

Student: _____

1. _____ is the process of gathering information about a company's external environment, analyzing it, and forecasting the impact of whatever trends the analysis suggests.
 - A. Macroenvironmental auditing
 - B. Environmental monitoring
 - C. An organizational assessment
 - D. An organization/environment match
 - E. A social audit
2. Environmental monitoring is also called:
 - A. a situational audit.
 - B. environmental scanning.
 - C. a situational assessment.
 - D. an organizational audit.
 - E. an external analysis.
3. Personal computers contain noxious materials, such as cadmium, bromine, and lead. The recycling of PCs as they are now manufactured is expensive and tricky. Prior to the European Union requirement that PC manufacturers take responsibility for making sure that all PCs are properly recycled, Hewlerr-Packard's CEO challenged her research and development department to create a more environmentally-friendly PC. Through _____, the CEO would have learned the necessity for such a new product development.
 - A. a situational audit.
 - B. environmental scanning.
 - C. a situational assessment.
 - D. an organizational audit.
 - E. an external analysis.
4. The two levels of external environmental forces are:
 - A. controlled and uncontrolled.
 - B. centralized and decentralized.
 - C. micro and macro.
 - D. direct and indirect.
 - E. extrinsic and intrinsic.
5. Which of the following would be an example of a microenvironmental influence on an international organization's marketing system?
 - A. the way the company purchases its raw materials
 - B. an electrical blackout
 - C. terrorist killings in London
 - D. a reduction in the gasoline tax
 - E. an increase in the percentage of the population over age 40
6. In recent years personal computer manufacturers have sold directly to consumers and phased out PC dealerships. Apparently, a recent move to properly handle the noxious materials that are found in obsolete PCs has caused PC manufacturers to reinstate the PC dealerships. These reinstated dealerships would take responsibility for seeing that used PCs were properly disposed of. This addition of dealerships indicates a:
 - A. microenvironmental influence on the PC industry
 - B. technological transition in the social responsibility perspective
 - C. macroenvironmental influence on all PC competition
 - D. social and cultural influence on manufacturing trends
 - E. deep commitment to social responsibility

7. Which of the following would be an example of a microenvironmental influence on an amusement park?
- A. an increase in the cost of electricity
 - B. unseasonably rainy weather
 - C. bankruptcy of a major supplier of arcade games
 - D. increase in average customer age
 - E. change in the federal government's safety regulations
8. Which of the following would be an example of an external macroenvironmental influence on a state fair?
- A. a strike by truckers who transport midway rides
 - B. bankruptcy of a major supplier of arcade games
 - C. death of owner of midway rides
 - D. injury to customer riding on carousel
 - E. inflation
9. Which of the following could be an external macroenvironmental influence on an organization's marketing system?
- A. an increase in the prime interest rate
 - B. a decrease in the number of single-parent families
 - C. the passage of a law governing landfill usage
 - D. the growing popularity of cellular phones
 - E. all of the above
10. _____ refers to the characteristics of human populations, including such factors as size, distribution, and growth.
- A. Target marketing
 - B. Demographics
 - C. Ecology
 - D. Typography
 - E. Psychography
11. Which of the following describes a demographic factor that a marketer of baby furniture would need to consider before launching a growth strategy?
- A. people's attitude toward having more than one child
 - B. consumers' beliefs about child nurturing
 - C. consumers' feelings about material possessions
 - D. the number of women of child-bearing age
 - E. opinions about recycling and consumerism held by its target audience
12. Demographics:
- A. studies microenvironmental forces and how they affect marketing programs.
 - B. refers to the characteristics of human populations, including such factors as size, distribution, and growth.
 - C. is an examination of how lifestyle changes influence marketing decision makers.
 - D. is a comparative study of federal and local legal restrictions.
 - E. is the study of business cycles.
13. Which of the following statements describes a demographic factor that is likely to affect the marketing of homes in retirement communities?
- A. Congress amended the Consumer Credit Protection Act.
 - B. Interest rates for homebuyers are below 10 percent.
 - C. Concern about water and air pollution has increased.
 - D. More than one-quarter of the U.S. population is at least 50 years old.
 - E. People are more willing to pay for convenience.

14. In response to changes in _____ in its macroenvironment, the Girl Scout Council is looking to recruit Hispanic girls. Currently less than 2 percent of all Girl Scouts are Hispanic.
- A. natural forces
 - B. technological forces
 - C. demographics
 - D. economic conditions
 - E. marketing intermediaries
15. MTV ran a contest looking for the messiest college dorm room in the United States. The winner would receive the opportunity to be a guest host on MTV. This promotion shows MTV recognition of _____ as a macroenvironmental influence on its target marketing.
- A. competition
 - B. technological forces
 - C. demographics
 - D. economic conditions
 - E. marketing intermediaries
16. The fact Kroger has developed Food4Less grocery stores to cater to the needs of the rapidly growing Latino market is recognition of _____ as a macroenvironmental influence on its marketing program.
- A. competition
 - B. the greening of America
 - C. demographics
 - D. economic conditions
 - E. social and cultural forces
17. Generation Y is:
- A. often called the baby boomer generation.
 - B. typically defined as a homogeneous market.
 - C. a term used to describe consumers born before 1966.
 - D. hard to distinguish from the generations that precede it.
 - E. described by none of the above.
18. Which of the following statements about Generation X is true?
- A. Generation X is barely distinguishable from the baby boomer generation.
 - B. Members of Generation X are very optimistic about their financial prospects.
 - C. Generation X refers basically to people born between 1966 and 1976.
 - D. Members of Generation X tend to exercise more economic power than any preceding generations.
 - E. Generation X is a homogeneous group that comprises about 20 percent of the adult population in the United States.
19. A newspaper article on the world economy stated, "Both the Japanese government and its central banking system are debilitated by a decade-long battle against deflation." This statement means that:
- A. there are no competitive influences in Japan.
 - B. the environment for organizations operating in Japan is most influenced by demographic forces.
 - C. the birthrate in Japan has dramatically decreased resulting in a decreasing number of consumers.
 - D. Japan has experienced ten years of declining prices.
 - E. the environment for organizations operating in Japan is most influenced by social and cultural forces.
20. At the end of 2002, interest rates on new 30-year mortgages fell below six percent, and the industry operated under recessionary conditions. For the construction industry, this low interest rate was an example of how _____ forces influence its macroenvironment?
- A. economic
 - B. demographic
 - C. technological
 - D. political and legal
 - E. social and cultural

21. Which of the following is NOT one of the stages of the traditional business cycle?
- A. prosperity
 - B. inflation
 - C. recovery
 - D. recession
 - E. depression
22. Prosperity:
- A. is the stage of the business cycle that occurs after recession and before recovery.
 - B. is a period of retrenchment for businesses and consumers.
 - C. occurs when personal incomes increase at a faster rate than price levels.
 - D. is a period of economic growth.
 - E. occurs when price levels increase at a faster rate than personal incomes.
23. During which stage of the traditional business cycle do organizations tend to expand their marketing programs as they add new products and enter new markets?
- A. prosperity
 - B. inflation
 - C. recovery
 - D. recession
 - E. depression
24. _____ is a period of retrenchment for consumers and businesses.
- A. Prosperity
 - B. Inflation
 - C. Recovery
 - D. Recession
 - E. Depression
25. A recession:
- A. occurs when personal incomes increase at a faster rate than price levels.
 - B. is a period of economic cutbacks for businesses and consumers.
 - C. is a period of economic growth.
 - D. is the period during which the economy is moving from recovery to prosperity.
 - E. occurs when price levels increase at a faster rate than personal incomes.
26. As a stage of the business cycle, recovery:
- A. is a period of economic plateau.
 - B. is a period of retrenchment for businesses and consumers.
 - C. occurs when personal incomes increase at a faster rate than price levels.
 - D. occurs when price levels increase at a faster rate than personal incomes.
 - E. is the period during which the economy is moving from recession to prosperity.
27. As a stage of the business cycle, _____ is the period during which the economy is moving from recession to prosperity.
- A. stagnation
 - B. inflation
 - C. recovery
 - D. retrenchment
 - E. depression
28. When price levels increase at a faster rate than personal incomes, resulting in loss of buying power, the country is experiencing:
- A. prosperity.
 - B. inflation.
 - C. recovery.
 - D. recession.
 - E. depression.

29. Inflation:
- A. is a rise in the prices of goods and services.
 - B. is a period of economic growth.
 - C. occurs when personal incomes increase at a faster rate than price levels.
 - D. is the period during which the economy is moving from recession to prosperity.
 - E. is a period of retrenchment for businesses and consumers.
30. Periods of declining prices are often called times of:
- A. negative prosperity.
 - B. excessive recession.
 - C. deflation.
 - D. cyclical losses.
 - E. negative earning power.
31. A company that was trying to cope with disinflation would most likely:
- A. give out more free samples than it would during a period of prosperity.
 - B. add new product features even if it requires that the product price be increased.
 - C. mail coupons to the homes and businesses of its target market.
 - D. redesign products to cut production costs.
 - E. increase the number of coupons issued on a monthly basis.
32. An amusement park that was trying to cope with _____ and unable to raise ticket prices could shut down the rides that were expensive to operate and quit giving out free promotional tickets to maintain profitability.
- A. a recession
 - B. a recovery period
 - C. deflation
 - D. a market trickle-down
 - E. the microenvironmental influence of the economy
33. Galen Boja works as an x-ray technician in a Peruvian hospital. Last year he could easily afford to eat out three to four nights a week. This year Boja is earning the same salary, but he can't afford to eat out more than once a week because prices are so much higher. Boja is experiencing one of the ways _____ affects the individual.
- A. a prosperity
 - B. an inflation
 - C. a recovery
 - D. a recession
 - E. a depression
34. Which of the following is the best example of an economic environmental force that would affect the sale of gardening equipment?
- A. Seventy-seven percent of the U.S. population buy from companies that use green marketing.
 - B. The U.S. is experiencing increased interest in health and physical fitness.
 - C. Inflation is expected to remain low for the rest of the decade.
 - D. The Environmental Protection Agency is in the process of limiting the availability of many popular insecticides.
 - E. Local communities are providing apartment dwellers with garden spots.
35. A recent drought in Australia has been the primary cause of the inflation the nation experienced in the early months of 2003. This statement means the:
- A. nation has less concern about its natural environment than in years past.
 - B. prices of goods and services has been steadily increasing.
 - C. country has experienced the business problems associated with the prosperity stage of the business cycle.
 - D. macroenvironment for companies operating in Australia has been influenced most by demographic changes.
 - E. prices of goods and services have been rising.

36. Which of the following is the best example of an economic macroenvironmental force that would affect how fitness equipment for the home is marketed?
- A. The economy moves into the prosperity stage of the business cycle.
 - B. Robotics is used to make production of the equipment more efficient.
 - C. Congress passes a law limiting the use of imported parts in the manufacturing of fitness equipment.
 - D. The number of working women increases.
 - E. Hiking and jogging increase in popularity.
37. The Mother's Against Drunk Driving (MADD), Atlanta Symphony Orchestra, the Sierra Club, and the Special Olympics are all part of each other's _____ environment because they vie for donor dollars.
- A. demographic
 - B. technological
 - C. legal
 - D. competitive
 - E. cultural
38. Many people believe it is much simpler to take photographs with digital cameras and avoid the problems of having to wait for pictures to return from the film processor. Digital cameras are part the _____ environment for companies that engage in film processing.
- A. demographic
 - B. technological
 - C. legal
 - D. competitive
 - E. cultural
39. Krista Gomez is selling Girl Scout cookies. She has asked you to describe her competitive environment. What do you tell Krista?
- A. Her only real competition is bakeries and supermarkets.
 - B. Her only competitors are other Girl Scouts.
 - C. Any cookie that is sold in a store is part of her competitive environment.
 - D. Her competition includes any food that someone would eat as a snack food.
 - E. She is part of a charity, so she does not face any competition.
40. Edward needs to buy a new set of tires for his pickup truck. He should consider Firestone, Michelin, Goodyear, and Dunlop tires as examples of _____ competitors.
- A. brand
 - B. horizontal
 - C. economic
 - D. general
 - E. social
41. Duncan-Hines cake mixes, Pillsbury cake mixes, and Betty Crocker cake mixes are _____ competitors.
- A. brand
 - B. cultural
 - C. demographic
 - D. general
 - E. social
42. The 3M Company sells Scotch brand tape. Which of the following products is part of the tape's competitive environment?
- A. Elmer's Glue-All
 - B. Ace brand masking tape
 - C. Faber-Castell glue stick
 - D. Manco sealing tape
 - E. all of the above

43. Coca-Cola must compete for consumer dollars with all other carbonated beverages as well as all beverages that are used to quench thirst. This example shows the difficulty of dealing with _____ in the macroenvironment.
- A. demographics
 - B. technological changes
 - C. legal requirements
 - D. substitute products
 - E. social norms
44. Frito-Lay and its Lays potato chips face competition from other marketers of potato chips. A second form of competition the company must deal with comes from the producers of:
- A. Ritz crackers.
 - B. popcorn.
 - C. granola cereal.
 - D. candy bars.
 - E. all of the above.
45. There are many sources for fresh-cut flowers that are sold by florists, in supermarkets and in other retail outlets. It is hard to create a product mix that makes one company's products differ from and more desirable than another's. One company that has done so is Virginia Farms Direct. This company grows a greater variety of long-stem roses than any other company. Virginia Farm Direct's more than 80 varieties of roses gives the company a:
- A. differential advantage.
 - B. sustained competitive edge.
 - C. marketing niche.
 - D. sustainable advantage.
 - E. long-term dominance.
46. A _____ is any feature of an organization or brand that is perceived to be desirable and different from those of the competition.
- A. differential advantage
 - B. positioning strategy
 - C. marketing niche
 - D. just noticeable difference
 - E. long-term dominance
47. Organizations like Weight Watchers must advertise extensively and use other forms of promotion in order to attract customers and then keep similar organizations designed to help consumers lose weight from taking away these customers. The challenges faced by Weight Watchers are an example of how _____ influence a company's activities.
- A. demographic mobility
 - B. technological changes
 - C. legal governances
 - D. competition
 - E. social norms
48. Sales for Royal Baltic brand canned salmon were high until the product was recalled three times in less than six months due to the presence of a life-threatening bacteria in the processed fish. Each recall was heavily publicized by the news media. This recall has produced a _____ for Royal Baltic.
- A. strategic impasse
 - B. roadblock
 - C. differential disadvantage
 - D. sustainable disadvantage
 - E. market boycott

49. All enterprise wish to avoid a _____, which is any feature of an organization or brand that drives consumers away.
- A. strategic impasse
 - B. roadblock
 - C. differential disadvantage
 - D. sustainable disadvantage
 - E. market boycott
50. Ad for Zerex antifreeze coolant says that it is recommended for use in both gasoline and heavy duty diesel engines, and Prestone antifreeze is not. This ad is based on a(n) _____ that Zerex has.
- A. differential advantage
 - B. cooperative synergy
 - C. value chain
 - D. economic influence
 - E. demographic advantage
51. Unlike Tylenol, Excedrin Migraine has a special formula that's approved to relieve all your migraine symptoms. This statement describes the _____ that Excedrin Migraine pain reliever has over Tylenol.
- A. differential advantage
 - B. cooperative synergy
 - C. value chain
 - D. economic influence
 - E. demographic advantage
52. Which of the following statements about the North American Free Trade Agreement (NAFTA) is true?
- A. NAFTA has increased the amount of trade between Canada and Mexico.
 - B. Critics of NAFTA fear the loss of U.S. jobs.
 - C. Supporters of NAFTA claim the agreement will increase competitiveness and efficiency.
 - D. The purpose of NAFTA is to promote trade by phasing out tariffs.
 - E. All of the above statements about NAFTA are true.
53. Consumers today are more concerned about the quality of life than the quantity of products they can purchase. This change in viewpoint illustrates how _____ forces affect marketing.
- A. demographic
 - B. technological
 - C. legal
 - D. economic
 - E. social and cultural
54. At the beginning of 2004, India was the world's second-largest consumer of tobacco. By the middle of that year, the Indian government had instituted a ban on tobacco advertising as well as the prohibition of smoking in all public places. This is an example of how a(n) _____ force can be used to modify _____ forces.
- A. technological; demographic
 - B. demographic; economic
 - C. technological; economic
 - D. political and legal; social and cultural
 - E. economic; social and cultural

55. If you were to buy a printer cartridge for your HP LaserJet Printer, you would find in the box everything you need to return the empty cartridge for recycling. The popularity of this type of recycling program that helps to reduce the amount of trash in landfills is an example of how concern for the _____ environment has influenced how business operate.
- A. technological
 - B. natural
 - C. competitive
 - D. legal
 - E. social
56. When Wal-Mart opened its first Eco-Mart in Lawrence, Kansas, it promised to only merchandise environmentally friendly products. The development and opening of this new store concept was in direct response to:
- A. growing concern about the natural environment.
 - B. an increase in the number of impulse buys.
 - C. an increasing Hispanic population in the U.S.
 - D. a demand for more high-quality products.
 - E. a declining teenage population.
57. Because of shortages of cedar, some pencil manufacturers are using wood from the rain forests in Indonesia. Faber-Castell has launched an advertising campaign based on the slogan, "Contains no rain forest wood." This campaign illustrates the strength of _____ forces in the macroenvironment.
- A. demographic
 - B. technological
 - C. legal
 - D. economic
 - E. social and cultural
58. The slogan for Revlon's New Age Naturals creams, "Because we believe what is good for the earth is good for all of us," illustrates the strength of _____ forces in the macroenvironment.
- A. demographic
 - B. technological
 - C. legal
 - D. economic
 - E. social and cultural
59. Which of the following is NOT one of the social and cultural forces in the external macroenvironment?
- A. the erosion of stereotypes regarding men-women roles
 - B. the rapid growth of minority markets
 - C. the increased interest in health and physical fitness
 - D. the growing demand for convenience
 - E. the raising of our level of environmental consciousness
60. Which of the following is one of the social and cultural forces in the external macroenvironment?
- A. the growth of the Asian-American segment of our population
 - B. our population's move to the Southeastern United States
 - C. the emergence of Generation X
 - D. an increase in disposable income
 - E. growing concern for the natural environment
61. Which of the following products most directly resulted from changes in how consumers view the natural environment?
- A. vending machines
 - B. computer modems
 - C. paper towels made of completely recycled material
 - D. Hispanic television stations
 - E. low-interest-rate individual retirement accounts

62. The importance of a second income to the survival of many families had led to the creation of several magazines, including *Working Woman*. These magazines reflect changes in the _____ forces of the macroenvironment that affect marketing.
- A. demographic
 - B. technological
 - C. legal
 - D. economic
 - E. social and cultural
63. Because so many women now work outside the home, there is a major increase in the demand for day-care services for (a) children under six and (b) older people who are unable to stay by themselves. This increase in the need for day-care services illustrates how changes in _____ forces affect marketing.
- A. competitive
 - B. technological
 - C. legal
 - D. economic
 - E. social and cultural
64. An industry expert's statement that Rally's restaurants are "fast-lane fast food and the perfect solution to working women who find eating out to be too much of a hassle" may be largely attributed to _____ in the macroenvironment
- A. inflation
 - B. social and cultural influences
 - C. FTC regulations.
 - D. recession
 - E. technological forces
65. A busy working mother can go to a Super Target store and buy everything from fresh-baked bread to towels to clothes to books to fresh turkey. This one-stop shopping environment is in direct response to recent changes in how _____ forces are affecting the macroenvironment.
- A. social and cultural
 - B. political and legal
 - C. demographic
 - D. economic
 - E. technological
66. Three reasons are given for the growing global markets for American brands. One is the idea that if a brand has become world famous, it must be good. Another reason is that by consuming a global brands, the user becomes part of a like-minded global community. The final reason is the extent of the brand's commitment to social responsibility. All of these reasons directly influence are _____ forces.
- A. social and cultural
 - B. political and legal
 - C. demographic
 - D. economic
 - E. technological
67. Some experts contend that an apparent decline in the sale of American brands in Europe is due to anti-American sentiment resulting from the Iraq war and the torture of prisoners at Abu Ghraib. Many more experts believe that people do not think about U.S. foreign policy when they are wondering which soft drink to buy. In this instance, _____ forces in terms of what experts believe is important and what is actually important differ.
- A. social and cultural
 - B. political and legal
 - C. demographic
 - D. economic
 - E. technological

68. Which of the following would be an external macro social and cultural change that has affected the marketing done by fast-food restaurants?
- A. the decline in the number of teenagers
 - B. high interest rates, which encourage more eating at home
 - C. a growing concern with health and physical fitness
 - D. a growing Hispanic minority
 - E. new FDA regulations
69. Avon Products, Inc. distributed 16 million brochures titled "10 Facts Every Woman Should Know about Breast Cancer" in a single month. This sort of marketing is a direct response to the _____ forces in the macroenvironment.
- A. social and cultural
 - B. political and legal
 - C. internal
 - D. economic
 - E. technological
70. Despite the much-triumphed freedom of movement across the European Union's member nations, an Austrian baker still has to obtain eight different licenses to open a store in Italy, only a few miles outside Austria. The complicated license requirements is how Italy uses the _____ environment to protect its bakers.
- A. social and cultural
 - B. political and legal
 - C. internal
 - D. economic
 - E. technological
71. China is not famous for protecting the copyrights of international companies. When Coko Toy Company made Lego-look-alike toys, Lego company, the manufacturer of interlocking bricks, sued for copyright infringement. In a landmark case, the Chinese manufacturer was found to be guilty and required to destroy the relevant molding equipment and pay Lego compensation. This case gives hope to other companies that are having difficulty protecting their copyrights and reflects a change in the _____ environment.
- A. social and cultural
 - B. political and legal
 - C. internal
 - D. economic
 - E. technological
72. Personal computers contain a lot of noxious material including lead, bromine, and cadmium. Recycling is tricky, but the European Union's Waste Electrical and Electronic Equipment Directive requires that PC manufacturers take responsibility for recycling efforts. This responsibility will be expensive for PC manufacturers to implement. These costs will be passed on to consumers who will feel the effect of changes in the _____ environment of PC manufacturers.
- A. social and cultural
 - B. political and legal
 - C. internal
 - D. economic
 - E. technological

73. Congress has considered a bill that would put a 15-year limit on liability lawsuits, and it would allow companies to defend themselves by arguing that their products met government standards in force when the products were made. Since product liability suits can destroy a company, this would be an important example of how _____ forces could affect marketing.
- A. social and cultural
 - B. political and legal
 - C. demographic
 - D. economic
 - E. technological
74. Which of the following does NOT describe a political and legal force in the macroenvironment?
- A. tax legislation
 - B. fiscal and monetary policies
 - C. government deregulation of various industries
 - D. companies negotiating to form a trade association that would promote the industry's product
 - E. government subsidies to railroads
75. In some communities, zoning restrictions prohibit building a liquor store within 200 feet of school property. This is an example of how _____ forces affect marketing.
- A. social and cultural
 - B. political and legal
 - C. demographic
 - D. economic
 - E. technological
76. Which of the following is the best example of how political and legal environmental forces in the macroenvironment might affect network television programming during this decade?
- A. Working mothers have little time to monitor what their children watch on TV.
 - B. The increasing use of electronic censoring devices should help ease parents' minds.
 - C. Both major political parties have pledged to regulate the amount of violence and sex on television.
 - D. There is a large and growing middle-class market among minority groups in the U.S., whose opinion has not been heard.
 - E. Television viewing is on the decline as more people jump on the physical fitness bandwagon.
77. Which of the following is an example of a political and legal force in the macroenvironment that could affect the marketing of farm products?
- A. Congress passed anti-pollution laws that affect farm equipment.
 - B. The level of federal government purchases of food for military bases declined.
 - C. Price supports for corn and wheat increased by 20 percent.
 - D. Legal restrictions on the use of the term "naturally grown" became more commonplace.
 - E. All of the above describe ways that political and legal forces can affect the marketing of farm products.
78. Rebate scamming, the illegal practice of obtaining unearned rebates from companies, is a growing concern to many marketers. Experts on rebate scamming estimate that over 100,000 people are actively involved in the practice and are costing businesses more than a half a billion dollars annually. Finding these individuals and prosecuting them is difficult and can often lead to bad publicity when the perpetrator is a 70-year-old grandmother. The prosecution of the rebate scam perpetrators is an example of how _____ forces affect marketing.
- A. social and cultural
 - B. political and legal
 - C. demographic
 - D. economic
 - E. technological

79. Government legislation falls into two basic groups; one is intended to regulate and maintain competition, and the other is designed to:
- A. guarantee taxes are paid.
 - B. protect consumers.
 - C. prevent the creation of trusts.
 - D. control marketing programs.
 - E. assign organizational missions.
80. Government legislation falls into two basic groups; one is designed to protect consumers, and the other is intended to:
- A. guarantee taxes are paid.
 - B. prevent deception of consumers.
 - C. regulate and maintain competition.
 - D. control marketing programs.
 - E. assign organizational missions.
81. Which of the following legislation was designed primarily to regulate competition rather than to protect consumers?
- A. Fair Packaging and Labeling Act
 - B. Pure Food and Drug Act
 - C. Consumer Product Safety Act
 - D. Lanham Trademark Act
 - E. all of the above
82. Which of the following legislation was designed primarily to protect consumers rather than to regulate competition?
- A. Fair Packaging and Labeling Act
 - B. Consumer Goods Pricing Act
 - C. Federal Trade Commission Act
 - D. Lanham Trademark Act
 - E. Sherman Antitrust Act
83. When Skylar went to buy tickets for the midway rides at the Texas State Fair, she purchased an electronic "smart card." Instead of having to give tickets to get on a ride, she simply swiped her card through an electronic reader, which automatically deducted the cost of the ride from her existing balance. This is an example of how _____ forces influence the amusement industry's macroenvironment.
- A. demographic
 - B. political
 - C. technological
 - D. social and cultural
 - E. economic
84. Personal computers contain a lot of noxious material, including cadmium, bromine, and lead. Recycling these PCs as they are currently made is expensive. Hewlett-Packard's CEO ordered the company's research and development department to create a more environmentally-friendly PC that can be broken into parts and easily recycled. When such a computer is developed, it will reflect changes in how _____ forces impact the environment.
- A. demographic
 - B. political
 - C. technological
 - D. social and cultural
 - E. economic

85. Sensatex, a New Jersey company, makes a SmartShirt, from a new "intelligent fabric" that can be wired with any number of sensors to monitor everything from the wearer's heart rate to the number of calories burned. The data are gathered by the shirt and sent wirelessly to a base station for remote monitoring. Possible customers for the shirt will be athletes and elderly people who live alone. The SmartShirt represents a potential change in the _____ environment for many different types of companies.
- A. demographic
 - B. political
 - C. technological
 - D. social and cultural
 - E. economic
86. In response to U.S. Department of Defense (DoD) requests for inventions that could be used in the approaching "war on terrorism," inventors have created a high-tech Tooth Phone Communications System and Geiger counters the size of credit cards. These innovations could act as _____ influences in the macroenvironment in which the DoD operates.
- A. demographic
 - B. political
 - C. technological
 - D. social and cultural
 - E. economic
87. Upon registration, freshmen at Drew University are assigned a notebook computer. Professors have them purchase software instead of textbooks for classes. This illustrates how _____ forces in the macroenvironment can affect college-textbook publishers.
- A. demographic
 - B. political and legal
 - C. technological
 - D. social and cultural
 - E. economic
88. As the radio grew in popularity in the early part of the twentieth century, the popularity of the player piano decreased. This product replacement illustrates the power of _____ forces in the macroenvironment on manufacturers of player pianos and radios.
- A. demographic
 - B. political and legal
 - C. technological
 - D. social and cultural
 - E. economic
89. The owner of the Aragon Florist can use his computer and his Internet service provider to access FloralEx.com, an online auction of everything needed to operate a retail florist operation from purchasing inventory to calculating taxes. This is an example of how _____ forces in the macroenvironment can change how people are accustomed to doing business.
- A. demographic
 - B. political and legal
 - C. technological
 - D. social and cultural
 - E. economic
90. Ron Earley owns and operates a small office supply store. Because of a decrease in sales, Earley has decided to no longer carry typewriter ribbon in his store. This is an example of how _____ forces can affect marketing.
- A. demographic
 - B. political and legal
 - C. technological
 - D. social and cultural
 - E. economic

91. A firm's market, its producer-suppliers, and its marketing intermediaries are generally classified as _____ forces.
- A. external microenvironmental
 - B. stagnant microenvironmental
 - C. indirect macroenvironmental
 - D. internal microenvironmental
 - E. stationary macroenvironmental
92. The owner of the Aragon Florist can use his computer and his Internet service provider to access FloralEx.com, an online auction of everything needed to operate a retail florist operation. The auction can replace his suppliers and should be classified as a(n) _____ force.
- A. external microenvironmental
 - B. stagnant microenvironmental
 - C. indirect macroenvironmental
 - D. internal microenvironmental
 - E. stationary macroenvironmental
93. The external microenvironment for an amusement park would include:
- A. minimum wage laws.
 - B. new, more powerful thrill rides.
 - C. interest rates.
 - D. suppliers of parts for repairing equipment.
 - E. a growing desire to reduce the level of violence that children are exposed to.
94. The external microenvironment for a bakery would include:
- A. the bank that financed the bakery's purchase of a new oven.
 - B. the companies that supply the bakery with flour, sugar, and yeast.
 - C. the companies that buy the bakery's doughnuts for their coffee breaks.
 - D. the people who buy the bakery's cakes for their parties.
 - E. all of the above.
95. An external macroenvironmental factor that could affect the marketing program for Turner's Country Foods, a manufacturer of a variety of different cornbread mixes, is the:
- A. husband and wife team who run the company
 - B. the U.S. Postal Service that ships mail orders for the company
 - C. White Lily brand cornbread mixes, made by WL Products, Inc.
 - D. the bank that gave the company the money to start producing the mixes
 - E. all of the above
96. An external macroenvironmental factor that could affect the marketing program for J.C.Penney is the:
- A. number of people working at each store.
 - B. financial condition of J.C.Penney.
 - C. caliber of the firm's executives.
 - D. location of J.C.Penney's distribution centers.
 - E. actions of Sears, one of its competitors.
97. Which of the following is part of the external microenvironmental that could affect the marketing program for Turner's Country Foods, a manufacturer of a variety of different cornbread mixes?
- A. nutrition laws requiring complete listing of all ingredients on packages
 - B. a supplier unable to provide the packaging in the quantity needed by Turner's Country Foods
 - C. inflation
 - D. the ability to create a Web site for selling its mixes
 - E. growing popularity for home cooking, such as cornbread

98. Which of the following is part of the external microenvironmental that could affect the marketing program for a herbal soap manufacturer?
- A. a shortage of glycerin needed to make bar soap
 - B. the location of the soap manufacturer's distribution centers
 - C. the terms of the loan arranged by the soap manufacturer's bank
 - D. the action of Green Transport Company, one of its primary shippers
 - E. all of the above
99. A market is:
- A. the demand made by a certain group of potential buyers for a good or service.
 - B. a place where buyers and sellers meet.
 - C. a location where goods and services are offered for sale.
 - D. a place where the transfer of ownership occurs
 - E. described by all of the above.
100. Your textbook defines a(n) _____ as people or organizations with wants to satisfy, money to spend, and the willingness to spend it.
- A. consumer
 - B. market
 - C. macroenvironmental force
 - D. intermediary
 - E. facilitator
101. One of the external MICROENVIRONMENTAL forces that affects a company's marketing system is:
- A. suppliers.
 - B. federal legislation.
 - C. technological advances.
 - D. changing social values.
 - E. demographic changes.
102. In times of product shortages, which element of the external MICROENVIRONMENT is most likely to increase in importance in a company's marketing system?
- A. government regulatory agencies
 - B. the company's lobbyists
 - C. the company's sales force
 - D. cultural changes
 - E. the company's marketing intermediaries
103. One of the external MICROENVIRONMENTAL forces that affects a company's marketing system is:
- A. government regulatory agencies.
 - B. changes in the economic growth rate.
 - C. its marketing intermediaries.
 - D. declining birthrates.
 - E. changing cultural values.
104. _____ are independent business organizations that directly aid in the flow of products between a marketing organization and its markets.
- A. Consumers
 - B. Markets
 - C. Macroenvironmental forces
 - D. Marketing intermediaries
 - E. Cooperative agencies

105. In recent years personal computer manufacturers have sold directly to consumers and phased out PC dealerships. Apparently, a recent move to properly handle the noxious materials that are found in obsolete PCs has caused PC manufacturers to reinstate the PC dealerships. These reinstated dealerships would be examples of:
- A. consumers
 - B. markets
 - C. macroenvironmental forces
 - D. marketing intermediaries
 - E. cooperative agencies
106. Covenant Trucking Company, First National Bank, Johnson & Sons Wholesalers, and Amazon.com are all examples of:
- A. consumers.
 - B. markets.
 - C. macroenvironmental forces.
 - D. marketing intermediaries.
 - E. channels.
107. The textbook refers to middlemen and facilitating organizations collectively as:
- A. suppliers.
 - B. target markets.
 - C. producers.
 - D. entrepreneurs.
 - E. marketing intermediaries.
108. Community Bank of Pittsburgh, Gentz and Ervin Advertising Agency, and Lederer's Public Warehouse are all examples of:
- A. facilitating organizations.
 - B. reseller support teams.
 - C. macroenvironmental forces.
 - D. marketing chain links.
 - E. management intermediaries.
109. Which of the following would NOT be an example of a marketing intermediary for a manufacturer of a line of Navajo jewelry?
- A. the warehouse where the jewelry is stored before it is shipped
 - B. Morgan Jewelry Store
 - C. the manufacturer of a competing line of jewelry
 - D. the bank that financed the purchase of the silver used to make the jewelry
 - E. the company that delivers the jewelry to its retailers
110. Which of the following would NOT be an example of a marketing intermediary for Rocky Mountain Pine Cones, a company that sells 19 different types of pine cones?
- A. decorators that use Rocky Mountain pine cones to create dining room table displays
 - B. employees who dip the cones in wax to preserve them
 - C. the advertising agency that designed the ad for the company that appeared in *Floral Management*, a trade journal for people in the floral business
 - D. the company that supplies the wax in which each cone is dipped
 - E. distributors who sell assortments of the pine cones to small retailers
111. Which of the following is NOT an example of a marketing intermediary?
- A. Cardinal Distribution, a hospital supplies company
 - B. L. L. Bean catalog retailer
 - C. United Auto Workers (UAW) union
 - D. Landmark National Bank
 - E. Union Pacific Railroad

112. Collectively, the company, its suppliers, and all of its intermediaries comprise a:
- A. vertical marketing progression.
 - B. horizontal production system.
 - C. value chain.
 - D. materials handling progression.
 - E. marketing mix chain.
113. Miriam Lovelace grows flowers and herbs from which she makes Tranquility brand soaps. She has a supplier that provides her with glycerin, other chemicals, and packaging. She has a wholesaler that places her soaps on gift store shelves. A bank loaned her money to start her company, and an advertising agency designed her sales brochure. The owner of the farm, her suppliers, her bank, her distributor, and her advertising agency are all part of the _____ for Tranquility soaps.
- A. vertical marketing progression
 - B. horizontal production system
 - C. value chain
 - D. materials handling progression
 - E. marketing mix chain
114. Which of the following is part of a cosmetics company's internal environment?
- A. its employees
 - B. the manufacturer of glycerin, a product used in its manufacturing process
 - C. the competition's introduction of an aloe-based product line
 - D. a new EPA ruling governing the disposal of isopropyl alcohol used in manufacturing cosmetics
 - E. a change in the law that governs the hiring of illegal aliens
115. Which of the following is part of the internal environment for a garage that sells replacement brakes?
- A. the distributor of a brake repair system used by most garages
 - B. customers who need new brakes
 - C. Raybestos, a manufacturer of replacement brakes
 - D. its location
 - E. EPA regulations on disposal of brake fluid
116. Organizations operate within an external environment that they generally can control.
- True False
117. Culture, laws, marketing intermediaries, and demographics are all examples of macro influences in the external environment.
- True False
118. Demographics refers to the characteristics of human population, including such factors as size, distribution, and growth.
- True False
119. Members of Generation X are sometimes called baby boomers.
- True False
120. A marketing program is affected by such economic influences as the current and anticipated state of the business cycle as well as inflation and interest rates.
- True False
121. Not all companies lose money during a recession.
- True False
122. During the recovery stage of the business cycle, organizations tend to expand their marketing programs as they add new products and enter new markets.
- True False
123. During an inflationary period, consumers often overspend because they fear that prices will be higher tomorrow.
- True False

124. Corn flakes cereal, waffles, French toast, and bagels are all part of the competitive macroenvironment for Carnation Instant Breakfast drink.
True False
125. In response to demographic changes in the external macroenvironment, many direct-mail marketers are printing their catalogs on recycled paper.
True False
126. The fact that more than one-half of the women in America work outside the home not only impacts who does the shopping but also on when the shopping is done.
True False
127. One trend that is an example of the demographic forces that affect the macroenvironment is the change in dietary habits for many Americans.
True False
128. The establishment in Atlanta of over 800 miles of walking paths and bike trails is an example of how social and cultural changes can influence the macroenvironment.
True False
129. Tariffs and import quotas are part of the economic macroenvironment.
True False
130. The unwillingness of Nashville metropolitan government to renovate the venue of the Tennessee State Fair and its willingness to risk its potential closing is an example of how political and legal forces impact the macroenvironment.
True False
131. The invention of the microwave oven created a need for microwavable dishes and this invention illustrates how changes in the technological environment affect marketing.
True False
132. The fact most daily newspapers are available on the Internet is an example of how the technological forces in the macroenvironment can impact the market.
True False
133. Eduardo and Ashley are engaged. They both have excellent jobs. Even though they can afford a house just like Ashley has always wanted, Eduardo is not willing to spend that much money. Because Eduardo and Ashley have a want and the ability to buy, the couple can be classified as a market.
True False
134. The High Stepper shoe store could be a marketing intermediary for the manufacturer of Naturalizer brand shoes.
True False
135. A company's research and development department, its plant location, and its personnel activities are all part of its internal environment.
True False
136. _____ is the process of (1) gathering information regarding a company's external environment, (2) analyzing it, and (3) forecasting the impact of whatever trends the analysis suggests.

137. Demographics, social and cultural forces, political and legal forces, competition, technology, and economic conditions are the six interrelated _____ forces that affect marketing systems.

138. There are an estimated 500,000 Hispanics, mainly from Guatemala, living in the state of Georgia. Fast-food restaurants are finding it necessary to have Spanish menus as a result of how _____ influences their macroenvironment.
- _____
139. A _____ is a period of retrenchment for consumers and businesses.
- _____
140. The belief that poorly-manufactured kidney dialysis machines marketed by Wachter Healthcare caused several deaths in Europe could have produced a _____ for the company and driven many of its customers to other suppliers of dialysis machines.
- _____
141. The _____ for McDonald's includes Cracker Barrel restaurants, Lean Cuisine microwave meals, and Wendy's.
- _____
142. When distributors started replacing styrofoam "peanuts" with real popcorn and other environmentally safe products in packing, it exemplified how _____ forces influence business.
- _____
143. Disney's Animal Kingdom spent several thousand dollars making sure the park was in compliance with the Americans with Disabilities Act. Because of legislation passed after the park was open, many of the rides that currently allow guests to remain in their wheelchairs on some attractions would not be in compliance with the law and would require expensive refurbishing. This indicates how the _____ forces impact the macroenvironment of amusement parks.
- _____
144. The development of cellular phones, which allow individuals to communicate from their cars, is an example of how _____ forces within the external macroenvironment affect both human behavior and marketing.
- _____
145. The companies that provide the aloe for lotion and the glycerin for soap for a manufacturer of health and beauty aids, does its financing, and ships all of its products are examples of that company's _____.
- _____
146. For business purposes, a _____ is defined as people or organizations with wants to satisfy, money to spend, and the willingness to spend it.
- _____
147. _____ are independent business organizations like Eby-Brown Distribution Company that directly aid in the flow of goods and services between a marketing organization and its markets.
- _____
148. Collectively, the company, its suppliers, and its intermediaries (both middlemen and facilitating organizations) comprise a _____.
- _____

Twenty years, the traditional funeral in America featured "rapid removal of the corpse to a funeral parlor, embalming, institutionalized 'viewing,' and disposal by burial." Today the traditional funeral ritual does not exist. Several changes have and are occurring that makes the job of the funeral director much more difficult. People are wanting more personalized funerals with caskets in school colors and personal items buried with deceased. Traditional funeral homes and casket suppliers are having to rethink their marketing plans because cremations now account for one in four American funerals. In addition, discount casket stores often sell their wares at half the average \$2,176 price of funeral homes—and still make a profit. Cemeteries are expanding into flowers, ceremonies and other services that once were the exclusive available through funeral homes. Funeral management is certainly not a "growth" industry since deaths in America are projected to increase by only 21, 000 a year for the next 10 years.

149. Members of the traditional funeral industry explored changes in the external environment of their industry through the use of:
- A. a social audit
 - B. environmental monitoring
 - C. cultural scanning
 - D. perceptual mapping
 - E. environmental mapping
150. Since most Asians have different burial customs than we do in the United States, it is imperative that funeral directors track the rapid growth of minority markets in this country in order to remain profitable. The tracking of the growth of minorities is an example of a(n) _____ force in the macroenvironment of funeral homes.
- A. technology
 - B. economic
 - C. political and legal
 - D. competitive
 - E. demographic
151. Discount casket stores would be most likely to succeed during which stage of the business cycle?
- A. recession
 - B. prosperity
 - C. inflation
 - D. a bull market
 - E. deflation
152. Discount casket stores and cemeteries are part of the _____ environment for traditional funeral homes.
- A. technology
 - B. natural
 - C. political and legal
 - D. competitive
 - E. demographic
153. The desire to personalize funeral service is an example of a(n) _____ force that funeral directors must deal with.
- A. social and cultural
 - B. natural
 - C. political and legal
 - D. competitive
 - E. economic
154. Funeral directors in the United States want the Federal Trade Commission to regulate the activities of discount casket stores, cemeteries, and other businesses that are performing "death care services." Funeral directors are requesting a change in the _____ within their macroenvironment.
- A. social and cultural
 - B. natural
 - C. political and legal
 - D. competitive
 - E. economic
155. The fact the rate people are dying is declining can probably best be categorized as a _____ force in the macroenvironment of the funeral industry.
- A. natural
 - B. technology
 - C. political and legal
 - D. competitive
 - E. economic

156. Which of the following is part of the external microenvironment of a traditional funeral home?

- A. new embalming technology
- B. low interest rates
- C. baby boomers
- D. companies that manufacture caskets
- E. all of the above

ch02 Key

1. (p. 28) B
2. (p. 28) B
3. (p. 28) B
4. (p. 28) C
5. (p. 31) A
6. (p. 31) A
7. (p. 28-29) C
8. (p. 28-29) E
9. (p. 28-29) E
10. (p. 30) B
11. (p. 30-31) D
12. (p. 30) B
13. (p. 30-31) D
14. (p. 30-31) C
15. (p. 30-31) C
16. (p. 30-31) C
17. (p. 32, *Make the Decision Box*) E
18. (p. 32, *Make the Decision Box*) C
19. (p. 33) D
20. (p. 33) A
21. (p. 32) B
22. (p. 33) D
23. (p. 33) A
24. (p. 33) D
25. (p. 33) B
26. (p. 33) E
27. (p. 33) C
28. (p. 33) B
29. (p. 33) A
30. (p. 33) C
31. (p. 33) D
32. (p. 33) C
33. (p. 33) B
34. (p. 33) C
35. (p. 33) E
36. (p. 33) A

37. (p. 33) D
38. (p. 33) D
39. (p. 33-34) D
40. (p. 33) A
41. (p. 33) A
42. (p. 33-34) E
43. (p. 34) D
44. (p. 33-34) E
45. (p. 33-34) A
46. (p. 34) A
47. (p. 33-34) D
48. (p. 34) C
49. (p. 34) C
50. (p. 34) A
51. (p. 34) A
52. (p. 35, *Global Perspective*Box) E
53. (p. 34-37) E
54. (p. 36; 39) D
55. (p. 36) B
56. (p. 34-37) A
57. (p. 34-37) E
58. (p. 34-37) E
59. (p. 34-38) B
60. (p. 34-38) E
61. (p. 34-35) C
62. (p. 36-37) E
63. (p. 37-38) E
64. (p. 38-39) B
65. (p. 36-38) A
66. (p. 36-38) A
67. (p. 36-38) A
68. (p. 34-39) C
69. (p. 34-39) A
70. (p. 39) B
71. (p. 39-40) B
72. (p. 39-40) B
73. (p. 39-40) B
74. (p. 39-40) D

75. (p. 39-40) B
76. (p. 39-40) C
77. (p. 39-40) E
78. (p. 39-40) B
79. (p. 40, Table 2.2) B
80. (p. 40, Table 2.2) C
81. (p. 40, Table 2.2) D
82. (p. 40, Table 2.2) A
83. (p. 41-42) C
84. (p. 41-42) C
85. (p. 41-42) C
86. (p. 41-42) C
87. (p. 41-42) C
88. (p. 41-42) C
89. (p. 41-42) C
90. (p. 41-42) C
91. (p. 42-44) A
92. (p. 42-44) A
93. (p. 42-44) D
94. (p. 42-44) E
95. (p. 42) C
96. (p. 42) E
97. (p. 42-44) B
98. (p. 42-44) E
99. (p. 42) E
100. (p. 42) B
101. (p. 43) A
102. (p. 42-44) C
103. (p. 43-44) C
104. (p. 43-44) D
105. (p. 43-44) D
106. (p. 43-44) D
107. (p. 43-44) E
108. (p. 43) A
109. (p. 43-44) C
110. (p. 43-44) B
111. (p. 43-44) C
112. (p. 43-44) C

113. (p. 43-44) C
114. (p. 44-45) A
115. (p. 44-45) D
116. (p. 28) FALSE
117. (p. 28-29) FALSE
118. (p. 30) TRUE
119. (p. 32, *Make the Decisionbox*) FALSE
120. (p. 33) TRUE
121. (p. 33) TRUE
122. (p. 33) FALSE
123. (p. 33) TRUE
124. (p. 35-36) TRUE
125. (p. 34-36) FALSE
126. (p. 36-38) TRUE
127. (p. 34-39) FALSE
128. (p. 39) TRUE
129. (p. 39-40) FALSE
130. (p. 39-40) TRUE
131. (p. 41-42) TRUE
132. (p. 41-42) TRUE
133. (p. 42-43) FALSE
134. (p. 43-44) TRUE
135. (p. 44-45) TRUE
136. (p. 28) Environmental monitoring or environmental scanning
137. (p. 29) external macroenvironment
138. (p. 30-31) demographic
139. (p. 33) recession
140. (p. 34) differential disadvantage
141. (p. 34) substitute products competition
142. (p. 34-36) social and cultural
143. (p. 39-41) political and legal
144. (p. 41-42) technological
145. (p. 42-44) external microenvironment
146. (p. 43) market
147. (p. 43) Marketing intermediaries
148. (p. 43-44) value chain
149. (p. 28-29) B
150. (p. 30-31) E

151. (p. 33) A

152. (p. 33-34) D

153. (p. 34-39) A

154. (p. 39-41) C

155. (p. 41-42) B

156. (p. 42-44) D

ch02 Summary

<u>Category</u>	<u># of Questions</u>
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