

Exam

Name _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) A trucking company is considering purchasing new trucks that are powered by ethanol instead of diesel fuel. In terms of the buying center, the truck drivers who must make sure that the trucks do not run out of fuel are the _____.
- A) users
 - B) influencers
 - C) deciders
 - D) initiators
 - E) buyers
- 1) _____

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 2) Explain the concept of derived demand, giving an example of a product that has derived demand.
- 2) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 3) When compared to consumer markets, business markets are _____.
- A) somewhat larger
 - B) approximately the same
 - C) less complex
 - D) smaller
 - E) huge
- 3) _____

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 4) Business demand ultimately derives from the demand for consumer goods and services.
- 4) _____
- 5) The main differences between business and consumer markets include market structure and demand, the nature of the buying unit, and the types of decisions.
- 5) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 6) As a purchasing agent, Benni Lopez buys goods and services for use in the production of products that are sold and supplied to others. Benni is involved in _____.
- A) retail buyer behavior
 - B) consumer buying behavior
 - C) interpretive business research
 - D) post-purchase dissonance
 - E) business buyer behavior
- 6) _____

- 7) When suppliers' offers are very similar, business buyers have little basis for strictly _____ choice. 7) _____
- A) intuitive
 - B) emotional
 - C) independent
 - D) rational
 - E) personal
- 8) A _____ consists of the actual users of products, those who control buying information, those who influence the decisions, those who do the actual buying, and those who make the buying decisions. 8) _____
- A) quality management center
 - B) cross-functional team
 - C) partnership management team
 - D) supplier development team
 - E) buying center
- 9) Those who _____ are NOT included in the decision-making unit of a buying organization. 9) _____
- A) make the buying decision
 - B) control buying information
 - C) influence the buying decision
 - D) use the product or service
 - E) supply the product

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 10) Although a company has purchased printers and copiers before, Xerox now offers the firm a multitasking machine that prints, copies, scans, and faxes. Explain what type of buying situation this is. 10) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 11) Which of the following statements about the supplier selection stage of the business buying decision process is true? 11) _____
- A) Even companies that have adopted a total quality management approach consider price to be the most important factor in choosing a supplier.
 - B) Buyers do not negotiate for better terms before making a final supplier selection.
 - C) Before selecting a supplier, many companies consider the supplier's reputation, ethical corporate behavior, and honest communication.
 - D) Price is the only factor businesses consider before making a purchase decision.
 - E) Price and warranty are the only two factors businesses consider before making a purchase decision.
- 12) The owners of the company you work for have developed a core network of suppliers they are working closely with, to ensure an appropriate and dependable supply of products. This is an example of _____ management. 12) _____
- A) value chain
 - B) network relationship
 - C) core channel
 - D) supplier development
 - E) channel captain

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 13) When conducting a performance review, the seller monitors different factors than those monitored by the buyer, to make sure that the seller is giving the expected satisfaction. 13) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 14) Explain the advantages of systems selling.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 15) In the product specification stage of the business buying process, the buyer ranks the importance of reliability, price, and other desired product characteristics. 15) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 16) Which of the following statements about buying centers is true? 16) _____
A) The typical buying center has five employees, one to assume each of the buying center's roles.
B) The buying center may involve informal participants who are not obvious to sellers.
C) The buying center roles are specified on the organizational chart.
D) An individual's role in the buying center does not change.
E) The buying center is like a standing committee.

- 17) Karim Alam is responsible for obtaining price quotations from various vendors. After reviewing them, Karim then determines whether or not to include the vendor on the approved vendor list. Karim apparently plays two roles, that of _____ and _____. 17) _____
A) buyer; influencer
B) user; buyer
C) buyer; gatekeeper
D) decider; buyer
E) gatekeeper; influencer

- 18) In which of the following ways is AEC like most other large companies? 18) _____
A) It has an entertainment division.
B) It produces hundreds of products for a wide range of markets.
C) Most of its business comes from commercial and industrial customers.
D) Most of its business comes from final consumers.
E) It has a finance division.

- 19) Buyers are heavily influenced by the current and expected economic environment. That includes which of the following buyer influences? 19) _____
A) level of primary demand
B) economic outlook
C) the cost of money
D) A and B only
E) all of the above

20) The decision-making unit of a buying organization is called the _____. 20) _____
A) business buyer
B) buying system
C) buying center
D) supplier-development center
E) business-to-business market

21) John Herr's company has standardized the size of its paper bags so that each bag can be used in five to seven different store departments. This approach to cost reduction likely took place in the _____ stage of the business buying process. 21) _____
A) problem recognition
B) supplier search
C) general need description
D) proposal solicitation
E) product specification

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

22) What type of noneconomic criteria impact government buying? 22) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

23) Most newspapers rely on _____ so they do not need to rely on only one supplier to provide the tons of paper that they use annually. 23) _____
A) cross-docking
B) vendor-managed inventory
C) blanket contracting
D) single sourcing
E) multiple sourcing

24) In which stage of the business buying process is a supplier most likely to provide a buyer with information about the values of different product characteristics? 24) _____
A) order-routine specification
B) problem recognition
C) supplier search
D) supplier selection
E) general need description

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

25) What information is a buyer likely to include in the general need description? 25) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

26) Firewalls and encryption are _____. 26) _____
A) two methods of communicating with e-commerce customers
B) two commonly used techniques to safeguard Internet and extranet transactions
C) entirely reliable at keeping hackers away from sensitive company information
D) two methods for increasing employee productivity
E) effective methods for efficiently linking buyer and seller websites

- 27) Gamal el Wady, executive vice president of National Central Bank, is going through all of the stages of the buying process to purchase a computer system for the bank. Gamal is facing a(n) _____ situation. 27) _____
- A) independent buying
 - B) modified rebuy
 - C) new-task buying
 - D) limited budget
 - E) straight rebuy

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 28) Of the different types of buying situations, the modified rebuy presents the fewest decisions for a business buyer to make. 28) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 29) Which of the following statements about e-procurement security issues is true? 29) _____
- A) Providing e-procurement security can involve a substantial financial investment from a company.
 - B) There are no security risks for companies doing business on the Internet.
 - C) Extranet users and Internet users face the same security risks and use the same security tools.
 - D) Hackers are not interested in many business-to-business transactions.
 - E) Firewalls provide adequate security for all Internet exchanges.

- 30) During the _____ stage of the business buying decision process, the buying center assesses the proposals. 30) _____
- A) product value analysis
 - B) supplier selection
 - C) proposal solicitation
 - D) performance review
 - E) order-routine specification

- 31) In the generally accepted stages of the business buying process, the step following problem recognition is _____. 31) _____
- A) general need description
 - B) proposal solicitation
 - C) supplier search
 - D) product value analysis
 - E) performance review

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 32) The buying center is not a fixed or formally identified unit within an organization. 32) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 33) In the case of maintenance, repair, and operating items, buyers may use a _____ rather than periodic purchase orders. 33) _____
A) locked-in sale
B) negotiable instrument
C) blanket contract
D) binding purchase order
E) solutions purchase
- 34) Riham has formal authority to select the suppliers and arrange terms of purchase for many of the items her firm uses. Her role in the buying center is that of _____. 34) _____
A) gatekeeper
B) user
C) decider
D) influencer
E) buyer
- 35) Empire Products has begun a process to find the best suppliers. Empire Products is actively engaged in _____. 35) _____
A) supplier selection
B) value analysis
C) supplier search
D) performances review
E) supplier control
- 36) In the generally accepted stages of the business buying process, the step following product specification is _____. 36) _____
A) problem recognition
B) proposal solicitation
C) general need description
D) order-routine specification
E) supplier search
- 37) The buying center and the buying decision process are affected by all of the following factors EXCEPT _____. 37) _____
A) self-concept factors
B) external environmental factors
C) interpersonal factors
D) individual factors
E) internal organization factors
- 38) The _____ process is the buying center deciding on the best product characteristics. 38) _____
A) purchase order
B) value analysis
C) general need description
D) marketing myopia
E) product specification

- 39) Although there are many differences between business buying behavior and consumer buying behavior, both respond to the same four stimuli: product, price, promotion, and _____. 39) _____
- A) packaging
 - B) personal relationships
 - C) precision
 - D) publicity
 - E) place

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 40) Explain how the decision process in the business market and consumer market differs.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

The following questions refer to the scenario below.

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In the meantime, their purchasing agent Gamal Ali has been asked to reduce the number of their steel suppliers in an effort to cut costs. After obtaining updated price quotations and steel samples from his current suppliers, he faced a dilemma. Until now, he had selected his suppliers based on quality and price, but a major consideration had been the type of steel required and the specialized production processes of his respective suppliers. Not all of A-1's suppliers could produce the exact grades of steel needed, and some suppliers were better at producing certain types of steel than others.

Gamal contacted several employees at A-1 who had worked with the various types of steel in the past. The quality control manager and line inspector, for example, could help to determine which suppliers had the capabilities of producing specific types of steel. The production control manager could provide input regarding which types of steel worked best in which presses. Even the warehouse foreman gave input regarding how long various types of steel could be held in inventory before rust spots began to form on their surfaces. Each person contributed the necessary information to help Gamal in making his decision.

- 41) The management directive to reduce the number of steel suppliers is most accurately classified as _____ 41) _____
a(n) _____ influence affecting business buying behavior.
- A) organizational
 - B) commercial
 - C) interpersonal
 - D) individual
 - E) environmental
- 42) The purchasing agent at your company is working with engineers and users to define the items to purchase by describing general characteristics and quantities needed. He is also ranking the importance of reliability, durability, and price. The buyer is preparing a(n) _____. 42) _____
- A) value analysis
 - B) product specifications list
 - C) product proposal
 - D) general need description
 - E) order-routine specification

- 43) The demand for many business goods and services tends to change more, and more quickly, than the demand for consumer goods and services does. This is referred to as _____ demand. 43) _____
- A) inelastic
 - B) fluctuating
 - C) supplier
 - D) elastic
 - E) derived

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 44) It is rare that noneconomic factors play a role in government buying. 44) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 45) Following a purchase, the buyer and seller would both monitor the _____ phase of the new-task buying situation. 45) _____
- A) order-routine specifications
 - B) vendor analysis
 - C) performance review
 - D) value analysis
 - E) supplier selection

- 46) ABC Enterprises sold 9,000 units @ \$2.99/unit in July. The firm sold 9,000 units @ \$4.29/unit in August. This illustrates _____ demand. 46) _____
- A) derived
 - B) inelastic
 - C) contrived
 - D) fluctuating
 - E) joint

- 47) El Shefaa, Inc., provides food services to schools, hospitals, and nursing homes in the GCC. Management at El Shefaa is involved in the _____ market. 47) _____
- A) local
 - B) global
 - C) institutional
 - D) not-for-profit
 - E) government

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 48) E-procurement typically reduces drudgery and paperwork, thereby freeing purchasing personnel to focus on more strategic issues. 48) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

The following questions refer to the scenario below.

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In the meantime, their purchasing agent Gamal Ali has been asked to reduce the number of their steel suppliers in an effort to cut costs. After obtaining updated price quotations and steel samples from his current suppliers, he faced a dilemma. Until now, he had selected his suppliers based on quality and price, but a major consideration had been the type of steel required and the specialized production processes of his respective suppliers. Not all of A-1's suppliers could produce the exact grades of steel needed, and some suppliers were better at producing certain types of steel than others.

Gamal contacted several employees at A-1 who had worked with the various types of steel in the past. The quality control manager and line inspector, for example, could help to determine which suppliers had the capabilities of producing specific types of steel. The production control manager could provide input regarding which types of steel worked best in which presses. Even the warehouse foreman gave input regarding how long various types of steel could be held in inventory before rust spots began to form on their surfaces. Each person contributed the necessary information to help Gamal in making his decision.

- 49) At what stage in the buying process was Gamal when he sought input from others in the firm? 49) _____
A) proposal solicitation
B) general need description
C) supplier selection
D) order-routine specification
E) supplier search
- 50) Which of the following is an example of an internal stimulus that might lead to the business buying process stage of problem recognition? 50) _____
A) A buyer gets a new idea at a trade show.
B) A buyer receives a call from a salesperson offering better service terms.
C) A buyer is unhappy with a current supplier's price.
D) A buyer gets a new idea from an advertisement.
E) A buyer learns about a new product at an industry convention.
- 51) The major influences on the buying process at General Electric include company policies and systems, technological change, and economic developments. The types of influences on the buying process in this scenario are most accurately categorized as _____ and _____. 51) _____
A) individual; organizational
B) environmental; interpersonal
C) organizational; interpersonal
D) organizational; environmental
E) individual; environmental

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 52) Salim Iqbal is the buyer for Major Memories. He regularly orders inexpensive merchandise in a fairly routine fashion without any modifications. He may choose other suppliers from time to time. Salim's decisions take the form of a modified rebuy. 52) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 53) Which of the following was most likely being used when Boeing received orders for \$100 million in spare parts in the first year that its website was in operation? 53) _____
- A) blanket contracting
 - B) e-procurement
 - C) single sourcing
 - D) a reverse auction site
 - E) an intranet
- 54) The leading barrier to expanding electronic links with customers and partners online is _____. 54) _____
- A) lack of knowledge
 - B) concern over security
 - C) lack of trained personnel
 - D) cost
 - E) lack of evidence of efficiencies gained through e-procurement
- 55) There are many factors considered in government buying, but _____ is, above all, the most important. 55) _____
- A) product differentiation
 - B) packaging
 - C) personal selling
 - D) price
 - E) advertising

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 56) How can marketers influence business buyers who are in the problem recognition stage? 56) _____
- 57) Why is demand in the business market mostly inelastic? 57) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 58) Instead of focusing on managing individual purchases, a seller should focus on managing its _____ 58) _____
- A) total customer relationship
 - B) reputation in the marketplace
 - C) organizational environment
 - D) order-routine specifications
 - E) use of blanket contracts

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 59) Describe the typical roles played by the various members of a buying center.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 60) A statement prepared by a business buyer, describing the quantity and general characteristics of the items needed, is a product specification description. 60) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 61) B-to-B e-procurement yields many benefits. These include all of the following EXCEPT _____. 61) _____
A) reduced order processing costs
B) more efficient purchasing for both buyers and sellers
C) elimination of much of the paperwork associated with traditional ordering procedures
D) reduced transaction costs
E) elimination of inventory problems
- 62) A(n) _____ controls the flow of information to others in the buying center. 62) _____
A) influencer
B) decider
C) buyer
D) gatekeeper
E) user

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 63) In what type of purchase would one person most likely assume all buying center roles? 63) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 64) Government organizations tend to favor _____ suppliers over _____ suppliers. 64) _____
A) unionized; nonunionized
B) foreign; domestic
C) local; domestic
D) nonunionized; unionized
E) domestic; foreign
- 65) Which business buying situation is the marketer's greatest opportunity and challenge? 65) _____
A) straight rebuy
B) system rebuy
C) new task
D) modified rebuy
E) multiple rebuys
- 66) One of Dr. Omar's dental assistants told the dentist he should buy a machine that would sterilize his tools without using any water, because water tends to cause the tools to rust or corrode over time. In terms of the buying center, the dental assistant had the role of _____. 66) _____
A) initiator
B) buyer
C) liaison
D) influencer
E) gatekeeper

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 67) How is the business buying process more formalized than the consumer buying process? 67) _____

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 68) The business buying process consists of business buyers determining which products and services their organizations need to purchase, and then finding, evaluating, and choosing among alternative suppliers and brands. 68) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 69) When competing products differ greatly, business buyers are more accountable for their purchase choices and tend to pay more attention to _____. 69) _____
- A) intuition
 - B) personal factors
 - C) emotional choice
 - D) creative factors
 - E) economic factors

- 70) In a typical organization, buying activity consists of two major parts: the buying _____ and the buying _____. 70) _____
- A) deciders; influencers
 - B) time; reorder point
 - C) committee; time
 - D) economic order quantity; reorder point
 - E) center; decision process

- 71) Large business purchasers usually call for detailed product specifications, written purchase orders, careful supplier searches, and formal approval. These are all examples of how the business buying decision process is more _____ than the consumer buying decision process is. 71) _____
- A) creative
 - B) formalized
 - C) relationship-oriented
 - D) concentrated
 - E) independent

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 72) One set of business purchases is made for each set of consumer purchases. 72) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 73) Demand for outboard motors depends on consumers purchasing fishing boats. This is an example of _____ demand. 73) _____
- A) joint
 - B) fluctuating
 - C) derived
 - D) leisure
 - E) contrived

74) In routine buying situations, which members of the buying center have formal or informal power to select or approve the final suppliers? 74) _____
A) gatekeepers
B) users
C) buyers
D) influencers
E) deciders

75) Saudi Food and Drug Authority (SFDA) is a(n) _____. 75) _____
A) government institution
B) e-procurement institution
C) B-to-B institution
D) independent institution
E) for-profit institution

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

76) Proposals should be marketing documents and not just technical documents. 76) _____

77) In business buying decisions, the role of emotion is negligible in comparison to the role of reason. 77) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

78) Business marketers often alert customers to potential problems and then show how their products provide solutions. These marketers are hoping to influence which stage of the business buying process? 78) _____
A) alternative evaluations
B) problem recognition
C) order-routine specification
D) general need description
E) performance review

79) You call in a department manager to assist in a purchase of industrial equipment. You are considering a change in product specifications, terms, and possibly suppliers. This is most likely a _____ situation. 79) _____
A) straight rebuy
B) value analysis
C) solution selling
D) new task
E) modified rebuy

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

80) Nour Ahmed works for Juice Beverage Company. She often helps to define product specifications and also provides information for evaluating alternatives. In this role she is acting as a gatekeeper. 80) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 81) Omar Mohamed, in his role on the buying committee, provides information for evaluating the alternative purchase decisions, and helps to define and set specifications for evaluating alternatives for purchasing. Omar is a(n) _____. 81) _____
- A) influencer
 - B) decider
 - C) buyer
 - D) gatekeeper
 - E) user

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 82) Explain the buyer center role of the influencer. 82) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 83) During which stage of the business buying process is a buyer most likely to conduct a value analysis, carefully studying components to determine if they can be redesigned, standardized, or made less expensively? 83) _____
- A) product specification
 - B) proposal solicitation
 - C) order-routine specification
 - D) performance review
 - E) general need description
- 84) Radwan Farm raises chickens. For years, it has used wooden coops for hauling its poultry to market. When Omar Radwan went to reuse some of his coops, he noticed many of them could not be sufficiently cleaned for reuse and needed to be replaced. Radwan was at which stage of the business buying process when he decided to replace his old coops? 84) _____
- A) performance review
 - B) product specification
 - C) product value analysis
 - D) general need description
 - E) problem recognition

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 85) Provide a brief explanation of the major influences on business buyers.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 86) Under a _____, a supplier monitors and replenishes a buyer's stock automatically as needed. 86) _____
- A) vendor-managed inventory
 - B) periodic purchase order
 - C) negotiated contract
 - D) blanket contract
 - E) stand-alone contract

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

87) Environmental, organizational, interpersonal, and individual factors all influence business buyer behavior. 87) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

88) What are the major characteristics of institutional markets?

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

89) A business marketer normally deals with far fewer buyers than the consumer marketer does. 89) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

90) In which type of buying situation would a supplier most likely focus on maintaining product and service quality? 90) _____
A) solutions task
B) straight rebuy
C) modified rebuy
D) new task
E) systems task

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

91) Briefly describe the major advantages of business-to-business marketing on the Internet.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

92) Another name for systems selling is _____ selling. 92) _____
A) negotiated contract
B) vendor-managed inventory
C) blanket contract
D) periodic purchase
E) solutions

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

93) Buyer and seller are less dependent upon each other in the business buying process than in the consumer buying process. 93) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

94) Compare the consumer purchases to a business purchase

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

95) Many institutional markets are characterized by _____ and _____. 95) _____
A) low budgets; captive patrons
B) special needs; vague criteria
C) mismanagement; disgruntled workers
D) captive patrons; limited access
E) low budgets; vague criteria

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

96) Demand in business markets is subject to more fluctuation than in consumer markets. 96) _____

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

97) When are business buyers most likely to make decisions heavily influenced by personal factors? 97) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

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98) In this scenario, which of the following had the greatest influence on the business buying behavior at A-1 Stampings? 98) _____

- A) individuals' risk attitudes
- B) organizational structure
- C) technological changes
- D) regulatory developments
- E) shifting authority

99) Business buying behavior refers to the buying behavior of organizations that buy all of the following EXCEPT _____. 99) _____

- A) services for use in production of other services
- B) products purchased to resell to others
- C) products purchased to rent to others
- D) products for use in production of other products
- E) products purchased for personal consumption

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

100) Suppliers are more likely to stay price competitive when the purchasing company uses single sourcing than when it uses multiple sourcing. 100) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 101) Which of the following types of factors influencing members of a buying center are typically the most difficult for marketers to assess? 101) _____
- A) economic
 - B) interpersonal
 - C) technological
 - D) political
 - E) organizational

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 102) The decider is the person in the business buying process who controls the flow of information to others involved. 102) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 103) _____ can be especially useful for a company that needs to conduct secure and frequent communications and transactions with key suppliers. 103) _____
- A) A trading exchange
 - B) An intranet
 - C) Buying centers
 - D) A reverse auction
 - E) An extranet

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 104) Which roles in the buying center are likely to change with different purchases? 104) _____

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 105) Business buyers have different buying styles, influenced by interpersonal factors such as age, income, education, professional identification, and attitudes toward risk. 105) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 106) Which of the following is most likely true about a straight rebuy? 106) _____
- A) It requires little customer relationship management.
 - B) It is more complex than a new-task situation.
 - C) It often involves products with low risks.
 - D) It involves more opportunities for "out" buyers than other types of purchasing situations do.
 - E) It occurs when a buyer wants to locate the best deal on the market.

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 107) Why is the new-task buying situation both a great opportunity and a challenge for a marketer? 107) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 108) A farm raises chickens. For years, it has used wooden coops for hauling its poultry to market. The owner of the farm needs to buy some replacement coops and is considering buying plastic coops that are slightly more expensive than wooden ones, but are much easier to clean after use. This purchase of coops is an example of a _____. 108) _____
- A) new task
 - B) straight rebuy
 - C) solution selling situation
 - D) value analysis
 - E) modified rebuy
- 109) A problem with the rapidly expanding use of e-purchasing is that it _____. 109) _____
- A) generates less cost savings than predicted
 - B) reduces the amount of time purchasing people can spend on strategic issues
 - C) saves less time than expected
 - D) generates more transactions to document
 - E) can erode established customer-supplier relationships
- 110) Hewlett-Packard and Dell buy Intel microprocessor chips because consumers buy personal computers. This demonstrates an economic principle called _____ demand. 110) _____
- A) market
 - B) fluctuating
 - C) joint
 - D) derived
 - E) elastic
- 111) Which of the following is NOT part of the business market? 111) _____
- A) A municipal government buys chemicals for its city swimming pools.
 - B) Airmark sells a vinyl printing press to a manufacturer of plastic bags.
 - C) Hamad Sign Systems sells interior signs to an Elegant resort.
 - D) A Jordanian software company buys tickets to send a group of salespeople to make a presentation to a heavy equipment manufacturer in GCC.
 - E) Ziena buys a gift for her mother.
- 112) Which of the following statements is true about business marketers in comparison to consumer marketers? 112) _____
- A) They deal with the same decision buying process.
 - B) They deal with far fewer but far larger buyers.
 - C) They deal with far more but far small buyers.
 - D) They deal with a more elastic market.
 - E) They deal with fewer demands in fluctuation.
- 113) All of the following are difficulties associated with selling to government buyers EXCEPT _____. 113) _____
- A) bureaucracy
 - B) regulations
 - C) considerable paperwork
 - D) large group decision making
 - E) low sales volume

- 114) The Bentley department store chain makes extensive use of e-procurement. As a buyer, the store should expect to enjoy all of these benefits of e-procurement EXCEPT _____. 114) _____
- A) reduced payroll
 - B) greater access to new suppliers
 - C) more time for purchasing agents to focus on strategic issues
 - D) lower purchasing costs
 - E) hastened order processing and delivery

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 115) Unfortunately, most governments do not provide would-be suppliers with detailed guides describing how to sell to the government. 115) _____

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 116) Describe two advantages of using multiple source contracts. 116) _____
- 117) How have relationships between customers and suppliers changed in recent years? 117) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 118) Describe the three major types of business buying situations and what differentiates each from the other two.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 119) Giant Food Stores buy a lot of frozen lamb products at Feast time due to high consumer demand. This is an example of _____ demand. 119) _____
- A) derived
 - B) elastic
 - C) joint
 - D) fluctuating
 - E) inelastic
- 120) Policies, procedures, and systems are all examples of _____ influences on business buyer behavior. 120) _____
- A) cultural
 - B) authoritative
 - C) environmental
 - D) organizational
 - E) interpersonal

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 121) What is the buying center concept? Explain why this concept presents a major marketing challenge.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 122) Which of the following statements accurately describes a cultural difference which international marketers should be aware of? 122) _____
- A) French businesspeople are accustomed to building relationships between buyer and seller through quick and easy familiarity.
 - B) British businesspeople are accustomed to making more business deals over the telephone than in person.
 - C) Outside of Muslim countries, most business persons do not fast during Ramadan.
 - D) German people tend to be impressed by overstatement and showiness.
 - E) Japanese people tend to put a high value on rank.
- 123) The government has mandated that, in order to reduce local pollution, your printing plant switch from oil-based to water-based inks. This will require entirely new printing presses and a new printing plate technology. After carefully searching through numerous manufacturers' equipment descriptions and gathering opinions from all relevant parties related to the work, the printing plant's buying center will be ready to make this _____ purchase. 123) _____
- A) straight task
 - B) new task
 - C) modified rebuy
 - D) straight rebuy
 - E) situational analysis

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 124) According to the stages of the business buying process, after completing a general need description, a business buyer should next invite qualified suppliers to submit proposals. 124) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 125) Members of the buying center at ABC Kid's World are drawing up a list of desired toy supplier attributes and their relative importance. Next, they intend to compare several suppliers to these attributes. In which step of the business buying process is the buying center at ABC Kid's World engaged? 125) _____
- A) order-routine specification
 - B) proposal solicitation
 - C) supplier search
 - D) performance review
 - E) supplier selection
- 126) A company uses Learningnow.com to improve sales force effectiveness and facilitate sharing of expertise. It allows their retailers to link with other retailers to ask for managerial and marketing advice. It also allows their retailers to ask their suppliers about product usage, deliveries, and warranties, and it allows suppliers to send new-product information directly to retailers. In this scenario, the company is using a(n) _____. 126) _____
- A) extranet
 - B) intranet
 - C) trading exchange
 - D) reverse auction
 - E) search engine

- 127) In the _____ stage of the business buying process, a supplier's task is to make sure that the supplier is giving the buyer the expected satisfaction. 127) _____
- A) supplier search
 - B) order-routine specification
 - C) problem recognition
 - D) performance review
 - E) supplier selection
- 128) Electronic purchasing is often called _____. 128) _____
- A) the buying cycle
 - B) e-procurement
 - C) online business
 - D) procurement
 - E) the supply chain
- 129) You regularly purchase cleaning supplies for your custodial staff, using the same vendor and ordering relatively consistent amounts of the same products with each purchase. This is an example of a _____ situation. 129) _____
- A) new task
 - B) solution selling
 - C) straight rebuy
 - D) value analysis
 - E) modified rebuy
- 130) You just lost a major account because a competitor provided the most complete system to meet the customer's needs and solve the customer's problems, and made the sale. In other words, the competition beat you with _____. 130) _____
- A) cross-functional skill
 - B) team selling
 - C) promotions
 - D) solutions selling
 - E) customer relationship management
- 131) In one way or another, most large companies sell to _____. 131) _____
- A) not-for-profit companies
 - B) consumers
 - C) employees
 - D) the service sector
 - E) other organizations

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 132) Why is it difficult to assess interpersonal factors that influence the business buying process? 132) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 133) The first step of the business buying process is _____. 133) _____
A) general need description
B) problem recognition
C) performance review
D) order-routine specification
E) alternative evaluations
- 134) Status, empathy, and persuasiveness are all examples of _____ influences on business buyer behavior. 134) _____
A) interpersonal
B) environmental
C) cultural
D) individual
E) organizational
- 135) A buying center is not a fixed, formally identified, unit within an organization, but rather a set of _____ assumed by different people for different purchases. 135) _____
A) budgetary limits
B) status roles
C) marketing positions
D) informal job titles
E) buying roles
- 136) Reverse auctions, trading exchanges, and company buying sites are all ways that companies can participate in _____. 136) _____
A) secure extranets
B) product value analysis
C) vendor-managed inventory systems
D) e-procurement
E) blanket contracts
- 137) One of Dr. Omar's dental assistants told the dentist he should buy a machine that would sterilize his tools without using any water, because water tends to cause the tools to rust or corrode over time. Dr. Omar, who runs a solo practice in a small rural town, located some articles about the chemical sterilizer and read about how it works. After gathering more information and talking to salespeople, Dr. Omar placed his order for the machine. In terms of the buying center, Dr. Omar had the role of _____. 137) _____
A) agent B) liaison C) decider D) initiator E) influencer
- 138) Which of the following is NOT a way that business and consumer markets differ? 138) _____
A) nature of the buying unit
B) types of decisions
C) decision processes
D) satisfaction of needs through purchases
E) market structure and demand

- 139) The Pure Drug Company produces insulin, a product with a very stable demand, even though the price has changed several times in the past two years. Insulin is a product with _____ demand. 139) _____
- A) joint
 - B) service
 - C) fluctuating
 - D) inelastic
 - E) elastic
- 140) A buyer would be most likely to review trade directories in which stage of the business buying process? 140) _____
- A) problem recognition
 - B) product specification
 - C) supplier search
 - D) general need description
 - E) supplier selection
- 141) Which of the following is the best advice for an international marketer planning to interact with businesspeople from many different cultures? 141) _____
- A) Trust your instincts and behave as you normally do.
 - B) Use the same strategies with all of your clients, no matter what their cultural backgrounds are.
 - C) Cultures really are different, so do your best to learn about those differences.
 - D) Never sign a document without reviewing it with your lawyer.
 - E) Assume that businesspeople from different cultures will make accommodations for you.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 142) The benefits of e-procurement include access to new suppliers, lower purchasing costs, and more time-efficient order processing and delivery. 142) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

The following questions refer to the scenario below.

A-1 Stampings, Inc., produces 14 metal stampings for the automotive industry. Due to industry design changes, for the next year six of those stampings will require a slight change: two will have an extra hole punched through the side, two will require an extra plating process, and two will require an additional weld operation.

In the meantime, their purchasing agent Gamal Ali has been asked to reduce the number of their steel suppliers in an effort to cut costs. After obtaining updated price quotations and steel samples from his current suppliers, he faced a dilemma. Until now, he had selected his suppliers based on quality and price, but a major consideration had been the type of steel required and the specialized production processes of his respective suppliers. Not all of A-1's suppliers could produce the exact grades of steel needed, and some suppliers were better at producing certain types of steel than others.

Gamal contacted several employees at A-1 who had worked with the various types of steel in the past. The quality control manager and line inspector, for example, could help to determine which suppliers had the capabilities of producing specific types of steel. The production control manager could provide input regarding which types of steel worked best in which presses. Even the warehouse foreman gave input regarding how long various types of steel could be held in inventory before rust spots began to form on their surfaces. Each person contributed the necessary information to help Gamal in making his decision.

- 143) The demand for A-1 Stampings' products is ultimately based on the demand for new automobiles in the consumer market. This is an example of _____ demand. 143) _____
- A) inelastic
 - B) increasing
 - C) derived
 - D) static
 - E) independent
- 144) Aramex serves both consumer and business markets, but most of its revenues come from its business customers. Aramex has become a strategic logistics ally for many of its business customers, going far beyond offering delivery services to offering inventory management, international trade management, and even financing to its commercial customers. This is an example of which of the following differences between the consumer and business markets? 144) _____
- A) Business purchases involve more buyers.
 - B) Business buyer demand is derived.
 - C) Demand in business markets is inelastic.
 - D) Buyers and sellers in the business market build close, long-term relationships.
 - E) Business markets contain more and larger buyers.
- 145) In what type of buying situation would a seller most likely send only a catalog to the buyer during the proposal solicitation stage of the business buying process? 145) _____
- A) modified rebuy
 - B) solution selling
 - C) independent task
 - D) new task
 - E) straight rebuy

146) There are many sets of _____ purchases made for each set of _____ purchases.

146) _____

- A) consumer; business
- B) business; consumer
- C) product; service
- D) service; product
- E) tangible; intangible

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

147) Describe the eight steps in the business buying process.

Answer Key

Testname: UNTITLED2

- 1) A
- 2) Derived demand is created when demand increases due to consumers' increasing demand for some other product either made with or dependent upon the product in question. Examples will vary.
- 3) E
- 4) TRUE
- 5) TRUE
- 6) E
- 7) D
- 8) E
- 9) E
- 10) This is a modified rebuy. The firm has already purchased similar machinery, but this purchase now involves a modified machine.
- 11) C
- 12) D
- 13) FALSE
- 14) Many business buyers prefer to buy a packaged solution to a problem from a single seller instead of buying separate products and services from different sellers and then integrating them. The sale often goes to the firm that provides the most complete system that meets the customer's needs. Systems selling, also called solutions selling, is a key business marketing strategy for winning and holding accounts, as it fosters an interdependent relationship between the seller and buyer.
- 15) FALSE
- 16) B
- 17) D
- 18) C
- 19) E
- 20) C
- 21) E
- 22) Government buyers are asked to favor depressed business areas, small business firms, minority-owned firms, and business firms that avoid race, gender, or age discrimination.
- 23) E
- 24) E
- 25) This element describes the general characteristics and quantity of the needed item.
- 26) B
- 27) C
- 28) FALSE
- 29) A
- 30) B
- 31) A
- 32) TRUE
- 33) C
- 34) E
- 35) C
- 36) E
- 37) A
- 38) E
- 39) E

Answer Key

Testname: UNTITLED2

- 40) Business buyers usually face more complex buying decisions than do consumer buyers, as business purchases more often involve large sums of money, complex technical and economic considerations, and interactions among many people at many levels of the buyer's organization. Because the purchases are more complex, business buyers may take longer to make their decisions and are likely to use a more formalized buying process. In the business buying process, the buyer and seller are often much more dependent on each other.
- 41) A
- 42) D
- 43) B
- 44) FALSE
- 45) C
- 46) B
- 47) C
- 48) TRUE
- 49) C
- 50) C
- 51) D
- 52) FALSE
- 53) B
- 54) B
- 55) D
- 56) Through advertising, business marketers can make buyers aware of and concerned about potential problems and then offer their products as solutions to the newly recognized problem.
- 57) The demand in business-to-business markets is mostly inelastic because what is being sold is often just one of the many parts or materials that go into producing the consumer product. It is not unusual for a large increase in a business product's price to have little effect on the final consumer product's price.
- 58) A
- 59) The buying center includes all members of the organization who play any of five roles in the purchase process: user, influencer, buyer, decider, and gatekeeper. Users physically use the product or service. Influencers often help define the specifications and also provide information for evaluating alternatives. Buyers have formal authority to select the supplier and arrange terms of purchase. They may help shape product specifications, but their major role is in selecting vendors and negotiation. Deciders have formal or informal power to select or approve the final suppliers and products. Gatekeepers control the flow of information to others. Different employees may undertake these roles depending on the nature of the purchase.
- 60) FALSE
- 61) E
- 62) D
- 63) One person will likely play all roles in purchasing routine products and services, or a straight rebuy.
- 64) E
- 65) C
- 66) D
- 67) Business purchases usually call for product specification, written purchase orders, and supplier searches.
- 68) TRUE
- 69) E
- 70) E
- 71) B
- 72) FALSE
- 73) C
- 74) E
- 75) A
- 76) TRUE

Answer Key

Testname: UNTITLED2

- 77) FALSE
- 78) B
- 79) E
- 80) FALSE
- 81) A
- 82) An influencer often helps define specifications and provide information for evaluating alternatives.
- 83) A
- 84) E
- 85) Both economic and personal factors play a part in buying decisions. The environmental influences of the level of primary demand, the economic outlook, and the cost of money all make their way into the decision. Each organization has its own objectives, policies, procedures, structure, and systems to learn. All of these may affect the purchasing decision. Further, interpersonal factors and group dynamics carry weight; however, it is often difficult to assess such factors. These factors are often subtle, and some participants are invisible to the marketer. Participants bring in individual influencing factors such as personal motives, perceptions, and preferences.
- 86) A
- 87) TRUE
- 88) The institutional market is made up of schools, hospitals, prisons, and other institutions that provide goods and services to people in their care. These markets are characterized by low budgets and captive patrons. For many institutions, the buying objective will not strictly be profit maximization or cost minimization; instead, the institution is likely to search for vendors that meet or exceed a certain minimum standard while also offering low prices.
- 89) TRUE
- 90) B
- 91) E-procurement gives buyers access to new suppliers, lowers purchasing costs, and hastens order processing and delivery. In turn, business marketers can connect with customers online to share marketing information, sell products and services, provide customer support services, and maintain ongoing customer relationships. E-procurement frees purchasing people to focus on more strategic issues such as value-added activities, finding different sources, and working with suppliers to reduce costs and develop new products.
- 92) E
- 93) FALSE
- 94) Business purchase usually involves *more decision participants* and a *more professional purchasing effort*. Often, business buying is done by trained purchasing agents who spend their working lives learning how to buy better. The more complex the purchase, the more likely it is that several people will participate in the decision-making process. Buying committees made up of technical experts and top management are common in the buying of major goods. Beyond this, business-to-business marketers now face a new breed of higher-level, better-trained supply managers. Therefore, companies must have well-trained marketers and salespeople to deal with these well-trained buyers.
- 95) A
- 96) TRUE
- 97) If suppliers' offers are very similar, there is little basis for a rational, objective choice; in these situations, buyers are more likely to allow emotions and other personal factors to influence their decision.
- 98) C
- 99) E
- 100) FALSE
- 101) B
- 102) FALSE
- 103) E
- 104) Although any of the roles may change from purchase to purchase, the roles of users and influencers are the most likely to change with each type of purchase a business makes.
- 105) FALSE
- 106) C

Answer Key

Testname: UNTITLED2

- 107) In the new-task buying situation, decision participants put forth substantial effort to collect information and so are positioned to be influenced by a marketer's message; these situations are likely to be competitive, as other marketers also want to establish a relationship with the buyer.
- 108) E
- 109) E
- 110) D
- 111) E
- 112) B
- 113) E
- 114) A
- 115) FALSE
- 116) With multiple source contracts, a buyer avoids being totally dependent on one supplier and can conduct comparisons of prices and performance of several suppliers over time.
- 117) Customers and suppliers have had adversarial relationships in the past, but because they are dependent on each other, they have begun to act more as partners; many customer companies now practice supplier development, systematically developing networks of supplier-partners to ensure an appropriate and dependable supply of products and materials.
- 118) A straight rebuy is a fairly routine decision in which the buyer reorders without any modifications from existing suppliers. In a modified rebuy, the buyer wants to modify product specifications, prices, terms, or suppliers and usually involves more decision participants. A company buying a product or service for the first time faces a new task situation. It is the marketer's greatest opportunity and challenge, because of the additional risk or cost, the larger number of decision participants, and the greater effort required to collect all of the needed information.
- 119) A
- 120) D
- 121) The buying center is the decision-making unit of a buying organization. It is composed of all the individuals and units that play a role in the business purchase decision-making process, including the actual users of the product or service, those who influence the buying decision and those who make it, those who do the actual buying, and those who control buying information. The buying center is not a fixed and formally identified unit within the buying organization. Instead, it is a set of buying roles assumed by different people for different purchases. Within the organization, the size and makeup of the buying center varies for different products and buying situations. The variable nature of the buying center makes it a major marketing challenge. The business marketer must learn who participates in each decision, each participant's relative influence, and what evaluation criteria each decision participant uses.
- 122) E
- 123) B
- 124) FALSE
- 125) E
- 126) A
- 127) D
- 128) B
- 129) C
- 130) D
- 131) E
- 132) Interpersonal factors—such as who is liked, who controls rewards and punishments, and who has special relationships with other important participants—are subtle and not obvious to the external observer.
- 133) B
- 134) A
- 135) E
- 136) D
- 137) C

Answer Key

Testname: UNTITLED2

138) D

139) D

140) C

141) C

142) TRUE

143) C

144) D

145) E

146) B

147) The steps are problem recognition, general need description, product specification, supplier search, proposal solicitation, supplier selection, order-routine specification, and performance review. Problem recognition is the step during which someone recognizes a problem or need caused by internal/external stimuli, which can be met by acquiring a specific product or service. A general need description describes the quantity and characteristics of the needed item. Product specification follows to allow purchasing of the correct items with the highest value. A supplier search finds the best vendors. The suppliers are asked to submit proposals. After selecting the supplier or suppliers, the buyer prepares an order-routine specification. After the purchase, the buyer will conduct a performance review to analyze future relationships.