

Competency-Based
Competitive Events
Written Exam

Test Number 925
Booklet Number _____

Business 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.

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1. Certain environmental regulations require businesses to develop operating and production systems that are intended to
 - A. consume resources.
 - B. create waste.
 - C. control pollution.
 - D. collect samples.
2. Which of the following is a type of agreement between a buyer of business services and a seller of business services that the Clayton Act makes illegal:
 - A. Joint venture
 - B. Credit arrangement
 - C. Tying contract
 - D. Territory assignment
3. Why should businesses coordinate distribution with pricing to successfully sell products to customers?
 - A. Customers expect to receive significant discounts.
 - B. Businesses must pay transportation charges.
 - C. Most customers are only willing to pay a certain price.
 - D. Many businesses need to obtain warehouse space.
4. Branch locations of a beauty salon that operate in the same city and target the same customers may experience _____ channel conflict.
 - A. dominant
 - B. community
 - C. vertical
 - D. horizontal
5. Putting forth effort in order to understand what is being said is called
 - A. active listening.
 - B. communication.
 - C. listening.
 - D. nonverbal communication.
6. Which of the following is a type of simple written report that usually is distributed to employees within a law firm:
 - A. Newsletter
 - B. Proposal
 - C. Handbook
 - D. Memorandum
7. A barrier to effective listening is often the _____ of the listener.
 - A. interest
 - B. concentration
 - C. patience
 - D. attitude
8. Which of the following is the most appropriate way for a business-services employee to greet regular customers:
 - A. "Your account is being updated, Mr. Smith."
 - B. "Good morning, honey. Can I help you?"
 - C. "Have a seat while I find out for you, lady."
 - D. "Will that be cash or charge, buddy?"
9. A salesperson who is well informed about the products that the business provides can easily answer which of the following customer questions:
 - A. What hours is the business open?
 - B. What is the business's return policy?
 - C. What type of credit does the business offer?
 - D. What types of services are offered by the business?
10. Which of the following is often the best way for an insurance salesperson to handle the slow/methodical type of difficult client:
 - A. Summarize benefits
 - B. Ask their advice
 - C. Be brief
 - D. Let the customer do the talking
11. A trucking company that hires independent contractors to make deliveries is using intermediaries to
 - A. provide the services.
 - B. deal with customers.
 - C. track the shipments.
 - D. handle the payments.

12. Which of the following is NOT a natural resource?
- A. Soil
 - B. Equipment
 - C. Water
 - D. Oil
13. Pet-grooming services might offer lower rates at certain times of the day or week because at those times
- A. supply is greater than demand.
 - B. supply and demand are equal.
 - C. demand is greater than supply.
 - D. the supply of services increases.
14. A business can be described as a(n)
- A. unreasonable means for increasing revenues.
 - B. disorganized method of manufacturing products.
 - C. reasonable way to make a profit.
 - D. organized effort to produce goods and services.
15. What type of risk is involved when a health spa decides to offer a new line of services?
- A. Pure
 - B. Natural
 - C. Human
 - D. Speculative
16. There are 634,820 people in the labor force in a large metropolitan area. If 34,290 are currently out of work, what is the rate of unemployment?
- A. 6.3%
 - B. 5.8%
 - C. 5.4%
 - D. 6.9%
17. Buying and selling of business services between nations takes place because
- A. exporting provides increased employment.
 - B. the global economy is getting larger.
 - C. resources are equally distributed.
 - D. countries have different resources.
18. Businesspeople from one country need to be aware of the cultural differences of businesspeople from other parts of the world to avoid
- A. meeting face-to-face.
 - B. being insulting or rude.
 - C. asking questions.
 - D. discussing finances.
19. Which of the following is true about a country whose economy is primarily service based:
- A. Increased control by government agencies
 - B. Increased sale of tangible goods
 - C. Decreased demand for imported items
 - D. Decreased number of manufacturing jobs
20. Joyce works in a dentist's office and was told by her supervisor that she should take more initiative, use more tact when dealing with customers, and smile more. How should Joyce go about improving these personal traits?
- A. Joyce should work on one trait at a time.
 - B. Joyce should transfer to a different job.
 - C. Joyce should improve all three traits at once.
 - D. Joyce should ignore her supervisor's comments.
21. When are healthcare employees expected to demonstrate a high level of interest and enthusiasm?
- A. In private
 - B. At all times
 - C. When they feel well
 - D. When told to do so
22. Which of the following statements is true of constructive criticism:
- A. Constructive criticism serves no useful purpose.
 - B. Constructive criticism should result in change.
 - C. People who use constructive criticism are aggressive.
 - D. People should resent receiving constructive criticism.

23. Nick completes a course that will qualify him for a job promotion at the law firm where he works. This is an example of a(n) _____ change.
- A. personal
 - B. social
 - C. economic
 - D. irrational
24. Which of the following is a trait that would help a business-services employee to become empathetic:
- A. Working with other people
 - B. Helping the indecisive client
 - C. Being an understanding person
 - D. Being aware of differences
25. Mark and Doug work for an insurance agency. Mark frequently asks Doug to help him finish his work. However, when Doug asks Mark for help, Mark is usually too busy. Mark's behavior is
- A. hostile.
 - B. aggressive.
 - C. passive.
 - D. assertive.
26. As a supervisor of several healthcare employees, Mrs. Robinson enjoys being in command, relies almost completely upon her own judgment, makes all significant decisions, and creates detailed plans for her employees to follow. She would be described as a(n) _____ leader.
- A. authoritarian
 - B. democratic
 - C. empathetic
 - D. laissez-faire
27. When confronting another person about a conflict, it is important to avoid
- A. being objective.
 - B. using "you" statements.
 - C. using "I" statements.
 - D. listening to feedback.
28. For a vision to be achievable, it must also be
- A. current.
 - B. simple.
 - C. inexpensive.
 - D. realistic.
29. To cover the extra cost of offering credit services, service businesses often adjust their marketing strategy by charging clients
- A. higher prices.
 - B. finance charges.
 - C. annual fees.
 - D. interest rates.
30. When setting financial goals, it is important to make sure that they are realistic and
- A. conservative.
 - B. general.
 - C. specific.
 - D. durable.
31. The overall purpose of accounting is to
- A. maintain accurate reports.
 - B. compile the service business's expenses.
 - C. control the finances of the service business.
 - D. keep track of sales.
32. In the business-services industry, budgets are prepared for a specific time period, usually a
- A. fiscal year.
 - B. calendar year.
 - C. quarter at a time.
 - D. month at a time.
33. Why do service businesses need to obtain marketing information?
- A. To sample select groups
 - B. To prepare research reports
 - C. To learn about customers
 - D. To analyze current trends
34. Which of the following would be the marketing information most likely to be gathered and analyzed by a marketing-information management system:
- A. Unchanging events
 - B. Consumer trends
 - C. Historical data
 - D. Employee absences

35. Service businesses that obtain information about competitors with the use of questionable techniques, even though these techniques are legal, are often behaving
- A. carelessly.
 - B. aggressively.
 - C. unethically.
 - D. recklessly.
36. So a cleaning business can retrieve current customer and internal marketing information from a central location, it may use which of the following technological tools:
- A. Opt-in e-mail
 - B. Presentation software
 - C. A database
 - D. A CAD program
37. Which of the following is a technique that engineering businesses can use to monitor their competitors' activities:
- A. Reviewing buying motives
 - B. Analyzing economic factors
 - C. Studying regional data
 - D. Reading annual reports
38. What do many successful service businesses use to target and maintain valued customers who buy their services frequently?
- A. Prize promotions
 - B. Introductory discounts
 - C. Gift premiums
 - D. Loyalty programs
39. Which of the following is an example of a business involved in services marketing activity:
- A. Charitable organizations
 - B. Engineering firms
 - C. Museums
 - D. Churches
40. A carpet-cleaning company's marketing strategy is important because it shows how its
- A. goal will be reached.
 - B. prices will be lowered.
 - C. tactics will be organized.
 - D. marketing mix will be blended.
41. Which of the following is an example of an industrial market:
- A. Homemaker buying cleaning supplies
 - B. College student buying books for classes
 - C. Doctor's office buying medical equipment
 - D. Insurance agent buying lunch in the cafeteria
42. Why is it important for a cleaning-services business to continually perform the marketing planning process, and revise and update its marketing objectives and strategies?
- A. To identify rising costs and expenses
 - B. To gather information from outside sources
 - C. To maintain adequate inventory levels
 - D. To reflect current wants and needs
43. Which of the following is an example of a possible opportunity that a service business might identify as a result of conducting a situational analysis:
- A. Increases in operating expenses
 - B. Customers changing their habits
 - C. Suppliers raising their prices
 - D. Declines in economic conditions
44. What kind of changes that may affect the sales forecast can insurance agencies control?
- A. External
 - B. Internal
 - C. Market
 - D. Economic
45. A technological tool that has made it easy for service business employees to complete banking transactions any time of the day without person-to-person contact is the
- A. point-of-sale displays.
 - B. onsite financial satellite.
 - C. automated teller machine.
 - D. interactive calculator.

46. Jack is working on a law firm's web page. Jack makes it possible for Internet browsers to identify and locate various elements of the page through the proper placement of
- A. meta tags.
 - B. hyperlinks.
 - C. HTML.
 - D. ASCII.
47. After Selina grooms her client's pet, she makes sure to save her client's information for future use. This is an example of the following stage in a record's life cycle:
- A. Storing
 - B. Destroying
 - C. Creating
 - D. Retrieving
48. Which of the following is one way that engineering firms can quickly obtain information about potential new vendors that are located in other parts of the country:
- A. Search the Web
 - B. Send an e-mail
 - C. Fax a request
 - D. Phone an agent
49. A business that develops a unique new service may be able to prevent competitors from stealing the idea by obtaining legal protection for its
- A. physical facility.
 - B. operating procedures.
 - C. intellectual property.
 - D. standardized methods.
50. Pete, a hospital worker, uses a machine that has an on-off switch that does not work properly. Pete feels that the machine is unsafe and should be repaired. What should Pete do?
- A. Ask a coworker for help.
 - B. Use it until the switch no longer works.
 - C. Report it to his supervisor.
 - D. Attempt to fix it himself.
51. Which of the following is an example of an emergency situation that an accounting firm's employees should know how to handle and report:
- A. Stolen identity
 - B. Internal theft
 - C. Check fraud
 - D. Bomb threat
52. Efficient production enables service businesses to
- A. obtain advance orders for goods and services.
 - B. turn out the most products at the least cost.
 - C. make an accurate forecast of sales.
 - D. charge higher prices than competitors.
53. What do medical office managers need to be able to manage projects effectively?
- A. Authority
 - B. Freedom
 - C. Self-interest
 - D. Pessimism
54. Which of the following factors do dry-cleaning businesses need to consider in order to make a profit even if their sales are good:
- A. Policies
 - B. Expenses
 - C. Assets
 - D. Contracts
55. A carpet-cleaning business repairs equipment only when it breaks down rather than on a planned basis. A disadvantage of this practice is that
- A. an inspection schedule must be followed.
 - B. equipment is replaced less often.
 - C. productive time may be lost.
 - D. the number of inventory parts is decreased.
56. Tim and Elise work at Jenkins Insurance Company, and they are in a dispute. What do Tim and Elise need to do before they can find a possible solution?
- A. Negotiate a settlement
 - B. Ignore the situation
 - C. Contact an arbitrator
 - D. Identify the problem

57. In the process of developing self-understanding, you can benefit from talking over what you learn about yourself with a trusted friend because that will help you to
- A. update your personal diary.
 - B. decide which tests to take.
 - C. compare yourself to others.
 - D. clarify your own thinking.
58. A government enacts a law requiring all consulting firms to allow each employee a fifteen minute break every four hours. This is an example of a law addressing an employee's right to
- A. form unions.
 - B. workplace supervision.
 - C. fair treatment.
 - D. avoid harassment.
59. When considering employment opportunities in the business-services industry, individuals should consider their
- A. talents and skills.
 - B. wants and needs.
 - C. health and safety.
 - D. time and money.
60. Why would Susan prepare a résumé that emphasizes her education and related activities?
- A. She has limited career expectations.
 - B. She has set job requirements.
 - C. She has a lot of personal data.
 - D. She has limited work experience.
61. One of the purposes of professional insurance organizations is to provide members with
- A. up-to-date information.
 - B. supplementary incentive plans.
 - C. quota plans.
 - D. fringe benefits.
62. One of the benefits to service businesses of being members of professional organizations is obtaining assistance with
- A. identifying customers.
 - B. advertising campaigns.
 - C. government relations.
 - D. recruiting employees.
63. A hair salon deciding to charge \$25 for a haircut because customers are willing and able to pay that amount has determined a(n) _____ price.
- A. optimum
 - B. competitive
 - C. exchange
 - D. flexible
64. When a law firm donates a set amount of its profits to a charitable organization, it is behaving ethically because it is exhibiting
- A. social responsibility.
 - B. community liability.
 - C. political accountability.
 - D. legal reliability.
65. Why should a service business continue to monitor an established product?
- A. To make sure that a marketing plan is firmly in place
 - B. To make changes in order to extend a product's life cycle
 - C. To determine the acceptance of a product by a limited market
 - D. To evaluate how a product might fit the firm's product mix
66. Before a business launches a new service, it should conduct a business analysis by evaluating the product's feasibility and
- A. diversity.
 - B. velocity.
 - C. maturity.
 - D. profitability.
67. What technology offers businesses the capability of personalizing their service mix in order to provide more options to customers?
- A. System distribution
 - B. Advanced information
 - C. Mass production
 - D. Electronic direction?

68. When a service business reduces use of natural resources to create new products, the service business is exhibiting a(n) _____ attitude.
- A. logical
 - B. ethical
 - C. authentic
 - D. conservative
69. Which of the following statements is true regarding the use of group creative-thinking techniques to facilitate the idea-generation process in the business-services industry:
- A. Group members most often generate new ideas by altering or building upon another idea.
 - B. Groups are usually more effective when each member uses mind-mapping techniques.
 - C. The brainstorming technique usually generates the best ideas.
 - D. The Six Thinking Hats technique is generally the most effective idea-generation technique.
70. When a business finds new ways to use existing products, which of the following forms of innovation is it using to generate product ideas:
- A. Invention
 - B. Repetition
 - C. Extension
 - D. Detection
71. What does the following statement illustrate: The #2 widget should be four inches long and weigh 14 ounces.
- A. Testimonials
 - B. Grades
 - C. Warranties
 - D. Standards
72. Which of the following is an example of a business establishing a service standard based on customer expectations:
- A. Providing new eyeglasses in one hour
 - B. Charging a fee for missed appointments
 - C. Requiring a phone number to process orders
 - D. Operating from 9:00 a.m. to 5:00 p.m. daily
73. Which of the following is not a purpose of a guarantee offered by a business for its services:
- A. To develop the product mix
 - B. To reassure prospective customers
 - C. To increase sales
 - D. To use as a promotional and competitive tool
74. A unique characteristic of services is that they are
- A. perishable.
 - B. expensive.
 - C. tangible.
 - D. measurable.
75. Increased operating costs might be a disadvantage to a health spa when _____ the product mix.
- A. marketing
 - B. expanding
 - C. reducing
 - D. promoting
76. Which of the following situations is an example of product bundling:
- A. Buy product Y and receive service W free for six months.
 - B. Buy service Z and receive a \$50 manufacturer's rebate.
 - C. Buy product X and receive a \$15 discount if it is paid within 10 days.
 - D. Buy service M and receive a coupon to use for future purchases.
77. What is the purpose of brand cues?
- A. To connect many brands to one another
 - B. To remind customers of a brand's values and qualities
 - C. To help customers avoid inferior products
 - D. To make one brand better than another

78. Which of the following describes the nature of a service culture:
- A. It is an attitude.
 - B. It exists in all businesses.
 - C. It is simple to develop.
 - D. It delivers the products.
79. Promotion encourages demand, which benefits the economy by
- A. creating awareness.
 - B. improving an image.
 - C. providing more jobs.
 - D. increasing prices.
80. What is the most cost-effective method a part-time, lawn-mowing business can use to promote its services?
- A. Product samples
 - B. High-quality color brochure
 - C. Television commercial
 - D. Local newspaper advertisement
81. Which of the following is not an element of the promotional mix in the business-services industry:
- A. Pricing
 - B. Personal selling
 - C. Sales promotion
 - D. Advertising
82. One advantage of using the Internet for promotional purposes is that
- A. it can reach less affluent business-services markets.
 - B. consumer privacy is secure.
 - C. information is available on demand.
 - D. service businesses don't need to target markets.
83. When a government requires a business to inform consumers about its product's limitations in its promotional materials, it is often referred to as
- A. ethical verification.
 - B. affirmative disclosure.
 - C. honorable verification.
 - D. assenting disclosure.
84. What form of advertising is being used when gifts are imprinted with a landscaping company's logo and are given away?
- A. Outdoor advertising
 - B. Specialty advertising
 - C. Shopping news
 - D. Handbills
85. An advertisement discusses the advantages of the XYZ Center's laser-eye surgery. Which of the following copy techniques is being used:
- A. Claim
 - B. Endorsement
 - C. Feature
 - D. Benefit
86. Which of the following is an advantage to hair salons of using direct mail to promote a product:
- A. Predictable delivery times
 - B. Low production costs
 - C. Massive audience appeal
 - D. Selection of recipients
87. Before an insurance agency can develop strategies to carry out a promotional plan, it must consider its
- A. shareholders.
 - B. objectives.
 - C. media needs.
 - D. evaluative data.
88. To maximize the impact of all its marketing communications efforts, a service business should develop _____ promotional messages.
- A. unified
 - B. visual
 - C. fragmented
 - D. intangible
89. How does selling help to create possession utility?
- A. By creating desire for products
 - B. By keeping the economy moving
 - C. By affecting employment
 - D. By increasing competition

90. Satisfied customers are most likely to become repeat customers when salespeople consistently meet or exceed the customers'
- A. expectations.
 - B. restrictions.
 - C. policies.
 - D. promises.
91. Who has the primary responsibility for implementing a service business's selling policies?
- A. Suppliers
 - B. Customers
 - C. Salespeople
 - D. Advisors
92. What have many accounting firms established to help salespeople behave ethically when dealing with customers?
- A. Guidelines concerning travel
 - B. Policies concerning harassment
 - C. Restrictions on appointments
 - D. Limits on gifts and entertainment
93. What type of law prevents salespeople from one company from interfering with their competitors' activities?
- A. Warranty liability
 - B. Product safety
 - C. Consumer credit
 - D. Unfair trade
94. Which of the following is a method of obtaining product information from sources within a service business:
- A. Preparing research reports
 - B. Reading industry publications
 - C. Visiting trade shows
 - D. Attending training programs
95. Which of the following is an example of an obvious benefit:
- A. Microwave cooking saves time.
 - B. Inline skates are well made.
 - C. Carpeting is easy to clean.
 - D. Air bags are standard equipment.
96. The most important fact for a salesperson to remember about a customer is his/her
- A. credit score.
 - B. address.
 - C. spending habits.
 - D. name.
97. What are the major differences between organizational and consumer buying?
- A. Organizations tend to refuse sales more often than individual consumers do.
 - B. Organizations tend to buy in larger quantities, and the products have higher value.
 - C. Organizations tend to make decisions faster than consumers do.
 - D. Sales presentations to organizations take less preparation than presentations made to consumers.
98. What do customers often do during the purchase stage of buying services?
- A. Evaluate providers
 - B. Obtain information
 - C. Compare charges
 - D. Receive delivery
99. The role of a salesperson is to _____ a customer's objection.
- A. magnify
 - B. refute
 - C. answer
 - D. support
100. When Jim finished landscaping a client's front yard, he asked the client if s/he wanted Jim to add fertilizer the client's yard. This is an example of
- A. closing a sale.
 - B. trading-up.
 - C. suggestion selling.
 - D. feature-benefit selling.