciation?
- Making contributions to the university specifically designated for marketing faculty salaries.
 - Recommending USC to their brainy friends while encouraging those less intellectually able to attend UCLA.
 - Writing online reviews praising the quality of faculty at the Marshall School of Business.
 - Remembering USC generously in their wills.
 - All of the above.
105. By selling on the Internet, Dell:
- Is likely to be greatly more profitable than other computer makers.
 - Is likely to be able to offer much lower priced computers because customers can customize their computers, selecting only the features they actually want.
 - May be able to preserve the value of computer components by getting the finished computers to consumers faster than they would get there by going through retail stores.
 - Both (a) and (b).
 - All of the above.
106. Which of the following would be *most* likely to experience a chicken-and-egg problem?
- McDonald's introducing a new chicken sandwich on its breakfast menu.
 - An online service that allows students to download tutorials on various subjects posted by other students so that students can help others in their areas of strength and receive help in return in areas in which they are having difficulty.
 - Efforts by Netflix to offer more newly released movies.
 - A new gasoline station opening up in a community.
 - An attempt by Von's to offer customers a 50 cent discount on a dozen eggs if they also buy a rotisserie chicken.

107. Hip Hop Health Nuts, a musical group, has recently released a new exercise music CD entitled *Fanatical Fitness Fun*. Lyrics of the songs extol the virtues of Brussels sprouts and the evils of high fat foods and couch potatoism. Since the group's fans appear to be too zealous to be overly price sensitive, it has been decided to price the CD at \$129.99. Which of the following factors would favor Internet sale of this product?
- The value-bulk ratio.
 - The need for customization.
 - Reduced labor costs from not having to go through retailers.
 - Both (a) and (c).
 - All of the above.
108. Assuming that nothing else can be sold in the same transaction or to the same customer on a later occasion, which of the following would be *least* suitable for selling online?
- Computer software.
 - Inkjet printer cartridges.
 - A best selling hardcover novel.
 - Replacement batteries for laptop computers.
 - A Microsoft Zune MP3 player
109. The *marketing concept* emphasizes:
- Using aggressive marketing campaigns to promote a company's exciting product line.
 - Using advertising to increase sales.
 - Identifying and serving consumer needs and wants.
 - Both (a) and (b).
 - All of the above.
110. Tammy Trojan realizes that most consumers today are looking for a convenient way to hear their favorite music rather than for a specific product such as CDs. She has therefore set up a new download service—compatible with all major brands of MP3 players—at which customers can download songs of interest. Customers can fill out a questionnaire to help identify music likely to be of interest and can use a feature that identifies songs bought by others who have a music collection similar to that of the customer. Tammy appears to practice:
- The selling concept.
 - The marketing concept.
 - Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis with an emphasis on the Boston Consulting Group Model.
 - Both (a) and (b).
 - All of the above.

111. Our discussion of Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis suggests that:
- Even large and powerful firms like Microsoft tend to have some weaknesses.
 - So long as there are sufficient opportunities, firms should not worry about threats.
 - Firm units in the “Question Mark” (“Problem Children”) quadrant in the Boston Consulting Matrix are likely to face many weaknesses but few opportunities.
 - Both (b) and (c).
 - All of the above.
112. Aside from possible ethical problems this practice may entail, serial killing:
- Is a waste of time.
113. Selling products on the Internet:
- Will usually save the seller a great deal of money compared to traditional distribution methods, thus raising profitability dramatically.
 - Is more likely to be appropriate for a niche product as opposed to one demanded by a large percentage of consumers.
 - Tends to be highly cost effective in the U.S., but is usually considerably more expensive than traditional distribution methods in most other countries.
 - Both (b) and (c).
 - None of the above.
114. Of the following, which appears to be *most* important in the ranking that a web site receives on Google for particular key words?
- The number of times that these key words appear on the page.
 - The number of links to the page from other sites highly ranked on those terms.
 - The amount of traffic the site receives.
 - The extent to which they key words appear in the “meta tags” section of the site.
 - The extent to which the site employs collaborative filtering.
115. Which of the following products would it make *least* sense to sell online if there is no opportunity to sell any other products at the same time?
- A pair of pearl earrings.
 - A typewriter.
 - A current bestselling hardcover novel .
 - A ticket to the upcoming Rowdy Redneck Revival country music concert.
 - An iPod.

116. In electronic commerce:
- The *percentage* margin made on a sale is usually much more important than the *absolute* margin.
 - Items that are popular and tend to be bought by a very large percentage of consumers tend to be more profitable to sell than those bought by a small percentage of consumers.
 - In most product and service categories, it is usually impossible to make a profit due to the chicken-and-egg problem.
 - All of the above.
 - None of the above.
117. The ultimate purpose of life is to:
- Maximize the present value of total profit.
118. Badley Bruin has decided to start a Mediocre Bowl so that players who are graduates of his alma mater will be qualified to play. Since the performance of the two Bruin teams is likely to be rather poor, he does not expect that consumers would be particularly interested in attending. He therefore plans to advertise very heavily, hire aggressive sales people who will call people at inconvenient times and harass them until they buy at minimum of ten tickets, and charging very low prices. Badley can best be said to practice:
- Market orientation.
 - The selling concept.
 - The marketing concept.
 - All of the above.
 - None of the above.
119. Among likely reasons discussed in class why Tony the Tiger wears a scarf are:
- The desire to focus on something other than the Kellogg's brand.
 - The desire to make Tony look older.
 - Trying to balance how human and "tigery" Tony looks.
 - Both (a) and (b).
 - All of the above.
120. Which of the following statements about customer value is/are correct?
- Different customer groups/segments may differ in what they find valuable.
 - Low priced products usually represent high value.
 - High priced products may, under some circumstances, be valuable to certain customer groups.
 - Both (a) and (b).
 - Both (a) and (c).
121. Currently, which of the following appears to have the *largest* influence on the ranking of web sites (the order in which they are listed) on Google?
- Average daily visits to the site.
 - The number of highly ranked other sites featuring a link to the site.
 - The number of times key words appear in the text.
 - The aesthetic appeal of the web site.
 - The average speed at which pages download.

122. The “Bricks and Clicks” model suggests that:
- More and more business will tend to shift from traditional retailers toward online sellers.
 - In most online markets, serious “chicken-and-egg” problems are likely to develop over time.
 - There may be considerable synergy between traditional retail stores and online sales units for a retail firm (i.e., that having both is worth more than the sum of the value that each part would have by itself).
 - Both (a) and (b).
 - None of the above.
123. Assuming that selling software online—with the programs being downloaded by the customer—is considerably less costly than selling through traditional distribution channels, firms that sell software online
- Are likely to have a very profitable future ahead of them due to their competitive advantage.
 - Are likely to be highly profitable, but only after the “growth” phase of the product life cycle has ended.
 - Will tend to rely on network economies.
 - Both (a) and (c).
 - None of the above.
124. The International Product Life Cycle:
- Suggests that there will be a greater demand for bicycles in the United States than there will be in Japan.
 - Is based on the idea that shipping products to more distant countries is more complicated.
 - Very accurately predicts changes in exchange rates between different currencies.
 - Both (a) and (b).
 - None of the above.
125. Which of the following represents an example of “leap frogging?”
- Priming.
 - The rapid spread of wireless Internet access in China and India.
 - Growing interest in foreign foods among U.S. consumers.
 - All of the above.
 - None of the above.
126. Of the following, which is *most* likely to cause the dollar to decline in value relative to other currencies such as the Euro and the Japanese Yen?
- The U.S. *exports* more than it imports.
 - The U.S. *imports* more than it exports.
 - “Leap frogging.”
 - Extra-territoriality.
 - Country of origin effects.

127. NAICS code “336399:”
- Refers to a more specific industry than does “3363.”
 - Is better suited for identifying direct competitors than for identifying intermediate level and remote competitors.
 - Classifies the profitability of a firm.
 - Both (a) and (b).
 - None of the above.
128. Commercial comedy, as discussed in class:
- Involves the use of funny television advertisements as a way to launch new brands.
 - May provide the sponsor with higher levels of brand recognition and/or favorable attitudes among consumers exposed.
 - Is generally considered to be unethical.
 - Both (a) and (c).
 - None of the above.
129. In secondary market research using databases, the _____ operator can be used to narrow results to articles or listings that are most likely to be relevant.
- AND
 - OR
 - AND NOT
 - Both (a) and (b).
 - Both (a) and (c).
130. The execution of competitors by firing squad or shark feeding:
- Is illegal in most states.
131. The phenomenon of leap-frogging is most likely to be bad news for:
- Cell phone manufacturers.
 - Banks that issue credit cards.
 - Manufacturers of VHS players.
 - Countries in which purchasing power parity adjusted incomes are *low*.
 - Countries in which purchasing power parity adjusted incomes are *high*.

Short Answer

1. Please explain how NAICS codes, depending on the number of digits specified, have a hierarchical structure. That is, how do codes specified by a smaller number of digits (e.g., 21) differ from ones with more digits (e.g., 22331)? How is this useful?
2. Please discuss how the Boolean operators OR, NOT, and AND can be used to increase or decrease the number of articles found when searching in a periodicals database such as Lexis/Nexis or ABI/Inform.
3. You have just run a search on ABI/Inform to find articles about the marketing of canned green tea to senior citizens (marketing AND canned AND green tea AND senior citizens). Based on the secondary search techniques discussed in class, what might you try in order to find additional relevant articles?
4. What is “commercial comedy?” How can the parties involved each benefit?
5. Badley Bruin imports Cuban cigars, Libyan figs, and Iranian dates into the United States to be sold in the Westwood Village area. In return, he sells high speed computers and fissionable nuclear material to these countries. In order to get these products out of Cuba, Libya, and Iran, he bribes customs officials there. He has certified in writing to the governments of Cuba and Iran that he does *not* do business with Canada and Brazil and has *refused* to meet with other sellers of high speed computers in Cuba to arrange for every firm to charge a high enough price that they can all make a profit. Please identify the violations of U.S. law that Badley has committed.
6. Please discuss “micro-payments” and their significance within the context of Internet marketing. What is a major problem faced in accepting micro-payments?
7. Please contrast the “marketing” and selling concepts.
8. How does the system of “Collaborative Filtering”—as used by Amazon.com—work?