

*****MID TERM*****

Instructions

Economics and Marketing Midterm (Week 4 Assignment)

Students Name _Robert Clark_____ Cohort
_____600_____

For the multiple choice questions (1-15), please select the correct answer from the choices provided. For the True/False questions (16-20) indicate whether the statement is true or false. Each of the 15 multiple choice questions and 5 True/False questions are 3.5 points each. Provide a short response for each of the short answer questions 21-23 (at most 100 words or one short paragraph per question). Each of the five short answer questions are 10 points each. This midterm should take about 2 hours and no more than 3 hours to complete. The assignment must be in the Dropbox labeled 'Week 4 Midterm' by 11:59 PM on the Monday ending week four. Please ensure you have a cover and Reference page as necessary. Let me know if you have questions.

Choose the correct answer from the options provided

1) When a firm produces a large quantity of a product, the cost of production for each individual unit usually goes down. This is known as

- A) The central marketing phenomena
- B) Exchange efficiency
- C) Economies of scale**
- D) Macro Marketing
- E) Form Utility

2) According to the text, a market is

- A) A group of buyers who are willing to exchange something for value with sellers offering various goods and services**
- B) A group of producers and consumers located close to each other
- C) A set of middlemen in one location
- D) convenient physical location
- E) A small place consisting of a few families

3) Macro-marketing:

- A) Assumes that all countries have the same social objectives
- B) Focuses on the activities of individual organizations

C) Tries to effectively match supply and demand

D) All of the above

E) None of the above

4) Micro-marketing

A) Emphasizes mass selling over personal selling

B) Allows production, rather than marketing to determine what products to make

C) Applies to both profit and nonprofit organizations

D) Concentrates on production, rather than advertising

E) **None of the above**

5) Which of the following organizations would be least likely to need marketing skills

A)An accountant

B)An electronics retailer

C)A toy manufacturer

D)A financial advisor

E)All of the above need marketing skills

6) In planned economic systems, government planners decide

A)Who is to produce and distribute what to whom

B)How much is produced

C)How much is distributed to whom

D)What is to be produced

E)All of the above

7) Tariffs:

A)Are customs quotas

B)Set the quantities of products that can go in or out of the country

C)Are 'bribes' paid to foreign officials

D)Are the same as quotas

E)Are taxes on imported products

8) Because of increased competition during the _____ era, firms put new effort into winning customers

A)Macro-marketing

B)Sales

C)Production

D)Marketing company

E)Marketing department

9) The _____ era is a time when all marketing activities are brought under the control of one department to improve short run planning

A) Production

B) Marketing department

C) Sales

D) Marketing control

E) Marketing company

10) Accepting the 'marketing concept' means that the firm should have a _____ orientation

A) Marketing

B) Research

C) Production

D) Sales

E) Planning

11) Differentiation refers to the _____ of the firm's marketing mix to meet the needs of the target market

A) Similarity

B) Uniqueness

C) Unsuitability

D) Willingness

E) None of the above

12) A S.W.O.T analysis can help a marketing manager:

A) Define what business and market a firm wants to compete in

B) Narrow down to a specific target market and marketing mix from the many alternatives available

C) See the pros and cons of different possible strategies

D) Develop a competitive advantage

E) All of the above are true

13) The basic objective of a firm should be to:

A) Engage in some specific business activity that will perform a socially and economically useful function

B) Develop an organization to carry on the business and implement its strategies

C) Earn enough profit to survive

D) All of the above

E) Only B and C above

14) A widely used measure of income in most countries is

A)Gross national product

- B)Total consumption expenditures
- C)Disposable personal product
- D)Population times GNP
- E)Social-economic product

15) The largest group of Americans live in:

A)Urban and suburban areas

- B)Farm areas
- C)Inner city areas
- D)Rural areas

For the next 5 questions indicate whether the statement is true or false

16) Discretionary income is what is left after paying taxes __ True _____

17) Economic needs are concerned only with getting the best quality at the lowest price __ False _____

18) A perfume ad that suggests that people who use the product have more appeal to the opposite sex is an example of a positive cue ____ True _____

19) Consumer products which are bought often routinely, and without much thought are staples _____ True _____

20) The life of each stage in the product life cycle is set ____ False _____

Short Answer Questions

21. Explain the difference between a penetration and a skimming pricing strategy.

*****Price skimming sets prices higher to attract customers most interested in the product or service to maximize short term profits. Penetration pricing uses lower prices to build a customer base for new products or services.

22. What is an equilibrium price and why is it important?

*****An equilibrium price is a balance of demand and supply factors. There is a tendency for prices to return to this equilibrium unless some characteristics of demand or supply change. Changes in the equilibrium price occur when either demand or supply or both, shift or move.

23. Using the concept of scarcity discussed in the text, explain why information is a scarce good.

*****According, to the scarcity principle, the price of a good which has a low supply and high demand, rises to meet the expected demand. Marketers often use the principle to create an artificial scarcity for a given product or good and make it exclusive. In order to generate a demand for it.