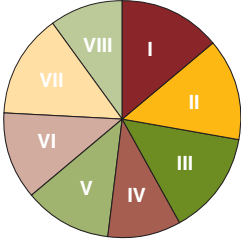


## Marketing Education (0561)

### Test at a Glance

Test Name	Marketing Education		
Test Code	0561		
Time	2 hours		
Number of Questions	120		
Format	Multiple-choice questions		
	Content Categories	Approximate Number of Questions	Approximate Percentage of Examination
	I. Marketing Education Programs	17	14%
	II. General Business Principles	17	14%
	III. Marketing-Information Management and Planning	17	14%
	IV. Channel Management	12	10%
	V. Pricing	14	12%
	VI. Product/Service Management	14	12%
	VII. Promotion	17	14%
	VIII. Personal Selling	12	10%

## About This Test

The Marketing Education test is intended primarily for persons planning to teach marketing at the high school level. The test concentrates on the core foundations of knowledge and cognitive skills that are common to all marketing teachers, including general business, management, entrepreneurship, economics, and program development. Also included are questions about professional information related to marketing education in general and questions about areas of specialization within marketing education. Because of the variations among marketing education programs, some questions may refer to areas that may not have been studied. Therefore, no one is expected to answer all of the questions on the test correctly. In addition, this test may contain some questions that do not count toward your score.

In general, the topics will assess knowledge of relevant facts, the application of principles, the analysis of complex situations, and the ability to synthesize information that is considered essential for a marketing education teacher. The examination is typically taken by examinees who have completed a bachelor's degree program in education with appropriate coursework in marketing education. The eight content areas include marketing education programs, general business principles, marketing-information management and planning, channel management, pricing, product/service management, promotion, and personal selling.

## Topics Covered

Representative descriptions of topics covered in each category are provided below.

### I. Marketing Education Programs

- program perspectives, including program development and evaluation, school-based enterprises, and career and technical education student/professional organizations and their role in marketing education programs
- cooperative education programs, including characteristics, legal issues, operations, and on-the-job responsibilities of employees and employers
- professional development, including job-seeking skills, career planning, and career advancement activities

### II. General Business Principles

- economics and finance, including supply and demand, economic systems, financial resource management
- business law, including business ownership and legal regulations
- management and communication, including human resource management, information management, interpersonal communication, operations and strategic management

### III. Marketing-Information Management and Planning

- market research, including data collection methods and data interpretation
- segmentation, including characteristics and methodology
- strategic planning, including types of analysis and creating a marketing plan

### IV. Channel Management

- channel structure/relationship
- physical distribution strategies
- logistics, including inventory strategies, inventory mathematics, and purchasing

### V. Pricing

- role of pricing
- pricing strategies
- pricing mathematics, including markup, markdown, and discount

### VI. Product/Service Management

- product life cycle
- product development, including product opportunities and quality assurance issues
- product-mix strategies
- product positioning
- branding

### VII. Promotion

- role of promotion
- advertising
- public relations and publicity
- sales promotion
- current trends in promotion

### VIII. Personal Selling

- role of selling
- selling process
- sales force management
- current trends in personal selling

## Sample Test Questions

The sample questions that follow illustrate the kinds of questions in the test. They are not, however, representative of the entire scope of the test in either content or difficulty. Answers with explanations follow the questions.

Directions: Each of the questions or statements below is followed by four suggested answers or completions. Select the one that is best in each case.

- Which of the following types of tests is designed primarily to help predict how successful a person is likely to be in learning new skills?
  - Achievement
  - Aptitude
  - Interest
  - Personality
- When there are high levels of business failures and unemployment, the business cycle is said to be in which of the following phases?
  - Expansion
  - Peak
  - Recovery
  - Trough
- A marketing researcher is conducting a survey in a large selling area by contacting a small group of people that is representative of all people in that area. The small, representative group is known as the
  - population
  - sample
  - stratification
  - universe
- Which of the following terms refers specifically to marketing goods directly to the consumer in the home?
  - Comparison shopping
  - Consignment
  - Direct selling
  - Merchandising
- The process of keeping a running account of merchandise on hand is referred to as
  - perpetual inventory
  - economic order quantity
  - book inventory
  - physical inventory
- Which of the following refers to a listing of the variety of merchandise lines carried and the depth and breadth in which these products are stocked?
  - Basic stock list
  - Buying plan
  - Merchandise mix
  - Price-line list

Questions 7–8 refer to the information below.

A local department store sold a cookware set at the retail cost of \$40. The actual cost of the cookware was \$25.

- What was the percentage markup based on cost price for the cookware set?
  - 25%
  - 37.5%
  - 60%
  - 82.5%
- What was the percentage markup based on retail price for the cookware set?
  - 25%
  - 37.5%
  - 60%
  - 62.5%

9. On August 4, a store purchased five sofas invoiced at \$7,000, terms 2/10, n/30. The invoice was paid August 13. The store paid
- (A) \$7,140
  - (B) \$7,000
  - (C) \$6,860
  - (D) \$6,300
10. Which of the following types of software applications is primarily used to perform calculations on numbers in columns and rows?
- (A) Database
  - (B) Spreadsheet
  - (C) Project management
  - (D) Word processing
11. Which of the following types of advertising is being used when a retail store agrees to share advertising costs for a consumer product with the national distributor of the product?
- (A) Trade advertising
  - (B) Industrial advertising
  - (C) National advertising
  - (D) Cooperative advertising
12. Which of the following terms refers to the paid mention of a company, a product, or a service by a form of media?
- (A) Advertising
  - (B) Public relations
  - (C) Third-party endorsement
  - (D) Puffing
13. Salespersons who view a situation as a customer sees it are exhibiting
- (A) cooperation
  - (B) empathy
  - (C) responsibility
  - (D) tolerance
14. The process of making large numbers of unsolicited sales calls to potential customers whom the sales-person does not know is referred to as
- (A) multilevel marketing
  - (B) cold canvassing
  - (C) the center-of-influence method
  - (D) the sales-associate method
15. Which of the following gives the owner exclusive rights by law to use a brand?
- (A) Brand loyalty
  - (B) Brand mark
  - (C) Trade name
  - (D) Trademark
16. Inelastic demand occurs when the
- (A) quantity demanded changes a great deal as prices fluctuate
  - (B) quantity demanded barely changes with a change in price
  - (C) change in quantity demanded is in the same proportion as the change in price
  - (D) demand curve and the supply curve intersect at a given price point
17. Which of the following is the best example of a trade discount?
- (A) A lumberyard offers a discount to a homeowner for buying lumber.
  - (B) A retailer offers a discount to a consumer for buying out-of-season merchandise.
  - (C) A producer offers a discount to retailers for promoting its product during the month of June.
  - (D) A car dealer offers a discount to a customer in exchange for a used car.

18. Which of the following software products would a small business typically use to manage its finances?

- (A) Knowledge management utility
- (B) Relational database
- (C) Double-entry accounting software
- (D) Spreadsheet

19. Micromarketing is directed at potential buyers who

- (A) have excess disposable income
- (B) are between the ages of 8 and 14
- (C) share similar attitudes and behaviors
- (D) have opted out of customized marketing

20. The primary objective of team-based selling is to

- (A) match various functional areas of the company with customer needs
- (B) distribute the work involved in managing an account
- (C) equitably manage the sales bonus pool
- (D) create multiple points of contact between the customer and the company

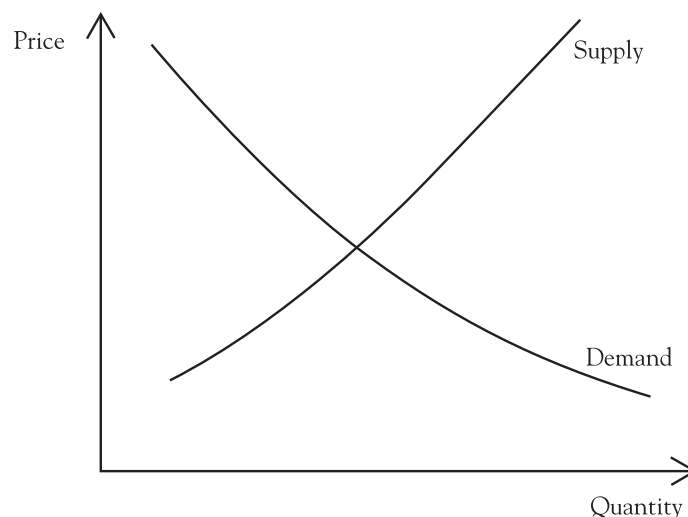
21. Firms that view themselves as market leaders in product quality frequently adopt a

- (A) market share strategy
- (B) penetration pricing strategy
- (C) strategy that focuses on non-price benefits
- (D) strategy to expand the overall market

22. Which of the following pricing strategies attempts to influence a customer's perception of price to make a product's price more attractive?

- (A) Captive pricing
- (B) Demand-based
- (C) Markup pricing
- (D) Psychological pricing

Questions 23 and 24 are based on the diagram below that shows the demand and supply curves for leather garments.



23. An increase in the price of leather and a simultaneous increase in consumers' incomes will most likely have which of the following effects on the equilibrium price and quantity of leather garments?

<u>Price</u>	<u>Quantity</u>
(A) Increase	Increase
(B) Increase	Indeterminate
(C) Indeterminate	Decrease
(D) Decrease	Decrease

24. If the government places a price ceiling on leather garments that is below the equilibrium price, which of the following will occur in the market for leather garments?

- (A) There will be a shortage.
- (B) There will be a surplus.
- (C) The demand curve for leather garments will shift leftward.
- (D) The supply curve for leather garments will shift rightward.

## Answers

- 1.** The best answer is B. Aptitude tests measure a combination of abilities indicative of an individual's ability to learn specific jobs.
- 2.** The correct answer is D. There is little production during the trough phase of the business cycle, which forces industries to downsize.
- 3.** The correct answer is B. A sample is the portion of a population that is selected for a survey.
- 4.** The correct answer is C. Direct selling markets goods to consumers in their homes. Products commonly sold by this method include personal-care items and household goods.
- 5.** The correct answer is A. Perpetual inventory is the book inventory computed continually.
- 6.** The correct answer is C. Merchandise mix does guide the merchandise staff on what goods to order and the variety within the specific lines to order.
- 7.** The correct answer is C. The markup is \$15, which is the difference between \$40 (retail price) and \$25 (cost). The markup as a percentage based on cost price is 60% or  $\$15 / \$25 (\text{cost}) = 0.60$ .
- 8.** The correct answer is B. The markup is \$15, which is the difference between \$40 (retail price) and \$25 (cost). The markup as a percentage based on retail price is 37.5% or  $\$15 / \$40 (\text{retail price}) = 0.375$ .
- 9.** The correct answer is C.  $\$7,000 \times .02 = \$140$ .  $\$7,000 - 140 = \$6,860$ . Because the invoice is paid within 10 days, the customer is entitled to a 2% discount.
- 10.** The correct answer is B. Spreadsheet software prepares financial statements, inventory reports, employee time sheets, and price lists.
- 11.** Trade, industrial, and national advertising refer to areas of concentration or focus in advertising. Cooperative advertising describes the sharing of advertising costs between the seller and producer in an arrangement thought to be mutually beneficial. Thus, D is the correct answer.
- 12.** The correct answer is A. Advertising includes all forms of paid promotion for a product, service, or person.
- 13.** The best answer is B. Empathy is defined as the capacity to experience another person's feelings.
- 14.** The correct answer is B. Cold canvassing is used with telephone or door-to-door sales where the prospective customer is not known.
- 15.** The correct answer is D. Trademark is used by a manufacturer or dealer to distinguish a product from those of a competitor and is protected by law.
- 16.** The correct answer is B. Inelastic demand occurs when the percentage change in quantity demanded is less than the percentage change in price.
- 17.** The correct answer is C. A trade discount is offered by a seller to channel members who perform certain functions, such as selling, storing, or promoting the product.
- 18.** The best answer is C. Entrepreneurial start-ups often use spreadsheets to manage their books, but small companies require double-entry accounting software to manage their finances.
- 19.** The best answer is C. As contrasted with mass production and mass marketing, micro-marketing is all about targets: using behavioral and attitudinal analyses to identify the target demographic most likely to respond to product promotion.
- 20.** The best/correct answer is A. One of the principles of customer relationship management is to provide solutions to customer problems. The solutions often require the expertise of groups outside of sales and marketing (e.g., information technology, finance). The most effective way of delivering this multidisciplinary solution is to create a team consisting of representatives from the various functional areas. The team is usually led by the sales or account manager.
- 21.** The best/correct answer is C. Companies with well-differentiated products prefer not to compete on price, which often leads to price wars and diminished margins.
- 22.** The correct answer is D. Psychological pricing is pricing that attempts to influence a customer's perception of price to make a product's price more attractive (e.g., setting the price at \$4.99 rather than \$5.00).
- 23.** The correct answer is B. An increase in the price of leather decreases the supply of leather garments and an increase in incomes will increase the demand for leather garments, assuming leather garments are normal goods. These simultaneous shifts in the curves will result in an increase in price, but the effect on quantity is indeterminate and will depend on the extent of the shift of each curve.
- 24.** The correct answer is A. The result of an effective price ceiling below the equilibrium price will be an excess of quantity demanded over quantity supplied, which will result in a shortage.



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