

Competency-Based
Competitive Events
Written Exam

Test Number 935
Booklet Number _____

Automotive Services Marketing

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, and marketing specialist levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.

Copyright © 2008 by Marketing Education Resource Center®, Columbus, Ohio
Each individual test item contained herein is the exclusive property of MarkED. Items are licensed only for use as configured within this exam, in its entirety. Use of individual items for any purpose other than as specifically authorized in writing by MarkED is prohibited. This exam, without modification, is licensed for one-time use on a date specified by the licensee (state DECA advisor or designee), on or before MARCH 31, 2008. Possession of this exam, without written authorization, under any other circumstances is a copyright violation. Report violations to MarkED at 800.448.0398.

1. Which of the following is an activity covered by environmental regulations that affects automotive services businesses:
 - A. Identifying natural resources
 - B. Disposing of hazardous waste
 - C. Adapting to worker safety
 - D. Counseling substance abusers
2. Which of the following is a reason that auto-parts businesses should constantly review and adjust their distribution systems:
 - A. Promotional activities may increase.
 - B. Employees may retire or move.
 - C. Renovations may occur.
 - D. Sales may fluctuate.
3. Which of the following would probably use a longer channel of distribution than the others:
 - A. A bottle of shampoo
 - B. A printing press
 - C. An airplane
 - D. A baby duck
4. Electronic billing, purchase-order verification, bar-code technology, and image processing are examples of
 - A. integrated data between channel members.
 - B. horizontal channel integration.
 - C. functions of the finance department.
 - D. vertical channel integration.
5. Which of the following is a legal requirement of most governments that has an impact on distribution:
 - A. Insurance coverage
 - B. Export license
 - C. Sales contract
 - D. Credit approval
6. Why is it important for a tire and battery store to coordinate distribution with its promotional activities?
 - A. To guarantee a sufficient supply of advertised items
 - B. To establish a relationship with one intermediary
 - C. To charge higher prices for delivery service
 - D. To arrange the most economical method of transportation
7. Which of the following is the best example of negative horizontal conflict among members in a distribution channel:
 - A. A new electronics manufacturer engages in direct distribution strategies.
 - B. An automobile manufacturer provides its authorized dealers with rebate programs.
 - C. A retail business awards a construction contract to the company with the lowest bid.
 - D. A restaurant franchisee uses unauthorized food suppliers that compromise brand integrity.
8. Which of the following is a form of verbal communication between individuals:
 - A. Eye contact
 - B. Body posture
 - C. Facial expression
 - D. Listening
9. The most effective way to interpret others' nonverbal cues often is to look at their
 - A. office decor.
 - B. leg movements.
 - C. clothing style.
 - D. facial expressions.
10. One way for a muffler shop salesperson to effectively prepare for an oral presentation is to
 - A. articulate.
 - B. communicate.
 - C. practice.
 - D. perform.
11. What is one reason why an auto-parts store employee might write a business letter?
 - A. To apply for personal credit
 - B. To accept a social invitation
 - C. To communicate with friends
 - D. To sell goods and services
12. Before writing informational messages, it is important for automotive services employees to
 - A. select the medium.
 - B. plan a response.
 - C. wait for feedback.
 - D. identify the audience.

13. Which of the following situations could result in a complaint about an automotive product:
- A. The customer's purchase was missing a part.
 - B. The salesperson used the wrong credit form.
 - C. The business accepted only one bank card.
 - D. The customer's purchase had been marked down.
14. While checking incoming stock for an auto-parts store, an employee counts and checks off stock using the actual invoice. This method of stock receiving is called the _____ method.
- A. spot check
 - B. direct stock
 - C. blind check
 - D. dummy invoice
15. One of the advantages of transporting crude oil to refineries through a pipeline is that this type of shipping method is
- A. inexpensive.
 - B. continuous.
 - C. fast.
 - D. flexible.
16. Which of the following is an advantage of using the perpetual inventory control system:
- A. The system is inexpensive to operate.
 - B. The system provides continuous feedback.
 - C. Stock shortages are reported.
 - D. Data are extremely accurate.
17. An auto-parts store that wanted its inventory records to be updated automatically at the time of the customer's purchase could use a _____ system.
- A. point-of-sale tally
 - B. price-ticket stub
 - C. point-of-sale
 - D. cash-register stub
18. Combining steel, glass, and other raw materials into a vehicle is an example of _____ utility.
- A. place
 - B. form
 - C. time
 - D. possession
19. Automotive accessory producers compare relative prices in order to answer the question of
- A. what to produce.
 - B. when to borrow money.
 - C. whom to promote.
 - D. how to operate.
20. What is one of the main reasons why governments levy taxes?
- A. To limit salaries
 - B. To control costs
 - C. To regulate money
 - D. To raise revenue
21. Changes in the market that force prices to be lowered or automotive services businesses to fail are _____ risks.
- A. guaranteed
 - B. competitive
 - C. natural
 - D. economic
22. Technological advances may increase the chance of job obsolescence. For automotive workers, this is a(n) _____ labor specialization.
- A. scope factor in
 - B. advantage of
 - C. disadvantage of
 - D. reason to support
23. How do spending levels impact the economy in an inflationary period?
- A. Consumers spend less, but businesses tend to spend more.
 - B. Overall spending generally remains unchanged.
 - C. Consumers and businesses spend less.
 - D. Consumers keep spending no matter what; businesses are more cautious.
24. What do auto-parts businesses usually expect will increase when the economy experiences a continued rise in the level of inflation?
- A. Industry growth
 - B. Employment levels
 - C. Interest rates
 - D. Consumer spending

25. One way that a local automotive accessory store benefits from international trade is by being able to
- A. buy less costly goods from foreign manufacturers.
 - B. obtain a higher quality of merchandise.
 - C. take advantage of tariffs on imported products.
 - D. raise or lower prices more frequently.
26. Muffler shop employees who are unclear about the new job assignments they are given demonstrate responsible behavior by
- A. asking questions.
 - B. following others.
 - C. accepting criticism.
 - D. covering up mistakes.
27. Eric was denied admission to Yale on the basis of his high school grade-point average, and his college entrance exam. Which of the following types of feedback did Eric receive:
- A. Destructive
 - B. Internal
 - C. Positive
 - D. External
28. By being prepared for change, you can make it a _____ force in your life.
- A. traumatic
 - B. negative
 - C. stable
 - D. positive
29. Tire and battery store employees demonstrate empathy toward customers when the employees show customers that they
- A. understand how the customers feel.
 - B. feel frustrated with the customers.
 - C. are anxious to make a quick sale.
 - D. are waiting for the customers' decisions.
30. Sharing equipment with your coworkers is an example of what type of behavior that builds positive working relationships?
- A. Demonstrating courtesy and respect
 - B. Carrying your own weight
 - C. Being cooperative
 - D. Having a good attitude
31. It is important for effective leaders to be positive role models because
- A. people often imitate the behavior of their leaders.
 - B. most people tend to take unnecessary risks.
 - C. most people do not want to assume responsibility for their actions.
 - D. people do not want to learn from their own mistakes.
32. An auto-parts store manager who has a reputation of being knowledgeable and experienced usually has the ability to _____ employees.
- A. dominate
 - B. persuade
 - C. terminate
 - D. analyze
33. A person reacting to conflict by trying to persuade others to take a certain course of action is an example of
- A. yielding.
 - B. problem solving.
 - C. negotiating.
 - D. forcing.
34. When the Silvers purchased their new car, the dealership representative sold their contract to another company in exchange for cash. To what type of business would the dealership have sold the Silvers' contract?
- A. Sales finance company
 - B. Savings and loan association
 - C. Commercial bank
 - D. Credit union
35. What do many individuals establish when planning for future financial needs?
- A. Line of credit
 - B. Living will
 - C. College fund
 - D. Checking account

36. When reconciling bank statements, it is important to consider
- A. services not available online.
 - B. the number of transactions.
 - C. checks that have not cleared.
 - D. the types of payroll deposits.
37. What type of accounting method is being used by an auto-repair shop that uses a computerized check-writing program that automatically posts each check into an expense category or ledger?
- A. COD method
 - B. Accrual method
 - C. Cash method
 - D. Check method
38. A budget helps a tire and battery store evaluate long-term performance by
- A. providing benchmarks of past performance.
 - B. creating a trail of management decisions.
 - C. comparing what is currently budgeted to what is actually being earned and spent.
 - D. providing details of all related activities.
39. To protect the integrity of the marketing information they gather, automotive services businesses should avoid
- A. surveying a lot of people.
 - B. paying for the data.
 - C. manipulating the research.
 - D. working with a publisher.
40. Auto-parts stores often make decisions regarding changes in their product lines by analyzing data from their
- A. accounting reports.
 - B. sales invoices.
 - C. freight bills.
 - D. utilization summaries.
41. An example of an external source of marketing-research data is
- A. want slips.
 - B. government publications.
 - C. sales records.
 - D. customer complaints.
42. One reason automotive services businesses often avoid using open-ended questions as a method of obtaining results from a marketing survey is because the results may be difficult to
- A. enter into a database.
 - B. store for future use.
 - C. code for evaluation.
 - D. distribute to management.
43. Which of the following statements is an example of a measure of central tendency:
- A. The distance between point A and point B is 55 kilometers.
 - B. Twelve members of the community swim team are fifteen years old.
 - C. Morrow County gasoline taxes have increased 15 percent in six months.
 - D. The average U.S. male buys gasoline four times every thirty days.
44. What is an important merchandising activity?
- A. Pricing
 - B. Selling
 - C. Dating
 - D. Posting
45. What is the marketing function that provides information to consumers that will assist them in making a decision to purchase a good or service?
- A. Production
 - B. Pricing
 - C. Promotion
 - D. Distribution
46. To reach their goal, automotive services marketers plan the route they believe to be
- A. straight.
 - B. reasonable.
 - C. efficient.
 - D. easy.
47. Marketing planning for the overall automotive accessory business for a period of several years usually provides _____ for the business.
- A. policies and procedures
 - B. departmental budgets
 - C. long-term direction
 - D. regional management

48. Which element of the marketing plan reveals the possible problems an automotive product might encounter in the marketplace:
- A. Action program
 - B. Objectives and issues summary
 - C. Budget allocation
 - D. Threats and opportunities analysis
49. What method of forecasting sales is based on expert opinion and personal experience?
- A. Intermediate forecasting
 - B. Quantitative
 - C. Long-term forecasting
 - D. Qualitative
50. One growing trend in the automotive industry involves experimenting with
- A. seat restraint systems.
 - B. computerized brake sensors.
 - C. global tracking units.
 - D. alternate power sources.
51. Which of the following e-mail options provides a brief statement about the message's content:
- A. To
 - B. Send
 - C. Subject
 - D. Reply
52. When using presentation software to design a multimedia presentation, the text should
- A. highlight the main points of the discussion.
 - B. support the graphic elements.
 - C. provide as many discussion details as possible.
 - D. include general content that can be used in other presentations.
53. As a result of conducting an environmental scan, an auto-parts business might find that the rate of unemployment is slowly increasing, which is an example of a(n) _____ factor.
- A. economic
 - B. geographic
 - C. political
 - D. cultural
54. Jack operates a service station in an area of town that has experienced a significant number of robberies. What would be the best way for Jack to lower his risk from robbery?
- A. Keep a gun under the counter by the cash register
 - B. Hire round-the-clock security guards
 - C. Hire extra employees so that no one works alone
 - D. Post a sign that says "no more than \$20 in the register at a time"
55. Which of the following is a true statement about safety hazards in the automotive services industry:
- A. Trial and error is a good way to learn use of tools and equipment.
 - B. Good housekeeping increases safety hazards.
 - C. Employees decide which protective clothing they should wear.
 - D. Personal habits can create safety hazards.
56. Automotive services businesses that are common targets for robbery are those that
- A. have many employees.
 - B. keep little cash on hand.
 - C. are brightly lit at night.
 - D. are located in isolated areas.
57. Which of the following lists the components of the production process:
- A. Purchasing, inputs, and factors of production
 - B. Product design, purchasing, and planning
 - C. Mass, unit, and batch production
 - D. Inputs, a conversion process, and outputs
58. Before selecting the right people to work on a project, it is important to identify the
- A. required supplies.
 - B. tangible resources.
 - C. needed skills.
 - D. physical facilities.
59. Auto-parts stores that properly maintain their facilities are taking steps to reduce the possibility of
- A. robberies.
 - B. subsidies.
 - C. accidents.
 - D. takeovers.

60. Jim wants to become the supervisor of his department. Jim's goal is an example of a _____ goal.
- A. career
 - B. financial
 - C. social
 - D. educational
61. When preparing a résumé, which section should follow the personal information that appears at the top of the page?
- A. Education
 - B. Work experience
 - C. References
 - D. Career goals
62. Is the following statement about trade associations and professional organizations true or false: Once a law has been enacted, organizations/associations are unable to affect the way that law will be enforced.
- A. False, organizations/associations often can change unfavorable regulations to more favorable ones.
 - B. False, there are exceptions that apply to every law.
 - C. True, members of organizations/associations have no way of influencing the enforcement of laws.
 - D. True, laws cannot be changed and must be obeyed.
63. An auto-parts store that has a physical location for customers to visit is an example of a(n) _____ retailer.
- A. regional
 - B. shopping
 - C. traditional
 - D. exclusive
64. Predatory pricing is an unethical business practice because it can create economic conditions in which
- A. small businesses control market conditions.
 - B. consumers pay higher property taxes.
 - C. small businesses gain significant profits.
 - D. consumers have fewer choices.
65. What technological tool can an automotive services business use to quickly locate information about its competitors' prices?
- A. Filter
 - B. Firewall
 - C. Portal
 - D. Internet
66. The selling prices of automotive products help buyers to
- A. spend freely.
 - B. compare different kinds of products.
 - C. make buying decisions.
 - D. determine the amount of markup.
67. A tire and battery store chain offers a new product in some of its locations in order to find out whether customers like the product. This technique is known as
- A. business analysis.
 - B. idea generation.
 - C. product development.
 - D. test marketing.
68. In which phase of the product life cycle is an auto-parts business most likely to experience a negative profit:
- A. Introduction
 - B. Decline
 - C. Growth
 - D. Maturity
69. Which of the following is a type of software program that automotive accessory businesses often use to plan, modify, or customize products:
- A. Photo management
 - B. Computer-aided design
 - C. Freeform application
 - D. Remote access
70. Which of the following is a technique that many tire and battery manufacturers use to identify product opportunities:
- A. Developing a brand
 - B. Testing the market
 - C. Evaluating a prototype
 - D. Observing the competition

71. Which of the following is an example of internal resources that automotive services businesses often use to generate product ideas:
- A. Agencies
 - B. Competitors
 - C. Customers
 - D. Employees
72. When automotive products are graded by nongovernmental agencies, the grading is
- A. mandatory.
 - B. voluntary.
 - C. periodic.
 - D. occasional.
73. A salesperson promising to repair or replace an automotive product if it doesn't work properly during a period of time is an example of a(n)
- A. express warranty.
 - B. implied warranty.
 - C. money-back guarantee.
 - D. unconditional guarantee.
74. Which of the following might an automotive services business experience if its products fail to meet government standards:
- A. Reduced damage
 - B. Increased goodwill
 - C. Increased expense
 - D. Reduced liability
75. A characteristic of product bundling is that an auto-parts store sells several products together for a(n)
- A. higher interest rate.
 - B. reduced price.
 - C. higher profit margin.
 - D. unlimited time.
76. Focusing on its product's superior attributes is a way that an automotive services business positions the automotive product _____ the market leader.
- A. beside
 - B. against
 - C. with
 - D. above
77. One of the main functions of an oil-change shop's merchandising budget is to plan the dollar amount of
- A. net profit after taxes.
 - B. operating expenses to pay.
 - C. long-term liabilities.
 - D. inventory to keep in stock.
78. What percentage of planned sales are planned reductions if planned sales are \$150,000 and planned reductions are \$15,000?
- A. 10%
 - B. 5%
 - C. 1%
 - D. 15%
79. Stock turnover rate and delivery time are important factors that an auto-parts store should consider during the process of deciding
- A. when to buy.
 - B. the price to pay.
 - C. what to buy.
 - D. the quality to order.
80. In advertising, product promotion is used to convince potential customers to buy automotive products from a certain business or organization instead of from a competitor. In doing so, the automotive services business needs to
- A. generate publicity about its goods and services.
 - B. explain the major features and benefits of its products.
 - C. improve its personal selling.
 - D. increase the sales incentives given to managers and employees.
81. The "Detroit Free Press" and "Michigan Chronicle" wrote articles in the business section of their papers about the grand opening of a new automobile dealership. This is a form of
- A. personal selling.
 - B. sales promotion.
 - C. advertising.
 - D. publicity.

82. When a government requires an automotive business to inform consumers about its product's limitations in its promotional materials, it is often referred to as
- A. assenting disclosure.
 - B. ethical verification.
 - C. honorable verification.
 - D. affirmative disclosure.
83. A provocative print-ad headline such as "How do you get 3,500 buffalo together for a cattle call?" is used to
- A. solve a problem.
 - B. promise a benefit.
 - C. make a claim.
 - D. arouse curiosity.
84. Once a display is fully assembled, the automotive accessory items in the display should be
- A. left alone until it is dismantled.
 - B. dusted and maintained as needed.
 - C. photographed and recorded.
 - D. rearranged on a daily basis.
85. Most automotive services businesses need a promotional plan in order to
- A. establish marketing goals for the business.
 - B. make sure their prices are competitive.
 - C. evaluate the results of their promotions.
 - D. keep their promotional efforts on target.
86. Which of the following is an example of coordinating an automotive accessory store's promotional activities:
- A. Using personal selling to increase the customer's total purchase
 - B. Advertising a new product and giving customers samples of the product
 - C. Suggesting that the customer trade up to a more expensive product
 - D. Printing coupons in a suburban newspaper
87. Which of the following is not an accurate description of the selling process:
- A. Satisfying customers
 - B. Personalized communication
 - C. Unplanned communication
 - D. Influencing purchases
88. Which of the following is an example of a customer-service function:
- A. Sales prospecting
 - B. Monthly sales reports
 - C. High interest rates
 - D. Extended delivery hours
89. A tire and battery store that advertises that "The customer is always right" is promoting one of its
- A. media channels.
 - B. planning systems.
 - C. selling policies.
 - D. business goals.
90. How can a reciprocal sales arrangement between a buyer and seller create an unethical situation?
- A. Reciprocal sales arrangements almost always create price discrimination.
 - B. Reciprocal sales arrangements usually result when a breach of warranty occurs.
 - C. Ethical issues usually occur when the reciprocity is technological in nature.
 - D. Ethical issues can occur when the reciprocity hurts or eliminates competition.
91. The sales receipt with the customer's return shows a cash purchase total of \$79.95, including 5% sales tax. The customer is returning one item with a price of \$19.95. How much refund is due the customer?
- A. \$18.96
 - B. \$19.95
 - C. \$20.95
 - D. \$21.50
92. An important reason that salespeople should know what products are featured in an automotive accessory store's promotions is so they
- A. can use the information in their selling efforts.
 - B. will be able to evaluate the promotional effort.
 - C. won't have to spend their time reading ads.
 - D. can tell customers to watch for upcoming promotions.

93. Which of the following is a type of product benefit that an automobile salesperson must explain to a customer:
- A. Limited
 - B. Obvious
 - C. Hidden
 - D. Quantitative
94. Which of the following is a main component of the exhaust/emission system in a car:
- A. Condenser
 - B. Piston
 - C. Radiator
 - D. Muffler
95. Which of the following programs are local auto-parts stores able to take advantage of to help them sell name-brand goods:
- A. Corporate funding
 - B. National advertising
 - C. Installment credit
 - D. Individual service
96. The customer has requested a specific tire, but the tire store has sold out of this item. What should be the salesperson's first response?
- A. Ask what else the customer needs to buy.
 - B. Clarify the customer's needs and wants.
 - C. Suggest that the customer take a rain check.
 - D. Advise the customer to go to another store.
97. What should service station workers recommend that customers replace if they notice streaked and smudged arcs across the automobile's windshield?
- A. Pump hoses
 - B. Washer fluid
 - C. Spray nozzle
 - D. Wiper blades
98. When operating an electronic cash register, why would an auto-parts store employee hit the CH key?
- A. To process a cash-back amount
 - B. To indicate a personal check
 - C. To record a credit-card charge
 - D. To calculate change tendered
99. Which of the following is an illegal selling practice that is regulated because it reduces competition:
- A. Incentive contracts
 - B. Product labeling
 - C. Exclusive dealing
 - D. Discount pricing
100. Managers who are responsible for strategic or long-range planning for the automotive services company as a whole are on what management level?
- A. First
 - B. Supervisory
 - C. Executive
 - D. Middle