

**Chapter 2**  
**Managing Ethics in a Sales Environment**

1. Which of the following represent ethical behavior?
- a. Misleading customers by leaving out important facts
  - b. Using guilt tactics such as telling older people they should have life insurance policies for many relatives
  - c. Disclosing all the advantages and disadvantages of a product being considered for sale
  - d. Using excessive jargon and fine print to make the terms of sale unclear

**Answer:** c                      **LO:** 1                      **AASCB:** k                      **Key Words:** ethical behavior

2. \_\_\_\_\_ consists of the shared values, norms, and artifacts that provide the blueprint for behavior (within firms).
- a. Sales ethics subcompliance culture
  - b. Sales management ethics
  - c. Organizational culture
  - d. Sales subculture

**Answer:** c                      **LO:** 1                      **AASCB:** k                      **Key Words:** Organizational culture

3. Ethics are
- a. something that is basically irrelevant to business
  - b. the study of what is right and wrong or good and bad and honest and dishonest
  - c. rules clearly outlined in the bible
  - d. simply complying with the law

**Answer:** b                      **LO:** 1                      **AASCB:** a                      **Key Words:** ethical behavior

4. Which of the behaviors below is least likely to be unethical?
- a. Revealing confidential information to a prospect about their competitors.
  - b. Taking a prospect or customer to dinner, to play golf, or to attend a sports event.
  - c. Promising an unrealistic delivery date in order to make a sale
  - d. Shifting sales orders from one period to another to win a sales contest

**Answer:** b                      **LO:** 1                      **AASCB:** a                      **Key Words:** ethical behavior

5. All of the following are common unethical practices committed by salespeople *except*
- a. special gifts and overpromising
  - b. showing favoritism and disclosing confidential information
  - c. manipulating order forms and misrepresenting the facts.
  - d. getting another salesperson to help them make a sale in their territory

**Answer:** d                      **LO:** 1                      **AASCB:** a                      **Key Words:** ethical behavior

6. Which of the following are ethical sales practices?
- a. Expense account padding
  - b. Competitive snooping
  - c. making positive statements about the competition

d. Showing favoritism among customers

**Answer:** c

**LO:** 1

**AASCB:** a

**Key Words:** ethical behavior

7. Which of the following is *not* considered an unethical sales practice?

- a. Discussing how your product can help make the buyer's firm more productive
- b. Disparaging competitors
- c. Manipulating order forms
- d. Tampering with competitors' products

**Answer:** a

**LO:** 1

**AASCB:** a

**Key Words:** ethical behavior

8. \_\_\_\_\_ refer to the "specific component of business ethics that deals with ethically managing the sales function."

- a. marketing management ethics
- b. Sales management ethics
- c. moral ethics
- d. business ethics

**Answer:** b

**LO:** 1

**AASCB:** k

**Key Words:** Sales management ethics

9. Which of the following statements about ethics is *false*?

- a. Ethics constitute the moral content of behavior governing individuals and societies
- b. Ethics deal with things as they should be, not necessarily as they are
- c. Ethics are an obligation to consider not only our own personal actions but also that of other human beings
- d. Ethics does not embody the moral content of behavior of organizations towards society

**Answer:** d

**LO:** 1

**AASCB:** a

**Key Words:** ethical behavior

10. With regard to business ethics, which of the following statement is *false*?

- a. ethics pertain to the moral content of behavior
- b. Professional ethics stress the norms or values of a profession
- c. Individual, organizational, and professional ethics should always be in conflict so that the check and balance system can operate most effectively to prevent any one ethic—no matter how noble—from dominating.
- d. Salespeople who find a particular sales strategy unethical should be allowed to voice dissenting opinions instead of being pressured into unwilling conformity

**Answer:** c

**LO:** 1

**AASCB:** a

**Key Words:** ethical behavior

11. Customer vulnerability is manifested in the following ways except:

- a. Ignorance—a lack of some vital knowledge, often product knowledge, needed to participate in a fair exchange
- b. Complacency—lack of motivation to do anything meaningful
- c. Powerlessness—a lack of either competition within a marketplace or sufficient assets with which to be persuasive

d. Naiveté—a lack of experience or the ability to conduct a transaction or negotiate terms of a fair deal

**Answer:** b

**LO:** 2

**AASCB:** k

**Key Words:** Customer vulnerability

12. \_\_\_\_\_ refer to written expression of a firm's values, listing specific behaviors that are consistent or inconsistent with those values.

a. Code of ethics

b. Sales management ethics

c. moral ethics

d. business ethics

**Answer:** a

**LO:** 3

**AASCB:** k

**Key Words:** code of ethics

13. Several types of ethical codes exist in American enterprise. Which of the following is not one of these ethical codes?

a. professional codes—for occupational groups such as doctors, lawyers, accountants, marketing researchers, advertisers, or sales representatives.

b. advisory group codes—suggested by government agencies or other special interest groups.

c. consultative codes—for professional consultants to business, government, and not-for-profit organizations.

d. business association codes—for companies engaged in the same line of activity, e.g., the American Association of Advertising Agencies.

**Answer:** c

**LO:** 3

**AASCB:** k

**Key Words:** code of ethics

14. The discipline dealing with moral duty and obligation; a set of moral principles or values; the principles of conduct governing an individual or group deal with:

a. social responsibility

b. professional judgments

c. morals

d. ethics

**Answer:** d

**LO:** 1

**AASCB:** k

**Key Words:** ethics

15. The following behaviors are generally prohibited in sales-related codes of ethics:

a. Bribes, gifts, kickbacks

b. Illegal political payments

c. Violation of laws in general

d. all the above

**Answer:** d

**LO:** 3

**AASCB:** k

**Key Words:** code of ethics

16. According to sales-related codes of ethics, the following practices are generally not acceptable:

a. Violation of antitrust laws

b. Fraud and deception

c. Illegal payments abroad

d. all the above

**Answer:** d

**LO:** 3

**AASCB:** k

**Key Words:** code of ethics

17. \_\_\_\_\_ represents a rule that should always be applied with no exceptions or excuses.

a. Idealism

b. moral absolute

c. deontological process

d. Moral philosophy

**Answer:** b

**LO:** 4

**AASCB:** k

**Key Words:** code of ethics

18. In dealing with their own companies, which of the following is not an ethical issue for most salespeople?

a. cheating in sales contests

b. falsification of sales records

c. misuse of company assets

d. all the above are ethical issues for most salespeople

**Answer:** c

**LO:** 1

**AASCB:** a

**Key Words:** ethical behavior

19. Salespeople must be aware that the saying “all is fair in love and war” does not necessarily apply to ethical selling and dealing with competition. Which of the following is considered to be an unethical practice?

a. snooping on competitors

b. calling upon a competitor’s customer

c. attending civic meetings when your competitors are in attendance

d. all of the above are unethical

**Answer:** d

**LO:** 1

**AASCB:** a

**Key Words:** ethical behavior

20. \_\_\_\_\_, as a moral philosophy, is a process by which individuals reach moral decisions based more on the actions they perceive to be acceptable given a particular situation

a. Relativism

b. deontologism

c. Idealism

d. Absolutism

**Answer:** a

**LO:** 4

**AASCB:** k

**Key Words:** Relativism

21. \_\_\_\_\_ is a philosophy that defines morality based on the *consequences* of the behavior. It allows some indiscretion based on the argument that the “good” that results is more important than the harm caused. In other words, the end justifies the means.

a. Idealism

b. Relativism

c. Teleology

d. Absolutism

**Answer: c**

**LO: 4**

**AASCB: k**

**Key Words: Teleology**

22. \_\_\_\_\_ represents a situation with alternate courses of action, each having different moral implications.

- a. ethical dilemma
- b. Acceptability dilemma
- c. Contractual dilemma
- d. Obligational dilemma

**Answer: a**

**LO: 4**

**AASCB: k**

**Key Words: ethical dilemma**

23. \_\_\_\_\_ refers to the inherent fairness or justice in a situation.

- a. Acceptability
- b. Moral equity
- c. Contractualism
- d. teleology

**Answer: b**

**LO: 4**

**AASCB: k**

**Key Words: Moral equity**

24. \_\_\_\_\_ describes how culturally or socially acceptable we perceive an action to be.

- a. Acceptability
- b. Moral equity
- c. Contractualism
- d. teleology

**Answer: a**

**LO: 4**

**AASCB: k**

**Key Words: Acceptability**

25. \_\_\_\_\_ is the extent to which an act is consistent with stated or implied contracts and/or laws.

- a. Acceptability
- b. Moral equity
- c. Contractualism
- d. teleology

**Answer: c**

**LO: 4**

**AASCB: k**

**Key Words: Contractualism**

26. Which of the following research findings are incorrect?

- a. Sales managers and salespeople are *not* more likely to engage in unethical practices than are people with other marketing and management jobs
- b. Relatively high levels of relativism are associated with less ethical decision making among sales managers
- c. Age is negatively related to ethical behavior among sales managers—younger sales managers tend to make more ethical decisions than older sales managers
- d. Relatively high levels of idealism are associated with a lower likelihood of hiring a controversial job candidate

**Answer: c**

**LO: 4**

**AASCB: k**

**Key Words: research findings**

27. Which of the following are *not* dimensions of the ethical climate?

- a. policies and rules
- b. trust and responsibility
- c. accountability
- d. peer behavior

**Answer:** c  
dimensions

**LO:** 5

**AASCB:** k

**Key Words:** ethical climate

28. When sales managers and salespeople internalize the \_\_\_\_\_ that govern selling and marketing conduct within the firm, they are more likely to behave ethically.

- a. policies and rules
- b. bottom-line sales emphasis
- c. trust and responsibility
- d. peer behavior

**Answer:** a

**LO:** 5

**AASCB:** k

**Key Words:** policies and rules

29. The \_\_\_\_\_ dimension defines how far people are trusted to behave in a responsible way and are held personally responsible for their actions.

- a. policies and rules
- b. bottom-line sales emphasis
- c. trust and responsibility
- d. peer behavior

**Answer:** c

**LO:** 5

**AASCB:** k

**Key Words:** trust and responsibility

30. \_\_\_\_\_, as a dimension of ethical climate, is the extent to which employees view coworkers as having high moral standards.

- a. policies and rules
- b. bottom-line sales emphasis
- c. trust and responsibility
- d. peer behavior

**Answer:** d

**LO:** 5

**AASCB:** k

**Key Words:** peer behavior

31. As a dimension of ethical climate, \_\_\_\_\_ refers to the extent to which employees feel pressured to prioritize increased revenues, profits, margins, or other financial returns over all other concerns.

- a. policies and rules
- b. bottom-line sales emphasis
- c. trust and responsibility
- d. peer behavior

**Answer:** b  
emphasis

**LO:** 5

**AASCB:** k

**Key Words:** bottom-line sales

32. Laws protecting companies from each other, thus ensuring that a competitive marketplace exists include all except:

- a. Robinson-Patman Act
- b. Textile Labeling Act
- c. Clayton Act
- d. Sherman Antitrust Act

**Answer:** b      **LO:** 6      **AASCB:** k      **Key Words:** Legislation Affecting Sales Management

33. Which of the following is not a law protecting companies from each other to ensure healthy competition?

- a. Wheeler-Lea Act
- b. Lanham Trademark Act
- c. Consumer Goods Pricing Act
- d. Meat Inspection Act

**Answer:** d      **LO:** 6      **AASCB:** k      **Key Words:** Legislation Affecting Sales Management

34. The following are laws and policies protecting consumers and society from unfair business practices except:

- a. Federal Trade Commission Act
- b. Pure Food and Drug Act
- c. Automobile Information Disclosure Act
- d. Kefauver-Harris Drug Amendments

**Answer:** a      **LO:** 6      **AASCB:** k      **Key Words:** Legislation Affecting Sales Management

35. Which of the following is not a law protecting consumers and society from unfair business practices?

- a. National Traffic and Motor Vehicle Safety Act
- b. Fair Credit Reporting Act
- c. Robinson-Patman Act
- d. Consumer Goods Pricing Act

**Answer:** c      **LO:** 6      **AASCB:** k      **Key Words:** Legislation Affecting Sales Management

36. Laws protecting consumers and society from unfair business practices include all except:

- a. National Environmental Policy Act
- b. Equal Credit Opportunity Act
- c. Nutrition Label and Education Act
- d. all the above

**Answer:** d  
**Sales Management**

**LO:** 6

**AASCB:** k

**Key Words:** Legislation Affecting

37. Federal regulations have had a major impact on business organizations in areas such as collusion, price-cutting, and the restraint of trade. Which of the following regulations address the issue of pricing?

- a. Consumer Goods Pricing Act (1975)
- b. Clayton Act (1914)
- c. Automobile Information Disclosure Act (1958)
- d. all of the above

**Answer:** d  
**Sales Management**

**LO:** 6

**AASCB:** k

**Key Words:** Legislation Affecting

38. The Federal Trade Commission Act of 1914 seeks to control which of the following

- a. monopolies
- b. acts that significantly reduce competition
- c. unfair methods of competition in commerce
- d. brands and trademarks

**Answer:** c  
**Sales Management**

**LO:** 6

**AASCB:** k

**Key Words:** Legislation Affecting

39. Collusion refers to:

- a. agreements in which a manufacturer grants one dealer exclusive rights to sell a product in a certain trading area
- b. competitors who do not conspire to set or maintain uniform prices and profit margins
- c. competitors who conspire to set prices or join together to act to the detriment of another competitor
- d. all of the above

**Answer:** c

**LO:** 6

**AASCB:** k

**Key Words:** Collusion

40. Price fixing refers to:

- a. competitors colluding to divide a market into noncompetitive territories or to restrict competition in a market
- b. competitors who conspire to set prices or join together to act to the detriment of another competitor
- c. Agreements in which a manufacturer or wholesaler grants one dealer exclusive rights to sell a product in a certain trading area or insists that the dealer not carry competing lines
- d. Competitors who conspire to set or maintain uniform prices and profit margins

**Answer:** d

**LO:** 6

**AASCB:** k

**Key Words:** Price fixing

41. Exclusive dealing refers to:

- a. competitors colluding to divide a market into noncompetitive territories or competition in a market



- b. competitors who conspire to set prices or join together to act to the detriment of another competitor
- c. Agreements in which a manufacturer or wholesaler grants one dealer exclusive rights to sell a product in a certain trading area or insists that the dealer not carry competing lines
- d. Competitors who conspire to set or maintain uniform prices and profit margins

**Answer:** c                      **LO:** 6                      **AASCB:** k                      **Key Words:** Exclusive dealing

42. Restraint of trade refers to:

- a. competitors colluding to divide a market into noncompetitive territories or to restrict competition in a market
- b. competitors who conspire to set prices or join together to act to the detriment of another competitor
- c. Agreements in which a manufacturer or wholesaler grants one dealer exclusive rights to sell a product in a certain trading area or insists that the dealer not carry competing lines
- d. Competitors who conspire to set or maintain uniform prices and profit margins

**Answer:** a                      **LO:** 6                      **AASCB:** k                      **Key Words:** restraint of trade

43. About reciprocity as a business practice, it can accurately be said that:

- a. most buyers and purchasers believe it should be illegal
- b. most salespeople like it because it helps them sell
- c. reciprocity is increasing sharply as a result of a lack of enforcement of antitrust laws
- d. it is legal

**Answer:** a                      **LO:** 6                      **AASCB:** k                      **Key Words:** reciprocity

44. Reciprocity refers to:

- a. selling substitute goods different from those ordered, intentionally misrepresent delivery dates, fail to actually fill an order, and not fill an order in a reasonable time
- b. Selecting only suppliers who will also purchase from the buyer—"You buy from me and I'll buy from you"
- c. buying an unwanted item or items in return for being allowed to purchase a product in heavy demand
- d. shipping unordered goods or shipping larger amounts than ordered, hoping the buyer will pay for them

**Answer:** b                      **LO:** 6                      **AASCB:** k                      **Key Words:** reciprocity

45. Tie-in sales refers to:

- a. selling substitute goods different from those ordered, intentionally misrepresent delivery dates, fail to actually fill an order, and not fill an order in a reasonable time
- b. Selecting only suppliers who will also purchase from the buyer—"You buy from me and I'll buy from you"
- c. buying an unwanted item or items in return for being allowed to purchase a product in heavy demand
- d. shipping unordered goods or shipping larger amounts than ordered, hoping the buyer will pay for them

**Answer:** c                      **LO:** 6                      **AASCB:** k                      **Key Words:** Tie-in sales

46. Unordered goods refers to:

- a. selling substitute goods different from those ordered, intentionally misrepresent delivery dates, fail to actually fill an order, and not fill an order in a reasonable time
- b. Selecting only suppliers who will also purchase from the buyer—"You buy from me and I'll buy from you"
- c. buying an unwanted item or items in return for being allowed to purchase a product in heavy demand
- d. shipping unordered goods or shipping larger amounts than ordered, hoping the buyer will pay for them

**Answer:** d

**LO:** 6

**AASCB:** k

**Key Words:** Unordered goods

47. Orders and terms of sale refers to:

- a. selling substitute goods different from those ordered, intentionally misrepresent delivery dates, fail to actually fill an order, and not fill an order in a reasonable time
- b. Selecting only suppliers who will also purchase from the buyer—"You buy from me and I'll buy from you"
- c. buying an unwanted item or items in return for being allowed to purchase a product in heavy demand
- d. shipping unordered goods or shipping larger amounts than ordered, hoping the buyer will pay for them

**Answer:** a  
sale

**LO:** 6

**AASCB:** k

**Key Words:** Orders and terms of

48. Business defamation can include each of the following offenses except

- a. business slander
- b. business libel
- c. product disparagement
- d. all of the above

**Answer:** d

**LO:** 6

**AASCB:** k

**Key Words:** Business defamation

49. Which of the following is an example of business slander?

- a. an untrue comparison is made concerning a competitor's product
- b. an untrue written statement made about a competitor
- c. an unfair and untrue oral statement made about a competitor
- d. unfair pricing

**Answer:** c

**LO:** 6

**AASCB:** k

**Key Words:** Business slander

50. Business slander refers to:

- a. when an unfair and untrue oral statement is made about a competitor
- b. when an unfair and untrue statement about a competitor is made in writing (usually a letter, sales literature, advertisement, or company brochure)

- c. false or deceptive comparisons or distorted claims are made concerning a competitor's product, services, or property
- d. injury to a competitor can result from the false advertising of one's own product, misrepresentation of the qualities or characteristics of the product, or related unfair or deceptive trade practices

**Answer:** a

**LO:** 6

**AASCB:** k

**Key Words:**

Business slander

51. Business libel refers to:

- a. when an unfair and untrue oral statement is made about a competitor
- b. when an unfair and untrue statement about a competitor is made in writing (usually a letter, sales literature, advertisement, or company brochure)
- c. false or deceptive comparisons or distorted claims are made concerning a competitor's product, services, or property
- d. injury to a competitor can result from the false advertising of one's own product, misrepresentation of the qualities or characteristics of the product, or related unfair or deceptive trade practices

**Answer:** b

**LO:** 6

**AASCB:** k

**Key Words:**

Business libel

52. Unfair competition refers to:

- a. when an unfair and untrue oral statement is made about a competitor
- b. when an unfair and untrue statement about a competitor is made in writing (usually a letter, sales literature, advertisement, or company brochure)
- c. false or deceptive comparisons or distorted claims are made concerning a competitor's product, services, or property
- d. injury to a competitor can result from the false advertising of one's own product, misrepresentation of the qualities or characteristics of the product, or related unfair or deceptive trade practices

**Answer:** d

**LO:** 6

**AASCB:** k

**Key Words:**

Unfair competition

53. With regard to "cooling off" rules, which of the following is correct?

- a. requires door-to-door salespeople to give written notice to customers placing orders of \$25 or more that they can cancel their purchase within three days
- b. it came after years of complaints about high pressure tactics in business-to-business selling
- c. it came after managers complained about business-to-business salespeople who gained entrance to their firms and then gave a sales pitch
- d. all door-to-door salespeople post a \$100,000 bond with city authorities before making sales call in the city

**Answer:** a

7

**LO:** 6

**AASCB:** k

**Key Words:**

"cooling off" rules

54. "Green River" ordinances require that

- a. all salespeople who seek professional certification submit qualifying credentials to Green River, Wisconsin for verification
- b. all non-residents who attempt to sell goods or services directly to consumers be registered with city authorities and obtain a license to sell goods or services direct to consumers in that vicinity

- c. all salespeople with health problems obtain a validated health exam before being permitted to call on consumers in their homes
- d. all door-to-door salespeople post a \$1,000 bond with city authorities before making sales call in the city

**Answer:** b  
ordinances

**LO:** 6

**AASCB:** k

**Key Words:** "Green River"

55. Among the various differences in selling abroad, probably the major adjustment for most salespeople and sales managers is in developing sensitivity to the \_\_\_\_\_ of the foreign country.

- a. laws
- b. distribution pattern
- c. culture
- d. pricing system

**Answer:** c

**LO:** 6

**AASCB:** k

**Key Words:** international selling

56. In selling to international markets, sales managers will need to recognize the truth of all of the following statements except

- a. France prohibits door-to-door selling
- b. United States allows American companies to trade with some foreign countries such as Cuba and North Korea
- c. Germany laws hold that bribes are legal and tax deductible as long as they are made outside Germany
- d. United Nations and the European Union are standardizing commercial codes, such as environmental and product safety standards, that are binding on all companies whose nations consent.

**Answer:** b

**LO:** 6

**AASCB:** k

**Key Words:** international selling

57. Sales management ethics is the specific component of business ethics that deals with ethically managing the sales function.

**Answer:** t

**LO:** 1

**AASCB:** a

**Key Words:** sales management ethics

58. Code of ethics refer to written expression of a firm's values, listing specific behaviors that are consistent or inconsistent with those values.

**Answer:** t

**LO:** 3

**AASCB:** k

**Key Words:** code of ethics

59. The mere existence of a code of ethics alone does not guarantee a more ethical environment.

**Answer:** t

**LO:** 3

**AASCB:** k

**Key Words:** code of ethics

60. Idealism deals with the systematic ways that individuals recognize and resolve decisions having moral content.

**Answer:** f

**LO:** 4

**AASCB:** k

**Key Words:** Moral philosophy

61. Strict idealism is associated with universal standards, meaning they should be applied in all relevant situations regardless of context.

**Answer:** t      **LO:** 4      **AASCB:** k      **Key Words:** Strict idealism

62. A deontological process is not based on rules, but on a person's whim.

**Answer:** f      **LO:** 4      **AASCB:** k      **Key Words:** deontological process

63. Salespeople should be taught that it is seldom "smart" to conduct unethical practices with customers, even when the customer is the instigator.

**Answer:** t      **LO:** 1      **AASCB:** a      **Key Words:** ethical behavior

64. Customer vulnerability refers to a state in which the selling company is at a disadvantage relative to the buyers.

**Answer:** f      **LO:** 2      **AASCB:** k      **Key Words:** Customer vulnerability

65. Relativism is sometimes called situational ethics, meaning that a behavior acceptable in one situation can be unacceptable in another.

**Answer:** t      **LO:** 4      **AASCB:** k      **Key Words:** Relativism

66. According to situational ethics, behavior acceptable in one situation may be acceptable in another.

**Answer:** f      **LO:** 4      **AASCB:** k      **Key Words:** situational ethics

67. Relativism rejects the notion of "absolutes" or moral imperatives. Hence, acceptability could be based on the cultural context. For instance, a bribe may be unacceptable in the U.S., but may be acceptable in, say, Nigeria.

**Answer:** t      **LO:** 4      **AASCB:** k      **Key Words:** Relativism

68. Teleology is a philosophy that defines morality based on the *consequences* of the behavior. It allows some indiscretion based on the argument that the "good" that results is more important than the harm caused. In other words, the end justifies the means.

**Answer:** t      **LO:** 4      **AASCB:** k      **Key Words:** Teleology

69. A moral judgment is a person's evaluation of the situation from an ethical perspective.

**Answer:** t      **LO:** 4      **AASCB:** k      **Key Words:** moral judgment

70. Contractualism describes how culturally or socially acceptable we perceive an action to be.

**Answer:** f                      **LO:** 4                      **AASCB:** k                      **Key Words:** Acceptability

71. Acceptability is the extent to which an act is consistent with stated or implied contracts and/or laws.

**Answer:** t                      **LO:** 4                      **AASCB:** k                      **Key Words:** Contractualism

72. The ethical work climate is a specific aspect of the organizational climate. Specifically, it's the way employees view their work environment on moral dimensions.

**Answer:** t                      **LO:** 5                      **AASCB:** k                      **Key Words:** ethical work climate

73. The uniform commercial code is a basic set of guidelines adopted by most states that set forth the rules of contracts and the law pertaining to sales. The code regulates the performance of goods, sellers' warranties, and the maximum allowable rates of interest and carrying charges.

**Answer:** t                      **LO:** 6                      **AASCB:** k                      **Key Words:** uniform commercial code

74. Collusion refers to competitors who do not conspire to set or maintain uniform prices and profit margins.

**Answer:** f                      **LO:** 6                      **AASCB:** k                      **Key Words:** Collusion

75. Price fixing refers to agreements in which a manufacturer or wholesaler grants one dealer exclusive rights to sell a product in a certain trading area or insists that the dealer not carry competing lines.

**Answer:** t                      **LO:** 6                      **AASCB:** k                      **Key Words:** restraint of trade

76. Restraint of trade refers to competitors colluding to divide a market into noncompetitive territories or to restrict competition in a market.

**Answer:** t                      **LO:** 6                      **AASCB:** k                      **Key Words:** restraint of trade

77. Reciprocity refers to selecting only suppliers who will also purchase from the buyer —“You buy from me and I'll buy from you.”

**Answer:** t                      **LO:** 6                      **AASCB:** k                      **Key Words:** reciprocity

78. Tie-in sales refers to shipping unordered goods or shipping larger amounts than ordered, hoping the buyer will pay for them.

**Answer:** f                      **LO:** 6                      **AASCB:** k                      **Key Words:** Tie-in sales

79. Unordered goods refers to selling substitute goods different from those ordered, intentionally misrepresent delivery dates, fail to actually fill an order, and not fill an order in a reasonable time.

**Answer:** f      **LO:** 6      **AASCB:** k      **Key Words:** Unordered goods

80. Business slander occurs when an unfair and untrue oral statement is made about a competitor.

**Answer:** t      **LO:** 6      **AASCB:** k      **Key Words:** business slander

81. Business libel occurs when an unfair and untrue statement about a competitor is made in writing (usually a letter, sales literature, advertisement, or company brochure).

**Answer:** t      **LO:** 6      **AASCB:** k      **Key Words:** types of business defamation

82. Sales subculture is a component of the organizational culture that influences sales force ethical behavior.

**Answer:** t      **LO:** 1      **AASCB:** k      **Key Words:** Sales culture