

Multiple Choice

Place the letter of the correct answer to each question on the line provided.

- _____ 1. Which of the following is a characteristic of a service?
- A. Can be stored
 - B. Can be repeated in exactly the same way
 - C. Mass produced
 - D. Intangible
- _____ 2. Which of the following is an example of a basic category of consumer product?
- A. Convenience good
 - B. Process material
 - C. Component part
 - D. Raw materials
- _____ 3. Which of the following is *not* a business product category in the business-to-business (B2B) market?
- A. Raw materials
 - B. Process materials
 - C. Major equipment
 - D. Shopping goods
- _____ 4. The price of a good or service must _____.
- A. be lower than what customers are willing to pay
 - B. be below any government price floor
 - C. cover the cost of producing and selling the product
 - D. not be below the manufacturer's suggested retail price (MSRP)
- _____ 5. Which of the following is an example of a pricing objective?
- A. Minimize cost
 - B. Minimize profit
 - C. Maximize profit
 - D. Minimize the product life cycle
- _____ 6. During which stage of the product life cycle are the sales and prices of products stable?
- A. Introduction
 - B. Growth
 - C. Maturity
 - D. Decline
- _____ 7. A product starts marking profit after reaching the _____.
- A. growth stage of the product life cycle
 - B. break-even point
 - C. price ceiling
 - D. mass market
- _____ 8. The path of selling goods or services directly from a manufacturer to end users without using intermediaries is the _____.
- A. supply chain
 - B. direct channel
 - C. indirect channel
 - D. pipeline

Name _____

- _____ 9. Which is *not* a basic type of product created by a producer?
- A. Natural resources
 - B. Transportation
 - C. Agricultural products
 - D. Finished goods
- _____ 10. Buyers and sellers are brought together by ____.
- A. agents
 - B. wholesalers
 - C. distributors
 - D. rack jobbers

Completion

In the space provided, write the word(s) that best completes each of the following statements.

- _____ 1. The ____ price is the amount a customer pays for a product.
- _____ 2. ____ pricing sets prices high to convey quality and status.
- _____ 3. A reduced per-item price for larger numbers of an item purchased is a(n) ____.
- _____ 4. The practice of ____ is advertising one product with the intent of persuading customers to buy a more expensive when they arrive in the store.
- _____ 5. The practice of setting very low prices to remove competition is ____.
- _____ 6. Raising prices on certain kinds of goods to an excessively high level during an emergency is ____.
- _____ 7. The physical movement of products through the channel of distribution is ____.
- _____ 8. Companies that organize shipments are ____.
- _____ 9. A(n) ____ purchases large amounts of goods directly from manufacturers, stores them, and then resells in smaller quantities to various retailers.
- _____ 10. The process of separating a large quantity of goods into smaller quantities is ____.