

Competency-Based  
Competitive Events  
\*Written Exam\*

Test Number 973  
Booklet Number \_\_\_\_\_

# Advertising Campaign

**INSTRUCTIONS:** This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have \_\_\_\_\_ minutes to complete all questions.

This comprehensive exam was developed by the MarkED Resource Center. Items have been randomly selected from the MarkED Resource Center's Test-Item Bank and represent a variety of instructional areas. Competencies for this exam are at the prerequisite, career-sustaining, marketing specialist, marketing supervisor, and manager levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.

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1. One reason businesses usually are unable to enter into legally binding contracts with minors is because those under the legal age
  - A. cannot make promises to do something for others.
  - B. do not have sufficient funds to make payments.
  - C. are unable to make basic decisions.
  - D. may not understand the consequences of their actions.
  
2. One way that an advertising agency can protect the original song it created for a client's television commercial is by obtaining a
  - A. patent.
  - B. copyright.
  - C. trademark.
  - D. license.
  
3. What group of employees receives some protection under the law from arbitrary discrimination, such as being fired for no cause?
  - A. Persons over the age of 40
  - B. Persons earning minimum wage
  - C. Persons who are temporaries
  - D. Persons working as freelancers
  
4. Distribution is a component of which of the following:
  - A. Promotion
  - B. Production
  - C. Marketing
  - D. Advertising
  
5. What is one way that businesses use satellite technology in the distribution function?
  - A. To track shipments
  - B. To gain remote access
  - C. To locate vendors
  - D. To download orders
  
6. One of the most effective ways to encourage ethical behavior is to provide advertising-agency employees involved in the distribution process with a(n)
  - A. suggestion box.
  - B. organizational chart.
  - C. code of ethics.
  - D. competitive salary.
  
7. Channel members who complain that other members at the same level of the channel are trying to attract their customers and steal their sales are involved in \_\_\_\_\_ conflict.
  - A. horizontal
  - B. conventional
  - C. internal
  - D. vertical
  
8. What do many specialty-advertising companies do if they detect problems during the process of evaluating the performance of a channel member?
  - A. Help the member improve
  - B. Terminate the member
  - C. Fine the member for damages
  - D. Recommend the member to others
  
9. Which of the following business resources provides information about the advertising agency's dress codes and vacation policies, and general rules for appropriate behavior:
  - A. Productivity manual
  - B. Employee handbook
  - C. Customer newsletter
  - D. Personnel record
  
10. One of the advantages of rehearsing an oral presentation is that it gives the advertising account executive the opportunity to
  - A. anticipate questions.
  - B. prepare attractive visuals.
  - C. organize new information.
  - D. time the presentation.
  
11. One reason why it is important for the first sentence in a sales letter to gain the reader's attention is because most sales letters are
  - A. unnecessary.
  - B. ungrammatical.
  - C. unsolicited.
  - D. unrealistic.

12. An important guideline to follow when conducting staff meetings is to
- A. begin and end on time.
  - B. discuss minor issues first.
  - C. dominate the group.
  - D. silence the talkative member.
13. Which of the following is one of the benefits to an advertising agency of reinforcing service orientation through communication:
- A. Promotes the sale of new products
  - B. Builds positive relationships with clients
  - C. Rewards clients for their support
  - D. Encourages employees to be aggressive
14. Making a client feel important and in charge is a good way to handle which type of difficult client?
- A. Slow/Methodical
  - B. Disagreeable
  - C. Domineering/Superior
  - D. Suspicious
15. When marketers suggest how to change a product or its availability, they
- A. measure capability.
  - B. create utility.
  - C. provide security.
  - D. increase creativity.
16. If a graphic-design firm is not concerned about social responsibility, it is likely to
- A. prosper.
  - B. be a failure.
  - C. grow.
  - D. become solvent.
17. Businesses might use creative displays, special sales, and extra advertising in an attempt to increase profits by
- A. decreasing expenses.
  - B. increasing production.
  - C. decreasing demand.
  - D. increasing sales.
18. Which of the following often has a negative impact on a specialty-advertising company's purchasing power:
- A. Subsidy
  - B. Credit
  - C. Inflation
  - D. Utility
19. What type of unemployment is considered normal and usually does not affect the economy?
- A. Structural
  - B. Cyclical
  - C. Seasonal
  - D. Frictional
20. Which of the following will help you to be a good team member:
- A. Responding quickly to others' comments
  - B. Listening to what others have to say
  - C. Dominating the group by constantly talking
  - D. Interrupting when you have something to say
21. Although executive coaching comes in many formats, the main condition for success is that the client
- A. becomes better at his/her job.
  - B. meets with the coach in person.
  - C. contacts the coach every week.
  - D. is open to learning.
22. In giving recognition to others, identifying praiseworthy behavior
- A. means finding someone doing something right.
  - B. is difficult because it is so rare.
  - C. is best if it involves a group's behavior.
  - D. means recognizing everyone.
23. One of the reasons that having a positive attitude is essential to improving and maintaining good human relations skills is that positive people
- A. are upbeat and generally undependable.
  - B. have a subjective point of view.
  - C. know how to disagree tactfully.
  - D. come in contact with many other people.
24. Which of the following is a financing activity:
- A. Borrowing
  - B. Licensing
  - C. Pricing
  - D. Producing



25. What do managers use for financial planning purposes?
- A. Operating standards
  - B. Business policies
  - C. Accounting information
  - D. Production schedules
26. Calculate a creative-consulting firm's cash receipts if it has \$12,450 in sales, earns \$78 in interest, collects \$625 in sales tax, and owns \$5,700 worth of equipment.
- A. \$13,153
  - B. \$12,528
  - C. \$18,853
  - D. \$17,150
27. Cornucopia Specialty Advertising Products charges an 18% handling fee for custom orders. The fee is based on the total amount of the order. The invoice indicates that the total order amount is \$249.00. What is the handling charge for the order?
- A. \$37.35
  - B. \$44.82
  - C. \$29.88
  - D. \$54.78
28. An estimate of an advertising agency's income and expenses for a specified period of time is a(n)
- A. budget.
  - B. report.
  - C. balance sheet.
  - D. income statement.
29. When the managers of a full-service advertising agency need to forecast sales for the upcoming year, they develop a company sales forecast to use as the basis for developing their departmental forecasts. What broad sales-forecasting approach are the managers using?
- A. Jury of executive opinion approach
  - B. Bottom-up approach
  - C. The Delphi technique
  - D. Top-down approach
30. An example of an operating expense that is included in a specialty-advertising firm's profit-and-loss statement is
- A. allowances.
  - B. purchases.
  - C. inventory.
  - D. commissions.
31. To screen job applications and employment résumés, an advertising agency might use computer software that conducts text searches to scan for
- A. salary requirements.
  - B. key words.
  - C. numerical ratings.
  - D. typographical errors.
32. Critical information that should be an aspect of a new employee's orientation includes
- A. company policies and regulations.
  - B. on-the-job training.
  - C. employee qualifications.
  - D. formal training classes.
33. An advertising-agency employee's income tax obligation is based on his/her
- A. weekly wages.
  - B. net pay.
  - C. gross pay.
  - D. overtime rate.
34. Which of the following is a true statement about the effects of remedial action:
- A. Behavior that is rewarded rarely gets repeated by employees.
  - B. The results of punishing undesirable behavior are unpredictable.
  - C. Once remedial action is taken, employees do not commit rule violations.
  - D. Recent studies indicate that remedial action causes individuals great psychological damage.
35. Which of the following is a type of external marketing information that helps specialty advertising businesses make decisions:
- A. Demographic trends
  - B. Purchasing records
  - C. Customer databases
  - D. Sales predictions

36. Which of the following is an example of secondary data that an advertising agency can access from the Internet:
- A. Confidential client profiles
  - B. Online library
  - C. E-mail surveys
  - D. Client software programs
37. Which of the following is an example of a promotional business developing a code for answers to survey questions in order to process and analyze marketing information:
- A. Results are tabulated according to date received.
  - B. Questions are numbered in chronological order.
  - C. Each survey contains an identification number.
  - D. Each answer has a specific numeric value.
38. One of the main advantages to a promotional business of using a database to organize and store marketing data is that the information can be
- A. arranged in various categories.
  - B. shared with local competitors.
  - C. retrieved by all employees.
  - D. transferred to compact disks.
39. Databases assist advertising agencies in decision making because they
- A. organize and store data in a logical order for fast and easy use.
  - B. create charts, graphs, unbound reports, and simplified memos.
  - C. increase operational budgets of technology related departments.
  - D. determine open-to-buy, ROI, and CPM accurately.
40. For which of the following purposes might a promotional business use the information about customers that is stored in its database:
- A. To develop original software
  - B. To prepare annual reports
  - C. To analyze previous purchases
  - D. To calculate operating expenses
41. A business might ask its customers to complete a survey because the business wants to
- A. rate the satisfaction level of its competitors.
  - B. share the data with its referrals and prospects.
  - C. gather information regarding its goods and services.
  - D. include the information in the company's annual report.
42. In the marketing concept, whose point of view matters most?
- A. Marketer's
  - B. Seller's
  - C. Planner's
  - D. Buyer's
43. When marketers group consumers on the basis of the regions, states, cities, and rural areas in which they live, the marketers are using \_\_\_\_\_ segmentation.
- A. geographic
  - B. demographic
  - C. behavioral
  - D. psychographic
44. During the marketing planning process, what do advertising agencies analyze to identify potential threats?
- A. Sales quotas
  - B. Company goals
  - C. External factors
  - D. Production processes
45. Which component of the marketing plan summarizes the environmental conditions that can affect a graphic design firm's marketing activities:
- A. Diagnostic summary
  - B. Situational analysis
  - C. Conditional assessment
  - D. Environmental synopsis
46. By conducting a competitive analysis, advertising agencies often are able to determine if they have a
- A. competitive advantage.
  - B. target market.
  - C. promotional plan.
  - D. security problem.



47. One reason that some small graphic-design businesses think that sales forecasts are unnecessary is because
- A. they take too much time to prepare.
  - B. too much information is available.
  - C. they require specialized training.
  - D. too many people need to be involved.
48. Before developing a business plan, entrepreneurs or potential business owners should
- A. collect necessary information.
  - B. obtain financial support.
  - C. gather past sales reports.
  - D. implement the marketing plan.
49. An advertising agency focuses its promotional efforts on appealing to young female business owners located in cities in the southwest region of the country. This is an example of a
- A. limited promotional mix.
  - B. target market.
  - C. specialized trade strategy.
  - D. segment modification.
50. An advertising agency that examines all aspects of its marketing effort with the intention of identifying problems and ways to improve its performance is conducting a
- A. random check.
  - B. trend analysis.
  - C. marketing audit.
  - D. corporate study.
51. Jeff constructs a web site for his advertising agency using a web-based computer program that allows him to build his site online by using a step-by-step process. This web-based computer program is an example of a(n) \_\_\_\_\_ tool.
- A. unilateral
  - B. design
  - C. authoring
  - D. editing
52. The primary purpose for record keeping is to provide information about what is happening with the
- A. industry.
  - B. country.
  - C. economy.
  - D. business.
53. The overall reason advertising agencies try to prevent accidents in the workplace is because accidents
- A. may prevent advertising-agency employees from being promoted.
  - B. reduce workers' compensation premiums.
  - C. increase worker productivity.
  - D. are costly to the advertising agencies and their employees.
54. By purchasing just the quantity of supplies that is needed, purchasing can
- A. buy supplies at the lowest possible price.
  - B. provide an uninterrupted flow of supplies.
  - C. minimize inventory investment.
  - D. plan the company's cash flow.
55. Why is production important to an advertising agency?
- A. It creates services for the advertising agency to sell.
  - B. It converts certain outputs into inputs.
  - C. It provides the advertising agency with material resources.
  - D. It manages the finances of the advertising agency.
56. Calculate the amount that an advertising agency will save over a five-year period if it declines the house-call option on a service contract, which is a feature that adds 30% a year to the base price of \$500.
- A. \$1,500
  - B. \$500
  - C. \$300
  - D. \$750
57. If an advertising agency budgeted \$245,250 in sales with 60% of that amount for expenses, but actual sales were \$280,500 with 65% of that amount spent on expenses, by what amount did the advertising agency's monthly income increase or decrease from the amount budgeted?
- A. \$65 decrease
  - B. \$50 increase
  - C. \$75 increase
  - D. \$25 decrease

58. Which of the following is an example of gathering information before making a decision:
- A. Watching movies
  - B. Writing letters
  - C. Reading novels
  - D. Asking questions
59. In scheduling work activities, some flexibility should
- A. add to your job responsibilities.
  - B. be considered an enemy to time management.
  - C. not be permitted, as you will be distracted from your tasks.
  - D. be included to handle interruptions.
60. An employee is visiting the Barnes Advertising Agency's European office in an effort to obtain a transfer. The best way for the employee to obtain the transfer is to interview with the appropriate person and
- A. show a slide presentation.
  - B. set up a dinner meeting.
  - C. provide a lengthy résumé.
  - D. send a follow-up letter.
61. Opportunities to learn more about a chosen field and to meet others in the same field are made possible by
- A. reading trade publications.
  - B. improving your computer skills.
  - C. joining professional organizations.
  - D. taking correspondence courses.
62. A printing company employee who wants to stay current regarding the trends and technological advancements in the printing industry might consider
- A. joining a national trade association.
  - B. taking a management and leadership seminar.
  - C. subscribing to a general advertising publication.
  - D. surfing the Internet for local advertising regulations.
63. An ad agency in which each client's work is handled by a team of specialists is using a \_\_\_\_\_ structure.
- A. combination
  - B. department
  - C. group
  - D. fee
64. What pricing strategy would be most effective for an advertising agency that wants to create an image of very good quality and prestige?
- A. Wholesale
  - B. High
  - C. Moderate
  - D. Discount
65. One way that technology speeds up the pricing function for a specialty advertising business is by simplifying the process of \_\_\_\_\_ products.
- A. transferring
  - B. organizing
  - C. marking
  - D. checking
66. Given the following information, calculate the break-even point in dollars: Total fixed costs = \$20,000; Unit selling price = \$100; Unit variable cost = \$60.
- A. \$50,000
  - B. \$5,000
  - C. \$500
  - D. \$55,000
67. In a shipment of specialty-advertising merchandise purchased for resale, each item costs \$30. A profit of \$15 on each item is desired. Operating expenses for each item are \$5. What should be the minimum selling price of each item?
- A. \$35
  - B. \$50
  - C. \$40
  - D. \$20
68. When a specialty-advertising retailer uses its packaging to promote the preservation of an endangered animal species, it is engaging in an ethical practice called
- A. political lobbying.
  - B. personal labeling.
  - C. cause packaging.
  - D. provocative branding.



69. Which of the following questions do specialty advertising businesses ask when they evaluate the feasibility of a product idea:
- A. Does this product satisfy the company's needs?
  - B. How can we come up with innovative ideas for more products?
  - C. Do we have access to the resources to make this product?
  - D. Will vendors buy or use the product if it is available?
70. Which of the following is an internal method that a company uses to facilitate ongoing product and market opportunity recognition:
- A. Task force meetings
  - B. Customer interviews
  - C. Vendor surveys
  - D. Association membership?
71. The MNO Company sets a performance standard that says it will deliver its customers' orders within 48 hours. This is an example of a \_\_\_\_\_ standard.
- A. quality
  - B. time
  - C. cost
  - D. quantity
72. Consumer benefits from warranties and guarantees include each of the following except
- A. legal recourse.
  - B. free repairs.
  - C. increased profits.
  - D. reduced anxiety about purchases.
73. To appeal to a target market with slightly different needs, a specialty advertising business decides to add a group of related items to its product mix. This is called a
- A. service expansion.
  - B. product replacement.
  - C. line extension.
  - D. product enhancement.
74. A business might take an existing product and alter it to fulfill a specific need for a different
- A. product mix.
  - B. target market.
  - C. utility.
  - D. medium.
75. If a product line is performing poorly, a specialty-advertising business might decide to
- A. decrease market intensity for a well-performing product line.
  - B. maintain the product mix depth.
  - C. increase the prices of a well-performing product line.
  - D. reduce the product mix width.
76. Customer services that all advertising agencies should provide include
- A. convenient meeting hours.
  - B. open return policies.
  - C. merchandise repair.
  - D. free meals.
77. When developing strategies to position a product, a promotional business might focus on the product's
- A. attributes.
  - B. resources.
  - C. perceptions.
  - D. evaluations.
78. Which of the following would be characteristic of a good brand name:
- A. Difficult to spell
  - B. Easily pronounced
  - C. Long and impressive
  - D. Not easily recognized
79. Which of the following is a technique that an advertising agency can use to evaluate the effectiveness of an ad campaign it developed for a client:
- A. Production meetings
  - B. Media groups
  - C. Industry reviews
  - D. Consumer panels
80. Advertising agencies are independent service businesses that
- A. provide training for advertisers.
  - B. provide free advertising advice.
  - C. prepare advertising for clients.
  - D. operate on a regional basis.



81. If a manufacturer has chosen to advertise on national radio and in magazines, which of the following factors has influenced the promotional mix:
- A. Technical aspects of the product
  - B. Need for face-to-face promotion
  - C. Limited promotional funds
  - D. Geographical location of the market
82. A promotional message that portrays a man or a woman in a certain way can cause an ethical concern because it reinforces
- A. demographic data.
  - B. brand recognition.
  - C. cultural bias.
  - D. gender stereotypes.
83. Technological advancements in computer software have made it possible for media planners to calculate reach, frequency, and \_\_\_\_\_ of their placements more quickly.
- A. attention value
  - B. cost efficiency
  - C. promotional mix
  - D. audience fluency
84. Which of the following is a promotional strategy that involves advertising by way of e-mail through the Internet:
- A. Viral marketing
  - B. Affiliate marketing
  - C. Niche marketing
  - D. Mass marketing
85. Why would a business manager agree to pay an extra fee for advertising space in a local newspaper?
- A. To have the ad appear in the classified section
  - B. To have the ad placed in an ROP location
  - C. To have the ad run in all editions
  - D. To have the ad placed in a specific position
86. An advertising agency that gives employees time off if they regularly take part in the local blood drive is participating in
- A. corporate functions.
  - B. professional events.
  - C. publicity stunts.
  - D. community activities.
87. What is an external factor that affects the type of promotional plan that a business develops?
- A. Local media
  - B. Delivery system
  - C. Target market
  - D. Vendor list
88. Horizontal cooperative advertising is sponsored by a group in an effort to
- A. improve relationships with vendors.
  - B. stimulate primary demand.
  - C. analyze a test market.
  - D. increase competition.
89. Which of the following items are components that an advertising agency designs to include in a client's direct-mail campaign:
- A. Unique envelope, flyer, and press release
  - B. Brochure, memo, and detailed mailing list
  - C. Flyer, reply envelope, and newspaper insert
  - D. Reply card, sales letter, and decorative envelope
90. Which of the following is one of the most important activities in the process of developing print advertisements:
- A. Conducting research
  - B. Coordinating activities
  - C. Evaluating feedback
  - D. Selecting illustrations
91. A guideline to follow in preparing the copy for a newspaper ad is to
- A. include a variety of testimonials.
  - B. use the advertising copy provided by suppliers.
  - C. write the ad from the viewpoint of the customer.
  - D. provide detailed explanations of the product(s).

92. To communicate successfully, all of the elements of a print advertisement must
- A. use questioning to get the reader involved.
  - B. attract attention, arouse interest, create desire, and produce action.
  - C. arouse reader curiosity by promising something.
  - D. stress one primary benefit of a product.
93. Why are in-home vehicles, such as mail-order catalogs and online shopping services, so popular and effective?
- A. Most consumers do not want to get dressed or leave the house if they don't have to.
  - B. Consumers love them and can browse and order quickly and easily, anytime and anywhere.
  - C. Only consumers who hate to shop will use catalogs and online shopping.
  - D. Consumers are so tired of other types of promotion that they now only respond to catalogs and online shopping.
94. Many businesses install ad tracking software on their web sites in order to track the
- A. timing of delivery.
  - B. quality of messages.
  - C. method of distribution.
  - D. number of click-throughs.
95. Which of the following is not a benefit of building customer clientele:
- A. Reduced customer loyalty
  - B. Word-of-mouth advertising
  - C. Reduced selling costs
  - D. Increased sales volume
96. An advertising salesperson who refuses to accept kickbacks or payoffs in order to make a sale is demonstrating \_\_\_\_\_ behavior.
- A. special
  - B. legal
  - C. ethical
  - D. unsocial
97. One way of obtaining product information from other individuals within the same industry is to
- A. visit research labs.
  - B. contact testing bureaus.
  - C. attend trade shows.
  - D. take college courses.
98. Which of the following is a social factor that often influences a consumer's buying behavior:
- A. Individual opinions
  - B. Biological needs
  - C. Physical conditions
  - D. Family situations
99. An account representative with an advertising agency can discover client needs by
- A. using suggestion selling.
  - B. skillful questioning and careful listening.
  - C. conducting a good product demonstration.
  - D. showing the client a samples of the agency's work.
100. In order to meet the needs of its market, an advertising agency must study local demographics which are the
- A. physical/social characteristics of the population.
  - B. current and predicted economic conditions.
  - C. trends in technological advances.
  - D. government regulations that apply to the industry.