

- Pricing above the market plays on the common assumption that : ✓ higher price means higher quality.
- Wedding gowns, Rolex watches, Godiva chocolates, and Rolls Royces are examples of ✓ specialty goods.
- Coffee, cold medicine, cologne, cars, and toothpaste are examples of ✓ consumer goods
- Which of the following explains why high productivity gives a competitive edge? ✓. Lower costs allow lower prices & more profit or higher wages
- ✓ True: An Income Trust is a type of corporation that avoids paying tax by distributing most of its earnings to investors.
- ✓ Income taxes are collected in order to fund various programs and services. • ✓ False: Cheque kiting is essentially the same as post-dating a cheque.
- All the following are disadvantages of a sole proprietorship except: ✓ High start-up costs
- Profit is: ✓ What remains after expenses are subtracted from sales revenues • Direct-response retailing includes all of the following except: ✓ publicity
- What kind of business activity is a grocery store engaged in when it sells meat to a homemaker? ✓ consumer marketing
- ✓ True: Many businesses use quality improvement teams to improve both their own work methods and the products they make.
- Miranda was visiting San Francisco. When she arrived at Fisherman's Wharf, [long q about buying a t-shirt] For Miranda, the shirt was a ✓ shopping good.
- Price skimming involves: ✓ setting an initial high price to cover new product costs and generating a profit.
- ✓ Profits motivate individuals to start a business and ✓ competition motivates them to operate those businesses efficiently. ,
- ✓ False: Employee recognition is the principle that all employees are valuable contributors to a business and should be entrusted with decisions regarding their work. • One of the results of adopting the marketing concept is that the firm: ✓ spends more time determining what customers want
- Which of the following provides regulations to ensure that any individual who wishes to obtain employment has an equal opportunity to compete for it? ✓ The Canadian Human Rights Act • Which term is used to identify industrial products consisting of permanent goods and services? ✓ capital items
- Shiras watch depot prices all watches at \$150. The variable cost per watch is \$70 and the fixed costs are \$55000. What is Shiras' break-even point in units? ✓ 687.50
- Psychological pricing involves: ✓ taking advantage of the fact that consumers do not always respond rationally to stated prices.
- In terms of a partnership, which of the following is false: ✓ Partnerships are regarded as legal entities
- How does the product life cycle mesh with the product development process? ✓ product commercialization is the start of the introduction stage of the life cycle
- ✓ True Many businesses use quality improvement teams to improve both their own work methods and the products they make
- Marketing of insurance, airlines, investment counsellors, and health clinics are examples of ✓ service marketing
- The following are all characteristics of the sales era except: ✓ Business firms were focused on producing what customers demanded
- Dumping is: ✓ pricing a product at a lower price in a foreign market than in its home market.
- Which characteristic is false regarding knowledge workers: ✓ They identify with the firm rather than their profession
- When Lava soap advertises that it is a great product for dirty, grimy, manly hands, it is attempting to fulfill which promotional objective? ✓ product positioning
- The consistency of product quality from one finished product to the next is: ✓ Quality reliability
- When is market research used most frequently? ✓ when a new or altered product is being considered
- A differentiated brand can provide the firm with some control over pricing in which type of competition: ✓ Monopolistic competition
- In the production of wheat, the law of demand: ✓. states that buyers will purchase more wheat as the price decreases
- Within a firm, the sum of all activities involved in getting high-quality products into the marketplace is called ✓ Total quality management
- Which of the following is not one of the groups that falls within the Employment Equity Act? ✓ Elderly
- Which of the following modes of transportation is used primarily to transport heavy, bulky items such as cars, steel and coal? ✓ railroads
- In the selling of nails, ✓ promotion is likely to be of little consequence, but in the selling of toys, it is likely to be crucial.
- The most negative aspect of publicity is that: ✓ it is not controllable by the company • A gas station offering a free car wash with a fill-up is an example of ✓ sales promotion • A wholesaler is: ✓ an intermediary who sells products to other businesses for resale to final consumers.
- Which of the following is NOT a characteristic of perfect competition? ✓ Products from different firms are easily differentiated from one another.
- Which of the following is not a management tactic in collective bargaining? ✓ Slowdown
- Which are the following is false regarding productivity and quality as competitive tools: ✓ Either a short-run or long-run perspective can be adopted to improve products and processes • A(n) ✓ distribution channel is the path that a product follows from producer to end user.
- Driving down the road in your new Chevrolet, you notice that a new Ford has stopped beside the road and has its blinkers on. You smile but decide to stop anyway to help out. You are in the ✓ post-purchase evaluation stage.
- Able Manufacturing is very good at making kitchen utensils. However, it wants to ensure that its products will always be profitable. What should it do? ✓ determine customer needs and focus its product lines to fill those needs • "Birdyback" and "Piggyback" are examples of: ✓ intermodal transportation.
- In terms of a partnership, which of the following is false: ✓ Partnerships are regarded as legal entities
- ✓ True: Benchmarking compares the quality of a firm's output with the quality of the output of the industry's leaders.
- Which of the following is true about Total Quality Management: ✓ It includes all activities and parts of the business
- After checking out the prices of the new cars, Susie has elected to buy a used car. She is in the ✓ purchase decision stage.
- Jim Bradley represents several producers and is paid a commission based on invoice values. Which of the following types of intermediaries is Jim? ✓ agent/broker
- In which selling situation is the buyer expected to take longer to arrive at a purchase decision? ✓ industrial selling
- This communications vehicle is highly segmented, allows for excellent visual communication, as long-lived, but requires a long lead-time. ✓ magazines
- Automobiles, color TVs, and DVD players are in the ✓ maturity stage of their product life cycle.
- ✓ Product differentiation is the creation of a product or product image that differs enough from existing products to attract consumers.
- Which of the following is false with respect to a corporate board of directors? ✓ Directors cannot be employees of the company
- Which of the following is false regarding health and safety programs ? ✓ The Canadian government is responsible to set the regulations for all provinces
- When Reader's Digest identified and classified its readers into young-adults, computer owners, and professionals/managers it was performing: ✓ market segmentation • During which of the following business eras was the labour movement born? ✓ Industrial Revolution
- Mary's male coworkers routinely make off-color jokes and display calendars of scantily clad women. This is an example of ✓ hostile work environment harassment.
- Consumerism is: ✓ a social movement that seeks to protect and expand the rights of consumers in their dealings with businesses
- Tax laws permit ___ to treat the sales revenues and operating expenses of the business as part of their personal finances. ✓ sole proprietor
- A major disadvantage of the sole proprietorship is the: ✓ unlimited liability • All of the following are factors of production except: ✓ Technology
- A certification vote is: ✓ a vote supervised by a government representative to determine whether a union will be certified
- The productivity of business is important to: ✓ All of the above • Information and data are terms that have the same meaning. ✓ False

- According to one expert, "✓ Customers are an economic asset. They're not on the balance sheet, but they should be."
- Which of the following terms is used to identify products that are used by companies to produce other products? ✓ Industrial Goods
- To help you decide which new suit to purchase for your job interview, you ask a trusted friend to give you her opinion on each of the suits you're looking at. You are in the ✓ evaluation of alternatives stage.
 - The ✓ Internet was originally commissioned by the U.S. military.
- Why is a business firm interested in the development of new products? ✓ new products keep the warranty and service departments busy
- ✓ Objections indicate(s) that the buyer is interested and pinpoint(s) the parts of the presentation that trouble the buyer.
- Costs that change with the quantity of a product that is produced or sold are: ✓ variable costs
- The key determination for selecting the appropriate transportation method is cost. True
- At which level of management would transaction processing systems most likely be essential? ✓ first-level managers
- What is the name of the software programs that tell the computer which resources to use and how to use them? ✓ system programs
- The software programs which actually process data according to the needs of the user are known as: ✓ application programs
- Which of the following is the best choice to keep track of inventory in a grocery store? ✓ database management
- ✓ Systems architecture refers to the location of the various parts of the computer system.
- The rapid growth of information technologies has caused widespread growth in middle management positions and only minor shrinkage in layers of organizational structure. ✓ False
 - The main memory is the part of a computer's CPU that stores those programs that it needs to operate. ✓ True
- At one time, information systems were narrow in scope and technically focused. Today, information systems have moved to: ✓ organization-wide planning...
- Computer analysis and graphics programs that are used to create new products are known as: ✓ computer-aided design
- David is preparing a statement of estimated profits and losses for a new product that has just been introduced by his company. The field of accounting that David is working in is: ✓ managerial accounting
 - Which of the following ensures that the accounting equation is always kept in balance? ✓ double-entry accounting
- Which of the following calculates the debt-to-owners' equity ratio? ✓ total liabilities divided by owners' equity
- Financial accounting is primarily for people outside the firm while managerial accounting is primarily for people inside the firm. ✓ True
- Depreciation is used to recognize the cost of an asset in the year in which it is purchased. ✓ False
- The income statement explains a firm's yearly cash receipts and cash payments. ✓ False
 - During a bear market: ✓ stock prices as a whole are falling
- LJD is a CA firm. What three services will it likely provide? ✓ tax services, audit services, and management services
- An asset is: ✓ any economic resource expected to benefit a firm or an individual who owns it.
- Owners' Equity is: ✓ the amount of money that owners would receive if they sold all of a firm's assets and paid all of its liabilities.
- Balance sheets are also called: ✓ statements of financial position
 - The world's first electronic stock market is known as the: ✓ NASDAQ
- Which of the following accurately calculates the cost of goods sold during the period? ✓ beginning inventory plus purchases minus ending inventory
- What is the purpose of computing the current ratio? ✓ to measure the firm's ability to meet its current obligations out of its current assets
- The characteristics of money are: ✓ durable, divisible, stable, and portable
- Which of the following is contained in the M-1 measurement of the money supply? ✓ chequing accounts
- All products can be valued and measured in terms of dollars. This illustrates the ✓ unit of account function of money.
- Since 1991, Canadian chartered banks have had to maintain a reserve requirement with the Bank of ✓ False
- A deposit that requires prior notice to make a withdrawal is called a: ✓ time deposit
- What term identifies a bank's promise to pay a foreign business firm (e.g. German firm) a certain amount if the specified conditions are met? ✓ letter of credit
- Which of the following might the Bank of Canada do to increase the money supply? ✓ Buy government securities
- Which of the following would not be expected when a country's currency becomes overvalued? ✓ the costs of exported goods decline
- The 1980 Bank Act places which one of the following restrictions on Schedule B Banks? ✓ Foreign-controlled Schedule B Banks cannot hold more than 8% of total domestic assets of all banks in Canada
 - Money as a store of value refers to the acceptance of money as a relative value of goods. ✓ True
- M-1 includes M-2 plus currency, demand deposits, and other chequable deposits. ✓ False
 - Credit cards qualify as a form of money. ✓ False
- When an investment bank underwrites a new security, they are: ✓ buying the new security
- If the market value of a stock falls to approximately the book value many investors will buy the stock. ✓ True
- Which of the following represents a stock's real value? ✓ market value
 - Which of the following is a purpose of the International Monetary Fund? ✓ All of the above are purposes of the IMF
- In liquidation, shareholders must wait until creditors are paid and preferred equity precedes common equity. ✓ True
- The return on equity ratio is used to measure the income earned on the money invested by the common stockholders. ✓ True
- The book value of a company's common stock is determined by: ✓ dividing total shareholders' equity by the number of outstanding shares
- Which of the following is correct with respect to stock exchanges? ✓ most are non-profit organizations
- Issuers of bonds are most likely to call them in when: ✓ the prevailing rate of interest is less than that stipulated on the bonds
- A(n) ✓ mutual fund is a company that pools investments from individuals and organizations to purchase a portfolio of stocks, bonds and short-term securities.
- Designing and distributing a new product is a pure risk because there is the possibility of either a gain or a loss. ✓ False
- The book value of a common stock is a firm's shareholders' equity divided by the number of outstanding shares of common stock. ✓ True
- The par value of a stock is an arbitrary accounting value that is of little interest to stock purchasers. ✓ True
- Suppose you purchased a \$1000 par-value bond in 1997 for \$650. Its stated interest rate is 6 percent and it matures in 2007. What is your yield? ✓ 9.2 percent
- 64) David is looking at a bill for supplies his company bought. It is dated May 1 and the terms are 2/10; net 30. In order to pay the least amount, when should he pay the bill? ✓ May 10
 - Which of the following requires the borrower to put up collateral? ✓ secured loans
- What is the difference between factoring accounts receivable and using accounts receivable as collateral for a short-term loan? ✓ factoring involves selling the accounts receivable instead of using them to obtain a loan
 - Which of the following is the riskiest mix of long-term funding? ✓ 100% debt
- Which of the following would require General Motors to publicly disclose the purpose for which funds are being sought? ✓ sale of bonds
- The principle that safer investments tend to offer lower returns while riskier investments tend to offer higher returns is called the: ✓ risk-return relationship
- One of the four characteristics of an insurable risk is ✓ unconnectedness. This means that the potential losses must be random and must occur independently of other losses.
 - Junk bonds are bonds that pay very unattractive interest rates to holders. ✓ False
- Brenda is a top-level manager at Bricks 'n Bricks. To protect themselves against the loss of her talents and skills, the company should purchase: ✓ key person
- A company is faced with an unexpected shutdown because of a natural disaster. It would be protected from loss while it is preparing to reopen if it had purchased: ✓ business interruption insurance