

c1

Student: _____

1. Any activity which seeks to earn a profit by providing a good or service is known as a(n):
 - A. industry
 - B. corporation
 - C. business
 - D. service

2. _____ is the amount a business earns over and above what it spends for salaries and other expenses.
 - A. Profit
 - B. Revenue
 - C. Interest
 - D. Dividends

3. A loss occurs when expenses are greater than:
 - A. assets
 - B. profit
 - C. revenue
 - D. costs

4. A business incurs a _____ if its costs and expenses exceed its revenues.
 - A. loss
 - B. liability
 - C. debit
 - D. dividend

5. The total amount of money that businesses earn by selling goods and services is called _____.
 - A. profit
 - B. revenue
 - C. loss
 - D. retained earnings

6. Last year, MacTeck Enterprises had total revenues of \$34 million while its total expenses were \$22 million.

Based on this information, MacTeck:

- A. earned a profit of \$12 million.
- B. earned a profit of \$56 million.
- C. suffered a loss of \$12 million.
- D. suffered a loss of \$22 million.

7. Which of the following is the best example of a business?

- A. A community college
- B. The Salvation Army
- C. The Girl Guides of Canada
- D. Wal-Mart

8. Businesses differ from nonprofit organizations in that a business's focus is on

- A. price.
- B. goods.
- C. profit.
- D. organization.
- E. plans.

9. The goal of business is to earn

- A. respect.
- B. resources.
- C. a profit.
- D. responsibility.
- E. independence.

10. Which of the following is NOT one of the three fundamental characteristic that an efficient and effective operating platform will possess?

- A. A system of integrated actions
- B. Commercial Endeavours
- C. Employee Interaction model
- D. Organizational Efficiency & Structure
- E. None of the above

11. Which of the following is NOT integral in how an organization can succeed in identifying solutions to needs the marketplace desires?

- A. right time
- B. right customer
- C. right place
- D. right invention
- E. right price

12. _____ refers to the value-creating skills which an organization's employees bring to the marketplace.

- A. Organizational efficiency
- B. Employee interaction
- C. Labour supply
- D. Organizational value
- E. Stakeholder efficiency

13. Which of the following does NOT make up a business?

- A. A system of integrated actions
- B. develops and grows a market for its goods and/or services
- C. creates organizational value (wealth) on behalf of its stakeholders
- D. develops wealth for its employees
- E. delivers the right solution to the right customer

14. The functions of organizing, staffing, planning, and controlling are most closely associated with

- A. employees.
- B. customers.
- C. managers.
- D. stockholders.
- E. accountants.

15. To be successful in today's markets, businesses must:

- A. provide the greatest variety of products to consumers.
- B. spend more money on marketing and less on production.
- C. focus their resources on achieving the goal of zero defects.
- D. delight customers with a quality product at a good price and outstanding service.

16. Business has changed over time, traditionally business was more focused on the product and how to sell it. Today business is more focused on:
- A. quality and service.
 - B. reliability.
 - C. marketing.
 - D. production.
17. _____ refers to the ability of managers to establish a direction for the organization based on the needs identified in the marketplace and the mission (reason for being) of the organization.
- A. Human capital
 - B. Assets
 - C. Business Acumen
 - D. Visionary leadership
 - E. Managerial Acumen
18. _____ refers to the human resource requirements of the business.
- A. Labour
 - B. Capital
 - C. Assets
 - D. Efficiency
 - E. None of the above
19. _____ refers to the money needed by an organization.
- A. Assets
 - B. Labour
 - C. Capital
 - D. Managerial acumen
 - E. Structure
20. Which of the following is NOT one of the four core fundamental resource areas an organization will build its business model or system around:
- A. Assets
 - B. Labour
 - C. Capital
 - D. Managerial acumen
 - E. Structure

21. _____ refers to the ability of managers to establish a direction for the organization based on the needs identified in the marketplace and the mission (reason for being) of the organization.
- A. Visionary leadership
 - B. Assets
 - C. Business Acumen
 - D. Human capital
 - E. Managerial Acumen
22. When purchasing a product, the consumer is actually buying its anticipated benefits and
- A. satisfaction.
 - B. price.
 - C. costs.
 - D. productivity.
 - E. form.
23. If a business is to be successful in the long run, it must treat its customers, employees, and community with social
- A. meetings.
 - B. responsibility.
 - C. agendas.
 - D. insight.
 - E. interests.
24. Which of the following is *not* a product?
- A. A Dell personal computer
 - B. A veterinarian's treatment of a pet's injuries
 - C. A lawyer's advice in a divorce case
 - D. Business profit
 - E. A checkup by a doctor
25. To start any business you must first have
- A. investors.
 - B. an idea.
 - C. capital.
 - D. employees.
 - E. a business plan.

26. A precise statement of the rationale for a business and a step-by-step explanation of how it will achieve its goals is a
- A. mission statement.
 - B. corporate charter.
 - C. business plan.
 - D. corporate statement.
 - E. balance sheet.
27. The business plan should do all of the following *except*
- A. explain the business.
 - B. include estimates of income and expenses.
 - C. establish a strategy for acquiring sufficient funds.
 - D. include an analysis of the competition.
 - E. act as a shackle to limit the business's flexibility and decision making.
28. Which of the following is NOT part of the process called The Business Planning Cycle?
- A. Management team understands its strategic opportunities and its capabilities, competencies and overall capacity
 - B. Management team develops a business plan via a process which outlines its focus and methodology for using its resources
 - C. Management team capitalizes on its identified strategic opportunities
 - D. Management team creates valuable products and services
 - E. Management team creates a unique position in the marketplace built around a competitive advantage.
29. A company has a competitive advantage when it can:
- A. offer customers a product/service that has more value to them than similar products offered by other companies
 - B. the business plan is competitive and executed properly
 - C. customers are attracted to the company's product/service offering(s)
 - D. the company generates money, or revenue, from the sale of the product.
 - E. All of the above
30. A business' objectives should NOT be which of the following:
- A. Specific
 - B. Measurable
 - C. Easy
 - D. Controllable
 - E. All of the above

31. What makes up the 3C assessment?

- A. ceremony, competencies, capacity
- B. capabilities, customers, cyclical
- C. company, competencies, capacity
- D. ceremony, customers, capacity
- E. capabilities, competencies, capacity

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- E. All of the above

33. A business' objectives should be:

- A. specific
- B. measurable
- C. actionable
- D. controllable
- E. all of the above

34. In order to achieve long-term growth and profitability, businesses are constantly searching for new markets and new opportunities to further grow the scope and focus of their organizations:

- A. to pay its bills and reinvest in the future
- B. because they recognize that the demand for current products and services could disappear
- C. to ensure the immediate survival of the firm
- D. in order to achieve long-term growth and profitability
- E. a) and d)

35. Too much emphasis on developing future products and/or services, versus responding to customer needs today, may result in the business:

- A. falling short of social responsibility expectations
- B. liquidity issues if it is unable to cover its expenses in the short term
- C. remaining healthy and continues to grow
- D. acquiring external capital funding commitments which will enable them to reinvest in the organization
- E. ensuring that it remains vibrant and responsive to community needs

36. Profitability analysis takes into consideration:

- A. return on the capital invested
- B. return on equity
- C. financial leverage
- D. comparisons between competitors to determine which organizations are the most effective in their utilization of their resources
- E. All of the above

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42. Non-profit organizations,

- A. last for only short periods of time as their objective is not to create profits for their owners.
- B. Have a hard time hiring employees as they have no means of paying them.
- C. Are not concerned about meeting their financial needs.
- D. Can provide an opportunity for individuals to address social issues.

43. Businesses differ from nonprofit organizations in that a business's focus is on

- A. price.
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44. When purchasing a product, the consumer is actually buying its anticipated benefits and

- A. satisfaction.
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- A. meetings.
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46. _____ is the amount a business earns over and above what it spends for salaries and other expenses.

- A. Profit
- B. Revenue
- C. Interest
- D. Dividends
- E. Assets

47. When consumers calculate the value of a product, they:

- A. subtract cost of production from market price.
- B. eliminate all nontangible elements that might affect their perception of the product.
- C. look at the benefits the product provides then subtract the cost.
- D. identify the variable and the fixed components of the product's benefits.

48. The combination of all the factors that consumers evaluate when deciding whether or not to buy a good or service is called a:

- A. total product offer.
- B. product mix.
- C. product differentiation.
- D. product package.

49. When people consider purchasing a good, they:

- A. are responding to the market forces of supply and demand.
- B. are most influenced by the price of the product or service.
- C. will not consider goods that require them to make a special effort to purchase.
- D. may evaluate and compare a variety of factors.

50. Which of the following refers to a group of products offered by a firm that are physically similar or are intended for a similar market?

- A. Product matrix.
- B. Product line.
- C. Product mix.
- D. Total product offer.

51. All of the following would be included in the total product offer of benefits that consumers consider when buying a good or service except the:

- A. price.
- B. consumer's income.
- C. buyer's past experience.
- D. store's atmosphere.

52. The purpose of _____ is to create real or perceived product differences.

- A. niche marketing
- B. product differentiation
- C. product mixing
- D. target marketing

53. For small businesses, product differentiation:

- A. is more difficult than it is for larger firms because of the high cost of product research and development.
- B. usually concentrates on the pricing component of the total product offer.
- C. can be an important strategy to gain market share.
- D. is less important than it is for big firms with multiple product lines.

54. LoRider Wheels sells high quality bicycles and accessories. The store is known for a pleasant environment, friendly salespeople and an excellent service department. All of these elements are part of the _____ offered by LoRider.

- A. total product offer
- B. product line
- C. competitive environment
- D. marginal utility package

55. When consumers decide to purchase a particular product, they:

- A. will search for the retailer that offers the lowest price.
- B. consider the total collection of benefits that the product offers.
- C. base their decision on a brand name nearly all of the time.
- D. initially evaluate the product's package.

56. Successful product differentiation:

- A. of consumer goods is determined exclusively by price.
- B. can be based on either real or perceived differences in products.
- C. is prohibited if it restricts price competition and market access.
- D. is less important due to the growth of the Internet.

57. All of the following would allow a firm to utilize product differentiation **except**:

- A. pricing differences.
- B. increased production.
- C. elaborate packaging.
- D. intensive advertising.

58. The _____ of the value proposition is the perceived sum of your company's ability to deliver in each of the areas noted within the value proposition equation, versus the _____ of your competitors' value propositions measured across these same benefit areas.

- A. Total; strength
- B. Strength; strength
- C. Strength; weakness
- D. Weakness; weakness
- E. Weakness; strength

59. A value proposition which has a positive price/quality relationship is considered superior to those of your competitors, if it:

- A. is more unique
- B. is more important
- C. your product is more value-driven
- D. provides greater opportunity to communicate to the potential purchaser
- E. all of the above

60. _____ *expenditures* are expenses incurred as a result of the normal business operations. The salaries/wages of employees, the purchase of raw materials for the fabrication of products, the costs of shipping products from point A to point B, or the costs of advertising campaigns, are examples of such expenses.

- A. Asset-based
- B. Working
- C. Operating
- D. Functioning
- E. Past

61. Sweet Dream Confectioners uses the same ingredients as most other producers of chocolate candies. In fact, taste tests suggest that the candy itself, while quite good, isn't much better than other well-known brands of chocolate. However, the company wraps its candies in expensive looking foil and places them in very attractive boxes. It promotes its products in advertisements as "the ultimate in chocolate experience." Sweet Dream charges a much higher price than most competitors, but sales continue to grow. This success indicates that:

- A. consumers often behave in an irrational manner.
- B. there is more to the total product offer than the physical product.
- C. consumers seldom consider price when making a buying decision for goods such as chocolate.
- D. chocolate is best classified as a convenience good.

62. In evaluating colleges, students and parents are likely to judge a school:

- A. strictly on the basis of major curriculums offered.
- B. based on the tuition.
- C. by the collection of benefits offered by the school.
- D. on the anticipated rate of return on their tuition investment.

63. "I Can't Believe That It's Medicine" is an advertising slogan for a new antacid. The manufacturer claims that their antacid works faster and tastes better than any competing brand. These claims are part of the firm's strategy to achieve:

- A. deceptive marketing recognition.
- B. the creation of knockoff products.
- C. new product development.
- D. product differentiation.

64. As restaurant chains that specialize in Mexican cuisine, Fernando's and Carmelita's offer similar items on their menus. However, Fernando's restaurants are positioned in the market as elegant establishments with high prices. Carmelita's restaurants, on the other hand, are located in middle class neighborhoods, with a casual atmosphere that welcomes families with young children. The prices at Carmelita's are in the moderate range. When evaluating the marketing strategies used by these restaurants, we can conclude that:

- A. both practice product mix effectiveness.
- B. they utilize product differentiation.
- C. Fernando's has chosen a shopping good strategy.
- D. their target markets differ, with one intended to appeal to the industrial market, and the other designed to attract the consumer market.

65. _____ is the art of getting things done using organizational resources.

- A. Socialization
- B. Justification
- C. Preparation
- D. Management

66. Today's progressive managers:

- A. usually prefer to use the autocratic style of leadership.
- B. tend to emphasize teamwork and cooperation rather than discipline and order-giving.
- C. face fewer challenges and problems than managers in the past.
- D. can rely on a much higher level of worker loyalty to the organization than in the past.

67. Today, managers have to make allocation decisions around the use of which scarce resources,

- A. financial
- B. human
- C. natural
- D. all resources

68. _____ is the development of plans and decisions which will guide the direction of the firm and determine its long-term performance.

- A. Vision
- B. Planning
- C. Strategy
- D. Execution
- E. Tactic

69. Strategy:

- A. Is the development of plans and decisions which will guide the direction of the firm and determine its long-term performance
- B. Focuses on the vision of the firm and the opportunity which it believes exists in the marketplace
- C. checks that the life expectancy of the product or service is long enough to ensure that the initial investment can be recovered and that the firm can make a profit.
- D. a) and c)
- E. a), b) and c)

70. _____, managers need to understand where the market is going and how their products and services will fit into the market and meet customer needs. _____, they need to ensure that the right product reaches the right customer at the right time and at the right place for the right price.

- A. Tactically; tactically
- B. Strategically; strategically
- C. Strategically; Tactically
- D. Decisively; tactically
- E. defensively; tactically

71. _____ is the development of plans and decisions which will guide the direction of the firm and determine its long-term performance.

- A. Vision
- B. Planning
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72. Non-profit organizations,

- A. last for only short periods of time as their objective is not to create profits for their owners.
- B. Have a hard time hiring employees as they have no means of paying them.
- C. Are not concerned about meeting their financial needs.
- D. Can provide an opportunity for individuals to address social issues.

73. Any organization that produces a good or service can be classified as a business.

True False

74. The goal of business activities is profit.

True False

75. Nonprofit organizations such as the Canadian Cancer Society do not engage in management, marketing, or finance activities.

True False

76. Profit is what it costs to make and sell a product.

True False

77. Businesses have the right to keep and use their profits as they choose, without limitations.

True False

78. Businesses seek to earn a profit by providing goods and services to others.

True False

79. Revenue is the amount a business earns above and beyond what it spends for expenses and costs.

True False

80. A manager is an individual who assumes the risk of starting a business.

True False

81. If a business' costs and expenses are greater than its revenue, it will suffer a loss.

True False

82. Well-managed businesses will grow and prosper regardless of the business environment in which they operate.

True False

83. Technology can help businesses become more efficient and productive.

True False

84. Technology enables Canadian workers to make more money than workers in low wage rate countries.

True False

85. Technology affects people in most, but not all industries.

True False

86. To remain competitive in today's market, firms must produce a quality product and offer outstanding service at a reasonable price.

True False

87. Producing a high quality product will ensure success in the competitive environment.

True False

88. Successful firms follow a customer-driven strategy, as opposed to the management-driven strategy used in the past.

True False

89. The competitive environment now empowers managers to make decisions quickly for their front line employees.

True False

90. Managers coordinate resources to achieve organizational objectives.

True False

91. The amount of profit or loss earned by a business can be found by subtracting the firm's expenses from its revenues.

True False

92. A key element of business success is a business plan.

True False

93. Businesses seek to earn a profit by providing goods and services to others.

True False

94. Revenue is the amount a business earns above and beyond what it spends for expenses and costs.

True False

95. If a business costs and expenses are greater than its revenue, it will suffer a loss.

True False

96. Profits of a business include the salaries paid to the owners and employees of that business.

True False

97. The only way a firm can increase its profits is to increase its sales revenue.

True False

98. The amount of profit or loss earned by a business can be found by subtracting the firm's expenses from its revenues.

True False

99. The goal of business activities is profit.

True False

100. Nonprofit organizations such as the Canadian Cancer Society do not engage in management, marketing, or finance activities.

True False

101. Profit is what it costs to make and sell a product.

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102. Businesses have the right to keep and use their profits as they choose, without limitations.

True False

103. The Buckmaker Corporation generated total revenues of \$30 million dollars while incurring expenses of \$17 million. During the year Buckmaker earned a profit of \$13 million.

True False

104. Successful businesses constantly monitor consumer wants and needs.

True False

105. From a strategic marketing viewpoint, a total product offer includes all of the tangible attributes of a good or service, and excludes any intangible attributes.

True False

106. The image created by advertising is part of the total product offer of a product.

True False

107. The reputation of the manufacturer and the retail store surroundings are considered part of the value enhancers of a total product offer.

True False

108. Successful marketers attempt to think like a consumer and evaluate the value package offered by a good or service.

True False

109. Marketing managers are aware that products can take on the characteristics of the store in which they are sold.

True False

110. The critical component of a total product offer is always a low price.

True False

111. Low prices can help retailers create an attractive total product offer.

True False

112. In order for product differentiation to be effective, real product differences must be identified so that one product is clearly better than others.

True False

113. Marketers utilize pricing, advertising, and packaging to successfully differentiate their products from competitors' products even when actual differences are quite small.

True False

114. Creative product differentiation can enable a small business to increase market share.

True False

115. At Isuzu's Appliance Store, all new products are offered with an extended service contract, as well as free delivery installation. By offering these value enhancers, Isuzu's has added to their total product offer.

True False

116. Price, store surroundings, service, and brand name are all elements that consumers evaluate in a total product offer.

True False

117. Mystic Beverages, a producer of soft drinks, wants to differentiate its products from those of other soft drink providers. To implement this strategy successfully will require Mystic to create recognizable differences in the physical product it offers.

True False

118. Dutch owns and operates a small pizzeria that competes with a variety of other restaurants offering pizza on their menus. His largest competitors are large nationally known organizations. The small size of Dutch's business prevents him from successfully utilizing a product differentiation strategy.

True False

119. Management is the art of getting things done through organizational resources.

True False

120. A modern manager's main job is to issue orders, then follow up to make sure employees do as they were told.

True False

121. Managers in progressive organizations tend to emphasize teamwork and cooperation rather than discipline and giving orders.

True False

122. Managers in many of today's high-tech firms realize that workers often know much more about technology than they do.

True False

123. Despite all of the changes in the business environment, the basic way a manager performs his or her job has remained remarkably constant.

True False

124. Given the lack of discipline and short attention spans of today's workers, modern managers must watch their workers closely, set strict rules, and vigorously enforce them.

True False

125. In most high tech industries, the best way to respond quickly to rapid technological changes is to keep most authority and responsibility in the hands of a few key managers who provide precise, detailed directions to the workers.

True False

126. The need for better-educated and self-directed workers has made it easier for managers to obtain the trust and loyalty of their workers.

True False

127. Every business is faced with the reality of having less uses for resources than resources available.

True False

128. Because of advancements in technology, managers now have an easier time obtaining long-term commitments from workers.

True False

129. What is a business?

130. What are the three fundamental characteristics against which an organization can be assessed?

131. What is visionary leadership?

132. What is a business model or system?

133. What is the "second" business objective (after making profit)?

134. What are Stakeholders?

135. When consumers calculate the value of a product, they look at the benefits and then subtract the cost.

136. From a marketing management perspective, what is the meaning of a total product offer? What are the important elements in the total product offer of your college or university?

137. What is the difference between Asset-based and Operating expenditures, give an example of each?

138. What is Strategy?

139. Explain the differences between strategic, tactical, operational, and contingency planning.

140. What is a 3C assessment?

141. When does a business have a competitive advantage?

142. What is a value proposition?

c1 Key

1. (p. 4) Any activity which seeks to earn a profit by providing a good or service is known as a(n):
- A. industry
 - B. corporation
 - C. business
 - D. service

Bissonette - Chapter 01 #1
Difficulty: Easy
Learning Objective: 1

2. (p. 4) _____ is the amount a business earns over and above what it spends for salaries and other expenses.
- A. Profit
 - B. Revenue
 - C. Interest
 - D. Dividends

Bissonette - Chapter 01 #2
Difficulty: Easy
Learning Objective: 1

3. (p. 4) A loss occurs when expenses are greater than:
- A. assets
 - B. profit
 - C. revenue
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Bissonette - Chapter 01 #3
Difficulty: Easy
Learning Objective: 1

4. (p. 4) A business incurs a _____ if its costs and expenses exceed its revenues.

- A.** loss
- B. liability
- C. debit
- D. dividend

Bissonette - Chapter 01 #4

Difficulty: Easy

Learning Objective: 1

5. (p. 4) The total amount of money that businesses earn by selling goods and services is called _____.

- A. profit
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Bissonette - Chapter 01 #5

Difficulty: Easy

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Bissonette - Chapter 01 #6

Difficulty: Medium

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7. (p. 4) Which of the following is the best example of a business?

- A. A community college
- B. The Salvation Army
- C. The Girl Guides of Canada
- D.** Wal-Mart

Bissonette - Chapter 01 #7

Difficulty: Medium

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8. (p. 5) Businesses differ from nonprofit organizations in that a business's focus is on

- A. price.
- B. goods.
- C. profit.
- D. organization.
- E. plans.

Bissonette - Chapter 01 #8
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9. (p. 4) The goal of business is to earn

- A. respect.
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Bissonette - Chapter 01 #9
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- B. Commercial Endeavours
- C. Employee Interaction model
- D. Organizational Efficiency & Structure
- E. None of the above

Bissonette - Chapter 01 #10
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11. (p. 4) Which of the following is NOT integral in how an organization can succeed in identifying solutions to needs the marketplace desires?

- A. right time
- B. right customer
- C. right place
- D. right invention**
- E. right price

Bissonette - Chapter 01 #11

Difficulty: Medium

Learning Objective: 1

12. (p. 4) _____ refers to the value-creating skills which an organization's employees bring to the marketplace.

- A. Organizational efficiency
- B. Employee interaction**
- C. Labour supply
- D. Organizational value
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Bissonette - Chapter 01 #12

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Bissonette - Chapter 01 #13

Difficulty: Medium

Learning Objective: 1

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- A. employees.
 - B. customers.
 - C. managers.**
 - D. stockholders.
 - E. accountants.

Bissonette - Chapter 01 #14
Difficulty: Easy
Learning Objective: 2

15. (p. 5) To be successful in today's markets, businesses must:
- A. provide the greatest variety of products to consumers.
 - B. spend more money on marketing and less on production.
 - C. focus their resources on achieving the goal of zero defects.
 - D. delight customers with a quality product at a good price and outstanding service.**

Bissonette - Chapter 01 #15
Difficulty: Easy
Learning Objective: 2

16. (p. 5) Business has changed over time, traditionally business was more focused on the product and how to sell it. Today business is more focused on:
- A. quality and service.**
 - B. reliability.
 - C. marketing.
 - D. production.

Bissonette - Chapter 01 #16
Difficulty: Easy
Learning Objective: 2

17. (p. 5) _____ refers to the ability of managers to establish a direction for the organization based on the needs identified in the marketplace and the mission (reason for being) of the organization.

- A. Human capital
- B. Assets
- C. Business Acumen
- D.** Visionary leadership
- E. Managerial Acumen

Bissonette - Chapter 01 #17

Difficulty: Easy

Learning Objective: 2

18. (p. 5) _____ refers to the human resource requirements of the business.

- A.** Labour
- B. Capital
- C. Assets
- D. Efficiency
- E. None of the above

Bissonette - Chapter 01 #18

Difficulty: Easy

Learning Objective: 2

19. (p. 5) _____ refers to the money needed by an organization.

- A. Assets
- B. Labour
- C.** Capital
- D. Managerial acumen
- E. Structure

Bissonette - Chapter 01 #19

Difficulty: Easy

Learning Objective: 2

20. (p. 5) Which of the following is NOT one of the four core fundamental resource areas an organization will build its business model or system around:

- A. Assets
- B. Labour
- C. Capital
- D. Managerial acumen
- E. Structure**

Bissonette - Chapter 01 #20

Difficulty: Easy

Learning Objective: 2

21. (p. 5) _____ refers to the ability of managers to establish a direction for the organization based on the needs identified in the marketplace and the mission (reason for being) of the organization.

- A. Visionary leadership**
- B. Assets
- C. Business Acumen
- D. Human capital
- E. Managerial Acumen

Bissonette - Chapter 01 #21

Difficulty: Easy

Learning Objective: 2

22. (p. 15) When purchasing a product, the consumer is actually buying its anticipated benefits and

- A. satisfaction.**
- B. price.
- C. costs.
- D. productivity.
- E. form.

Bissonette - Chapter 01 #22

Difficulty: Medium

Learning Objective: 3

23. (p. 10) If a business is to be successful in the long run, it must treat its customers, employees, and community with social
- A. meetings.
 - B. responsibility.**
 - C. agendas.
 - D. insight.
 - E. interests.

Bissonette - Chapter 01 #23
Difficulty: Medium
Learning Objective: 3

24. (p. 5) Which of the following is *not* a product?
- A. A Dell personal computer
 - B. A veterinarian's treatment of a pet's injuries
 - C. A lawyer's advice in a divorce case**
 - D. Business profit
 - E. A checkup by a doctor

Bissonette - Chapter 01 #24
Difficulty: Medium
Learning Objective: 3

25. (p. 10) To start any business you must first have
- A. investors.
 - B. an idea.**
 - C. capital.
 - D. employees.
 - E. a business plan.

Bissonette - Chapter 01 #25
Difficulty: Medium
Learning Objective: 3

26. (p. 6) A precise statement of the rationale for a business and a step-by-step explanation of how it will achieve its goals is a
- A. mission statement.
 - B. corporate charter.
 - C. business plan.**
 - D. corporate statement.
 - E. balance sheet.

Bissonette - Chapter 01 #26
Difficulty: Medium
Learning Objective: 3

27. (p. 6) The business plan should do all of the following *except*
- A. explain the business.
 - B. include estimates of income and expenses.
 - C. establish a strategy for acquiring sufficient funds.
 - D. include an analysis of the competition.
 - E. act as a shackle to limit the business's flexibility and decision making.**

Bissonette - Chapter 01 #27
Difficulty: Medium
Learning Objective: 3

28. (p. 6) Which of the following is NOT part of the process called The Business Planning Cycle?
- A. Management team understands its strategic opportunities and its capabilities, competencies and overall capacity
 - B. Management team develops a business plan via a process which outlines its focus and methodology for using its resources
 - C. Management team capitalizes on its identified strategic opportunities**
 - D. Management team creates valuable products and services
 - E. Management team creates a unique position in the marketplace built around a competitive advantage.

Bissonette - Chapter 01 #28
Difficulty: Medium
Learning Objective: 3

29. (p. 6) A company has a competitive advantage when it can:

- A. offer customers a product/service that has more value to them than similar products offered by other companies
- B. the business plan is competitive and executed properly
- C. customers are attracted to the company's product/service offering(s)
- D. the company generates money, or revenue, from the sale of the product.
- E.** All of the above

Bissonette - Chapter 01 #29

Difficulty: Medium

Learning Objective: 3

30. (p. 7) A business' objectives should NOT be which of the following:

- A. Specific
- B. Measurable
- C.** Easy
- D. Controllable
- E. All of the above

Bissonette - Chapter 01 #30

Difficulty: Medium

Learning Objective: 3

31. (p. 6) What makes up the 3C assessment?

- A. ceremony, competencies, capacity
- B. capabilities, customers, cyclical
- C. company, competencies, capacity
- D. ceremony, customers, capacity
- E.** capabilities, competencies, capacity

Bissonette - Chapter 01 #31

Difficulty: Medium

Learning Objective: 3

32. (p. 6) A company has a competitive advantage when it can:

- A. offer customers a product/service that has more value to them than similar products offered by other companies
- B. the business plan is competitive and executed properly
- C. customers are attracted to the company's product/service offering(s)
- D. the company generates money, or revenue, from the sale of the product.
- E.** All of the above

Bissonette - Chapter 01 #32

Difficulty: Medium

Learning Objective: 3

33. (p. 7) A business' objectives should be:

- A. specific
- B. measurable
- C. actionable
- D. controllable
- E.** all of the above

Bissonette - Chapter 01 #33

Difficulty: Medium

Learning Objective: 3

34. (p. 10) In order to achieve long-term growth and profitability, businesses are constantly searching for new markets and new opportunities to further grow the scope and focus of their organizations:

- A. to pay its bills and reinvest in the future
- B. because they recognize that the demand for current products and services could disappear
- C. to ensure the immediate survival of the firm
- D. in order to achieve long-term growth and profitability
- E.** a) and d)

Bissonette - Chapter 01 #34

Difficulty: Difficult

Learning Objective: 4

35. (p. 11) Too much emphasis on developing future products and/or services, versus responding to customer needs today, may result in the business:

- A. falling short of social responsibility expectations
- B.** liquidity issues if it is unable to cover its expenses in the short term
- C. remaining healthy and continues to grow
- D. acquiring external capital funding commitments which will enable them to reinvest in the organization
- E. ensuring that it remains vibrant and responsive to community needs

Bissonette - Chapter 01 #35

Difficulty: Difficult

Learning Objective: 4

36. (p. 11) Profitability analysis takes into consideration:

- A. return on the capital invested
- B. return on equity
- C. financial leverage
- D. comparisons between competitors to determine which organizations are the most effective in their utilization of their resources
- E.** All of the above

Bissonette - Chapter 01 #36

Difficulty: Difficult

Learning Objective: 4

37. (p. 12) Any activity which seeks to earn a profit by providing a good or service is known as a(n):

- A. industry
- B. corporation
- C.** business
- D. service

Bissonette - Chapter 01 #37

Difficulty: Easy

Learning Objective: 4

38. (p. 12) _____ is the amount a business earns over and above what it spends for salaries and other expenses.

- A.** Profit
- B. Revenue
- C. Interest
- D. Dividends

Bissonette - Chapter 01 #38
Difficulty: Easy
Learning Objective: 4

39. (p. 12) A loss occurs when expenses are greater than:

- A. assets
- B. profit
- C.** revenue
- D. costs

Bissonette - Chapter 01 #39
Difficulty: Easy
Learning Objective: 4

40. (p. 12) A business incurs a _____ if its costs and expenses exceed its revenues.

- A.** loss
- B. liability
- C. debit
- D. dividend

Bissonette - Chapter 01 #40
Difficulty: Easy
Learning Objective: 4

41. (p. 12) The total amount of money that businesses earn by selling goods and services is called _____.

- A. profit
- B.** revenue
- C. loss
- D. retained earnings

Bissonette - Chapter 01 #41
Difficulty: Easy
Learning Objective: 4

42. (p. 12) Non-profit organizations,

- A. last for only short periods of time as their objective is not to create profits for their owners.
- B. Have a hard time hiring employees as they have no means of paying them.
- C. Are not concerned about meeting their financial needs.
- D.** Can provide an opportunity for individuals to address social issues.

Bissonette - Chapter 01 #42

Difficulty: Easy

Learning Objective: 4

43. (p. 12) Businesses differ from nonprofit organizations in that a business's focus is on

- A. price.
- B. goods.
- C. profit.
- D.** organization.
- E. plans.

Bissonette - Chapter 01 #43

Difficulty: Easy

Learning Objective: 4

44. (p. 12) When purchasing a product, the consumer is actually buying its anticipated benefits and

- A. satisfaction.
- B. price.
- C. costs.
- D.** productivity.
- E. form.

Bissonette - Chapter 01 #44

Difficulty: Easy

Learning Objective: 4

45. (p. 12) If a business is to be successful in the long run, it must treat its customers, employees, and community with social
- A. meetings.
 - B. responsibility.
 - C. agendas.
 - D. insight.**
 - E. interests.

Bissonette - Chapter 01 #45
Difficulty: Easy
Learning Objective: 4

46. (p. 12) _____ is the amount a business earns over and above what it spends for salaries and other expenses.
- A. Profit**
 - B. Revenue
 - C. Interest
 - D. Dividends
 - E. Assets

Bissonette - Chapter 01 #46
Difficulty: Easy
Learning Objective: 4

47. (p. 15) When consumers calculate the value of a product, they:
- A. subtract cost of production from market price.
 - B. eliminate all nontangible elements that might affect their perception of the product.
 - C. look at the benefits the product provides then subtract the cost.**
 - D. identify the variable and the fixed components of the product's benefits.

Bissonette - Chapter 01 #47
Difficulty: Easy
Learning Objective: 5

48. (p. 15) The combination of all the factors that consumers evaluate when deciding whether or not to buy a good or service is called a:

- A.** total product offer.
- B. product mix.
- C. product differentiation.
- D. product package.

Bissonette - Chapter 01 #48

Difficulty: Easy

Learning Objective: 5

49. (p. 15) When people consider purchasing a good, they:

- A. are responding to the market forces of supply and demand.
- B. are most influenced by the price of the product or service.
- C. will not consider goods that require them to make a special effort to purchase.
- D.** may evaluate and compare a variety of factors.

Bissonette - Chapter 01 #49

Difficulty: Easy

Learning Objective: 5

50. (p. 15) Which of the following refers to a group of products offered by a firm that are physically similar or are intended for a similar market?

- A. Product matrix.
- B.** Product line.
- C. Product mix.
- D. Total product offer.

Bissonette - Chapter 01 #50

Difficulty: Easy

Learning Objective: 5

51. (p. 15) All of the following would be included in the total product offer of benefits that consumers consider when buying a good or service **except** the:

- A. price.
- B.** consumer's income.
- C. buyer's past experience.
- D. store's atmosphere.

Bissonette - Chapter 01 #51

Difficulty: Easy

Learning Objective: 5

52. (p. 15) The purpose of _____ is to create real or perceived product differences.

- A. niche marketing
- B. product differentiation**
- C. product mixing
- D. target marketing

Bissonette - Chapter 01 #52

Difficulty: Easy

Learning Objective: 5

53. (p. 15) For small businesses, product differentiation:

- A. is more difficult than it is for larger firms because of the high cost of product research and development.
- B. usually concentrates on the pricing component of the total product offer.
- C. can be an important strategy to gain market share.**
- D. is less important than it is for big firms with multiple product lines.

Bissonette - Chapter 01 #53

Difficulty: Easy

Learning Objective: 5

54. (p. 16) LoRider Wheels sells high quality bicycles and accessories. The store is known for a pleasant environment, friendly salespeople and an excellent service department. All of these elements are part of the _____ offered by LoRider.

- A. total product offer**
- B. product line
- C. competitive environment
- D. marginal utility package

Bissonette - Chapter 01 #54

Difficulty: Easy

Learning Objective: 5

55. (p. 15) When consumers decide to purchase a particular product, they:

- A. will search for the retailer that offers the lowest price.
- B. consider the total collection of benefits that the product offers.**
- C. base their decision on a brand name nearly all of the time.
- D. initially evaluate the product's package.

Bissonette - Chapter 01 #55

Difficulty: Easy

Learning Objective: 5

56. (p. 15) Successful product differentiation:
- A. of consumer goods is determined exclusively by price.
 - B.** can be based on either real or perceived differences in products.
 - C. is prohibited if it restricts price competition and market access.
 - D. is less important due to the growth of the Internet.

Bissonette - Chapter 01 #56
Difficulty: Easy
Learning Objective: 5

57. (p. 16) All of the following would allow a firm to utilize product differentiation **except**:
- A. pricing differences.
 - B.** increased production.
 - C. elaborate packaging.
 - D. intensive advertising.

Bissonette - Chapter 01 #57
Difficulty: Easy
Learning Objective: 5

58. (p. 15) The _____ of the value proposition is the perceived sum of your company's ability to deliver in each of the areas noted within the value proposition equation, versus the _____ of your competitors' value propositions measured across these same benefit areas.
- A. Total; strength
 - B.** Strength; strength
 - C. Strength; weakness
 - D. Weakness; weakness
 - E. Weakness; strength

Bissonette - Chapter 01 #58
Difficulty: Easy
Learning Objective: 5

59. (p. 15) A value proposition which has a positive price/quality relationship is considered superior to those of your competitors, if it:

- A. is more unique
- B. is more important
- C. your product is more value-driven
- D. provides greater opportunity to communicate to the potential purchaser
- E. all of the above**

Bissonette - Chapter 01 #59

Difficulty: Easy

Learning Objective: 5

60. (p. 19) _____ *expenditures* are expenses incurred as a result of the normal business operations. The salaries/wages of employees, the purchase of raw materials for the fabrication of products, the costs of shipping products from point A to point B, or the costs of advertising campaigns, are examples of such expenses.

- A. Asset-based
- B. Working
- C. Operating**
- D. Functioning
- E. Past

Bissonette - Chapter 01 #60

Difficulty: Easy

Learning Objective: 5

61. (p. 16) Sweet Dream Confectioners uses the same ingredients as most other producers of chocolate candies. In fact, taste tests suggest that the candy itself, while quite good, isn't much better than other well-known brands of chocolate. However, the company wraps its candies in expensive looking foil and places them in very attractive boxes. It promotes its products in advertisements as "the ultimate in chocolate experience." Sweet Dream charges a much higher price than most competitors, but sales continue to grow. This success indicates that:

- A. consumers often behave in an irrational manner.
- B. there is more to the total product offer than the physical product.**
- C. consumers seldom consider price when making a buying decision for goods such as chocolate.
- D. chocolate is best classified as a convenience good.

Bissonette - Chapter 01 #61

Difficulty: Easy

Learning Objective: 5

62. (p. 16) In evaluating colleges, students and parents are likely to judge a school:

- A. strictly on the basis of major curriculums offered.
- B. based on the tuition.
- C.** by the collection of benefits offered by the school.
- D. on the anticipated rate of return on their tuition investment.

Bissonette - Chapter 01 #62

Difficulty: Easy

Learning Objective: 5

63. (p. 16) "I Can't Believe That It's Medicine" is an advertising slogan for a new antacid. The manufacturer claims that their antacid works faster and tastes better than any competing brand. These claims are part of the firm's strategy to achieve:

- A. deceptive marketing recognition.
- B. the creation of knockoff products.
- C. new product development.
- D.** product differentiation.

Bissonette - Chapter 01 #63

Difficulty: Easy

Learning Objective: 5

64. (p. 16) As restaurant chains that specialize in Mexican cuisine, Fernando's and Carmelita's offer similar items on their menus. However, Fernando's restaurants are positioned in the market as elegant establishments with high prices. Carmelita's restaurants, on the other hand, are located in middle class neighborhoods, with a casual atmosphere that welcomes families with young children. The prices at Carmelita's are in the moderate range. When evaluating the marketing strategies used by these restaurants, we can conclude that:

- A. both practice product mix effectiveness.
- B.** they utilize product differentiation.
- C. Fernando's has chosen a shopping good strategy.
- D. their target markets differ, with one intended to appeal to the industrial market, and the other designed to attract the consumer market.

Bissonette - Chapter 01 #64

Difficulty: Easy

Learning Objective: 5

65. (p. 21) _____ is the art of getting things done using organizational resources.

- A. Socialization
- B. Justification
- C. Preparation
- D.** Management

Bissonette - Chapter 01 #65

Difficulty: Easy

Learning Objective: 6

66. (p. 21) Today's progressive managers:

- A. usually prefer to use the autocratic style of leadership.
- B.** tend to emphasize teamwork and cooperation rather than discipline and order-giving.
- C. face fewer challenges and problems than managers in the past.
- D. can rely on a much higher level of worker loyalty to the organization than in the past.

Bissonette - Chapter 01 #66

Difficulty: Easy

Learning Objective: 6

67. (p. 21) Today, managers have to make allocation decisions around the use of which scarce resources,

- A. financial
- B. human
- C. natural
- D.** all resources

Bissonette - Chapter 01 #67

Difficulty: Easy

Learning Objective: 6

68. (p. 21) _____ is the development of plans and decisions which will guide the direction of the firm and determine its long-term performance.

- A. Vision
- B. Planning
- C.** Strategy
- D. Execution
- E. Tactic

Bissonette - Chapter 01 #68

Difficulty: Easy

Learning Objective: 6

69. (p. 21) Strategy:

- A. Is the development of plans and decisions which will guide the direction of the firm and determine its long-term performance
- B. Focuses on the vision of the firm and the opportunity which it believes exists in the marketplace
- C. checks that the life expectancy of the product or service is long enough to ensure that the initial investment can be recovered and that the firm can make a profit.
- D. a) and c)
- E. a), b) and c)**

Bissonette - Chapter 01 #69

Difficulty: Easy

Learning Objective: 6

70. (p. 21) _____, managers need to understand where the market is going and how their products and services will fit into the market and meet customer needs. _____, they need to ensure that the right product reaches the right customer at the right time and at the right place for the right price.

- A. Tactically; tactically
- B. Strategically; strategically
- C. Strategically; Tactically**
- D. Decisively; tactically
- E. defensively; tactically

Bissonette - Chapter 01 #70

Difficulty: Easy

Learning Objective: 6

71. (p. 20) _____ is the development of plans and decisions which will guide the direction of the firm and determine its long-term performance.

- A. Vision
- B. Planning
- C. Strategy**
- D. Execution
- E. Tactic

Bissonette - Chapter 01 #71

Difficulty: Easy

Learning Objective: 6

72. (p. 8) Non-profit organizations,

- A. last for only short periods of time as their objective is not to create profits for their owners.
- B. Have a hard time hiring employees as they have no means of paying them.
- C. Are not concerned about meeting their financial needs.
- D.** Can provide an opportunity for individuals to address social issues.

Bissonette - Chapter 01 #72

Difficulty: Medium

Learning Objective: 3

73. (p. 4) Any organization that produces a good or service can be classified as a business.

FALSE

Bissonette - Chapter 01 #73

Difficulty: Easy

Learning Objective: 1

74. (p. 5) The goal of business activities is profit.

TRUE

Bissonette - Chapter 01 #74

Difficulty: Easy

Learning Objective: 1

75. (p. 5) Nonprofit organizations such as the Canadian Cancer Society do not engage in management, marketing, or finance activities.

FALSE

Bissonette - Chapter 01 #75

Difficulty: Easy

Learning Objective: 1

76. (p. 5) Profit is what it costs to make and sell a product.

TRUE

Bissonette - Chapter 01 #76

Difficulty: Easy

Learning Objective: 1

77. (p. 5) Businesses have the right to keep and use their profits as they choose, without limitations.

FALSE

Bissonette - Chapter 01 #77

Difficulty: Easy

Learning Objective: 1

78. (p. 4) Businesses seek to earn a profit by providing goods and services to others.

TRUE

Bissonette - Chapter 01 #78

Difficulty: Easy

Learning Objective: 1

79. (p. 4) Revenue is the amount a business earns above and beyond what it spends for expenses and costs.

FALSE

Bissonette - Chapter 01 #79

Difficulty: Medium

Learning Objective: 1

80. (p. 5) A manager is an individual who assumes the risk of starting a business.

FALSE

Bissonette - Chapter 01 #80

Difficulty: Easy

Learning Objective: 1

81. (p. 4) If a business' costs and expenses are greater than its revenue, it will suffer a loss.

TRUE

Bissonette - Chapter 01 #81

Difficulty: Easy

Learning Objective: 1

82. (p. 5) Well-managed businesses will grow and prosper regardless of the business environment in which they operate.

FALSE

Bissonette - Chapter 01 #82

Difficulty: Easy

Learning Objective: 2

83. (p. 5) Technology can help businesses become more efficient and productive.

TRUE

Bissonette - Chapter 01 #83

Difficulty: Easy

Learning Objective: 2

84. (p. 5) Technology enables Canadian workers to make more money than workers in low wage rate countries.

TRUE

Bissonette - Chapter 01 #84

Difficulty: Easy

Learning Objective: 2

85. (p. 5) Technology affects people in most, but not all industries.

FALSE

Bissonette - Chapter 01 #85

Difficulty: Easy

Learning Objective: 2

86. (p. 5) To remain competitive in today's market, firms must produce a quality product and offer outstanding service at a reasonable price.

TRUE

Bissonette - Chapter 01 #86

Difficulty: Easy

Learning Objective: 2

87. (p. 5) Producing a high quality product will ensure success in the competitive environment.

FALSE

Bissonette - Chapter 01 #87

Difficulty: Easy

Learning Objective: 2

88. (p. 5) Successful firms follow a customer-driven strategy, as opposed to the management-driven strategy used in the past.

TRUE

Bissonette - Chapter 01 #88

Difficulty: Easy

Learning Objective: 2

89. (p. 5) The competitive environment now empowers managers to make decisions quickly for their front line employees.

FALSE

Bissonette - Chapter 01 #89

Difficulty: Easy

Learning Objective: 2

90. (p. 5) Managers coordinate resources to achieve organizational objectives.

TRUE

Bissonette - Chapter 01 #90

Difficulty: Easy

Learning Objective: 2

91. (p. 6) The amount of profit or loss earned by a business can be found by subtracting the firm's expenses from its revenues.

TRUE

Bissonette - Chapter 01 #91

Difficulty: Easy

Learning Objective: 3

92. (p. 6) A key element of business success is a business plan.

TRUE

Bissonette - Chapter 01 #92

Difficulty: Medium

Learning Objective: 3

93. (p. 12) Businesses seek to earn a profit by providing goods and services to others.

TRUE

Bissonette - Chapter 01 #93

Difficulty: Easy

Learning Objective: 4

94. (p. 12) Revenue is the amount a business earns above and beyond what it spends for expenses and costs.

FALSE

Bissonette - Chapter 01 #94

Difficulty: Easy

Learning Objective: 4

95. (p. 12) If a business costs and expenses are greater than its revenue, it will suffer a loss.

TRUE

Bissonette - Chapter 01 #95

Difficulty: Easy

Learning Objective: 4

96. (p. 12) Profits of a business include the salaries paid to the owners and employees of that business.

FALSE

Bissonette - Chapter 01 #96

Difficulty: Medium

Learning Objective: 4

97. (p. 15) The only way a firm can increase its profits is to increase its sales revenue.

FALSE

Bissonette - Chapter 01 #97

Difficulty: Medium

Learning Objective: 4

98. (p. 12) The amount of profit or loss earned by a business can be found by subtracting the firm's expenses from its revenues.

TRUE

Bissonette - Chapter 01 #98

Difficulty: Easy

Learning Objective: 4

99. (p. 12) The goal of business activities is profit.

TRUE

Bissonette - Chapter 01 #99

Difficulty: Easy

Learning Objective: 4

100. (p. 12) Nonprofit organizations such as the Canadian Cancer Society do not engage in management, marketing, or finance activities.

FALSE

Bissonette - Chapter 01 #100

Difficulty: Easy

Learning Objective: 4

101. (p. 12) Profit is what it costs to make and sell a product.

FALSE

Bissonette - Chapter 01 #101

Difficulty: Easy

Learning Objective: 4

102. (p. 12) Businesses have the right to keep and use their profits as they choose, without limitations.

TRUE

Bissonette - Chapter 01 #102

Difficulty: Easy

Learning Objective: 4

103. (p. 12) The Buckmaker Corporation generated total revenues of \$30 million dollars while incurring expenses of \$17 million. During the year Buckmaker earned a profit of \$13 million.

TRUE

Bissonette - Chapter 01 #103

Difficulty: Easy

Learning Objective: 4

104. (p. 15) Successful businesses constantly monitor consumer wants and needs.

TRUE

Bissonette - Chapter 01 #104

Difficulty: Easy

Learning Objective: 5

105. (p. 15) From a strategic marketing viewpoint, a total product offer includes all of the tangible attributes of a good or service, and excludes any intangible attributes.

FALSE

Bissonette - Chapter 01 #105

Difficulty: Easy

Learning Objective: 5

106. (p. 15) The image created by advertising is part of the total product offer of a product.

TRUE

Bissonette - Chapter 01 #106

Difficulty: Easy

Learning Objective: 5

107. (p. 16) The reputation of the manufacturer and the retail store surroundings are considered part of the value enhancers of a total product offer.

TRUE

Bissonette - Chapter 01 #107

Difficulty: Easy

Learning Objective: 5

108. (p. 16) Successful marketers attempt to think like a consumer and evaluate the value package offered by a good or service.

TRUE

Bissonette - Chapter 01 #108

Difficulty: Easy

Learning Objective: 5

109. (p. 15) Marketing managers are aware that products can take on the characteristics of the store in which they are sold.

TRUE

Bissonette - Chapter 01 #109

Difficulty: Easy

Learning Objective: 5

110. (p. 15) The critical component of a total product offer is always a low price.

FALSE

Bissonette - Chapter 01 #110

Difficulty: Easy

Learning Objective: 5

111. (p. 15) Low prices can help retailers create an attractive total product offer.

TRUE

Bissonette - Chapter 01 #111

Difficulty: Easy

Learning Objective: 5

112. (p. 16) In order for product differentiation to be effective, real product differences must be identified so that one product is clearly better than others.

FALSE

Bissonette - Chapter 01 #112

Difficulty: Easy

Learning Objective: 5

113. (p. 15) Marketers utilize pricing, advertising, and packaging to successfully differentiate their products from competitors' products even when actual differences are quite small.

TRUE

Bissonette - Chapter 01 #113

Difficulty: Easy

Learning Objective: 5

114. (p. 15) Creative product differentiation can enable a small business to increase market share.

TRUE

Bissonette - Chapter 01 #114

Difficulty: Easy

Learning Objective: 5

115. (p. 16) At Isuzu's Appliance Store, all new products are offered with an extended service contract, as well as free delivery installation. By offering these value enhancers, Isuzu's has added to their total product offer.

TRUE

Bissonette - Chapter 01 #115

Difficulty: Easy

Learning Objective: 5

116. (p. 15) Price, store surroundings, service, and brand name are all elements that consumers evaluate in a total product offer.

TRUE

Bissonette - Chapter 01 #116

Difficulty: Easy

Learning Objective: 5

117. (p. 15) Mystic Beverages, a producer of soft drinks, wants to differentiate its products from those of other soft drink providers. To implement this strategy successfully will require Mystic to create recognizable differences in the physical product it offers.

FALSE

Bissonette - Chapter 01 #117

Difficulty: Easy

Learning Objective: 5

118. (p. 15) Dutch owns and operates a small pizzeria that competes with a variety of other restaurants offering pizza on their menus. His largest competitors are large nationally known organizations. The small size of Dutch's business prevents him from successfully utilizing a product differentiation strategy.

FALSE

Bissonette - Chapter 01 #118

Difficulty: Difficult

Learning Objective: 5

119. (p. 21) Management is the art of getting things done through organizational resources.

TRUE

Bissonette - Chapter 01 #119

Difficulty: Easy

Learning Objective: 6

120. (p. 21) A modern manager's main job is to issue orders, then follow up to make sure employees do as they were told.

FALSE

Bissonette - Chapter 01 #120

Difficulty: Easy

Learning Objective: 6

121. (p. 21) Managers in progressive organizations tend to emphasize teamwork and cooperation rather than discipline and giving orders.

TRUE

Bissonette - Chapter 01 #121

Difficulty: Easy

Learning Objective: 6

122. (p. 21) Managers in many of today's high-tech firms realize that workers often know much more about technology than they do.

TRUE

Bissonette - Chapter 01 #122

Difficulty: Easy

Learning Objective: 6

123. (p. 21) Despite all of the changes in the business environment, the basic way a manager performs his or her job has remained remarkably constant.

FALSE

Bissonette - Chapter 01 #123

Difficulty: Easy

Learning Objective: 6

124. (p. 21) Given the lack of discipline and short attention spans of today's workers, modern managers must watch their workers closely, set strict rules, and vigorously enforce them.

FALSE

Bissonette - Chapter 01 #124

Difficulty: Easy

Learning Objective: 6

125. (p. 21) In most high tech industries, the best way to respond quickly to rapid technological changes is to keep most authority and responsibility in the hands of a few key managers who provide precise, detailed directions to the workers.

FALSE

Bissonette - Chapter 01 #125

Difficulty: Easy

Learning Objective: 6

126. (p. 21) The need for better-educated and self-directed workers has made it easier for managers to obtain the trust and loyalty of their workers.

FALSE

Bissonette - Chapter 01 #126

Difficulty: Easy

Learning Objective: 6

127. (p. 21) Every business is faced with the reality of having less uses for resources than resources available.

FALSE

Bissonette - Chapter 01 #127

Difficulty: Easy

Learning Objective: 6

128. (p. 21) Because of advancements in technology, managers now have an easier time obtaining long-term commitments from workers.

FALSE

Bissonette - Chapter 01 #128

Difficulty: Easy

Learning Objective: 6

129. (p. 5) What is a business?

A **Business** can most easily be thought of as mission-focused activities aimed at identifying the needs of a particular market, or markets, and the development of a solution to such needs through the acquisition and/or transformation of goods and services that can be delivered to the marketplace at a profit

Bissonette - Chapter 01 #129

Difficulty: Medium

Learning Objective: 1

130. (p. 4) What are the three fundamental characteristics against which an organization can be assessed?

An efficient and effective operating platform will also possess three fundamental characteristics against which it can be assessed. These three characteristics are its Commercial Endeavours, its Employee Interaction model, and its Organizational Efficiency & Structure

Bissonette - Chapter 01 #130

Difficulty: Medium

Learning Objective: 1

131. (p. 5) What is visionary leadership?

Visionary leadership refers to the ability of managers to establish a direction for the organization based on the needs identified in the marketplace and the mission (reason for being) of the organization. This is then translated into a strategic plan designed to guide the organization to fulfilling such needs while meeting its mission.

Bissonette - Chapter 01 #131

Difficulty: Easy

Learning Objective: 2

132. (p. 5) What is a business model or system?

Combined, the application of **assets, labour, capital, and managerial acumen**, in support of the transformation and sale of goods and services, determines a company's cost base and overall operating platform, or what is called its **business model or system**.

Bissonette - Chapter 01 #132

Difficulty: Easy

Learning Objective: 2

133. (p. 10) What is the "second" business objective (after making profit)?

This second objective is to set in motion the ability of the organization to achieve **long-term growth and profitability**. Businesses recognize that the demand for the products and services which they currently offer will change, and could, in fact, disappear over time. Given this, businesses are constantly searching for new markets and new opportunities to further grow the scope and focus of their organizations. Although immediate-term operating performance is based on the products and services which a business offers today, new products and services will need to be developed in order to ensure that the organization remains healthy and continues to grow.

Bissonette - Chapter 01 #133

Difficulty: Easy

Learning Objective: 4

134. (p. 11) What are Stakeholders?

Stakeholders are individuals, groups, or organizations which have a direct or indirect relationship with an organization, and which can be impacted by its policies, actions and decisions. Stakeholders could include customers, suppliers, government, employees, etc.

Bissonette - Chapter 01 #134

Difficulty: Easy

Learning Objective: 4

135. (p. 15) When consumers calculate the value of a product, they look at the benefits and then subtract the cost.

Answers will vary

Bissonette - Chapter 01 #135

Difficulty: Easy

Learning Objective: 5

136. (p. 16) From a marketing management perspective, what is the meaning of a total product offer? What are the important elements in the total product offer of your college or university?

A total product offer consists of all the elements, tangible and intangible benefits, that consumers evaluate when deciding whether or not to buy a product.

Elements in a total product offer can include: price, brand name, package, service, store surroundings, buyers' past experience, image created by advertising, guarantee, speed of delivery, and producers' reputation. Students will generally identify several important elements in their college's or university's total product offer. Among them may be:

- The tuition charged by the institution.
- The academic reputation of the institution.
- The "name" of the college, perhaps influenced by the success of the athletic department.
- The service the college offers in terms of degree programs, college placement, etc.
- The past experience of friends or relatives.
- The probabilities (guarantees) of getting a job after graduation.
- The surroundings or support facilities of the institution.

Bissonette - Chapter 01 #136

Difficulty: Easy

Learning Objective: 5

137. (p. 17) What is the difference between Asset-based and Operating expenditures, give an example of each?

Asset-based expenditures are those expenditures which you incur in commencing a business operation or expanding its capacity. Examples of such expenses could be the purchase of equipment or building(s).

Operating expenditures are expenses incurred as a result of the normal business operations. The salaries/wages of employees, the purchase of raw materials for the fabrication of products, the costs of shipping products from point A to point B, or the costs of advertising campaigns, are examples of such expenses.

Bissonette - Chapter 01 #137

Difficulty: Medium

Learning Objective: 5

138. (p. 20) What is Strategy?

Strategy is the development of plans and decisions which will guide the direction of the firm and determine its long-term performance. Strategy focuses on the vision of the firm and the opportunity which it believes exists in the marketplace.

Bissonette - Chapter 01 #138

Difficulty: Easy

Learning Objective: 6

139. (p. 21) Explain the differences between strategic, tactical, operational, and contingency planning.

Strategic planning is long-range planning that determines major goals of the organization and the policies and strategies for obtaining and using resources to achieve those goals. Strategic planning deals with such fundamental questions as which customers to serve, what products and services to sell, and the geographic areas in which the firm will compete. Students may note that top managers are very involved in strategic planning.

Tactical planning is short-range planning that involves the process of developing detailed, short-term decisions about what is to be done, who is to do it, and how it is to be done. Tactical planning involves setting annual budgets and deciding on other details which contribute to reaching strategic objectives. Students may point out that lower level managers are more heavily involved in tactical planning.

Operational planning involves setting the work standards and schedules needed in the short run to achieve tactical objectives. Operational planning tends to focus on specific department managers, supervisors, and employees.

Contingency planning is the preparation of alternative courses of action that may be used if the primary plans do not achieve the objectives of the organization. Due to rapid changes that can occur in economic and competitive environments, it is wise to have alternative plans ready to be implemented.

Bissonette - Chapter 01 #139

Difficulty: Difficult

Learning Objective: 6

140. (p. 6) What is a 3C assessment?

A 3C assessment (capabilities, competencies, capacity) means analyzing the resources available to the organization, and the capabilities and competencies which it possesses. This defines the capacity of what the organization can and cannot do, which then enables the management team to define how and to what extent it can capitalize on its identified strategic opportunities in a manner which is superior to the competition which it competes against on a day-to-day basis.

Bissonette - Chapter 01 #140

Difficulty: Medium

Learning Objective: 3

141. (p. 6) When does a business have a competitive advantage?

A company has a **competitive advantage** when it can offer customers a product/service that has more value to them than similar products offered by other companies. If the business plan is competitive and executed properly, and customers are attracted to the company's product/service offering(s), the company generates money, or revenue, from the sale of the product.

Bissonette - Chapter 01 #141

Difficulty: Medium

Learning Objective: 3

142. (p. 15/16) What is a value proposition?

Simply stated, a value proposition is a statement which summarizes whom a product or service is geared towards and the benefits which the purchaser of the product or service will realize as a result of using the product. It is made up of Service Benefits, Product Benefits, Brand Benefits, Cost Benefits, Emotional Benefits. The strength of the value proposition is the perceived sum of your company's ability to deliver in each of the areas noted within the value proposition equation, versus the strength of your competitors' value propositions measured across these same benefit areas.

Bissonette - Chapter 01 #142

Difficulty: Easy

Learning Objective: 5

c1 Summary

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