

## Check In quiz

### Marketing

#### Questions

- 1 Market segmentation:
- A divides customers into sub-groups
  - B is a method of promotion
  - C is a qualitative form of market research
  - D transports products to customers

Your answer

[1]

- 2 Which of the following is **not** one of the four Ps of the marketing mix?

- A Packaging
- B Place
- C Price
- D Promotion

Your answer

[1]

- 3 A seller charges a high price for pre-orders of a soon-to-be-released video game. The seller intends to charge a lower price for the video game once it has been released.

What is this high price an example of?

- A Illegal behaviour
- B Innovation
- C Penetration pricing
- D Skimming

Your answer

[1]

4 Which of these is an example of a secondary source of market research?

- A Face-to-face interviews with customers
- B Focus groups
- C Magazine articles
- D Questionnaires sent to local residents

Your answer

[1]

5 Sparkling Jewellery Ltd uses cost plus pricing. The company sets its selling prices at cost plus 120%.

The selling price of a diamond ring which cost £800 to make would be:

- A £160
- B £920
- C £960
- D £1760

Your answer

[1]

6 An internet-based travel agent sells expensive round-the-world cruises.

Which of the following market segments is the travel agent **most** likely to target?

- A Families with children under five years of age
- B Local residents
- C People with high incomes
- D Young, single men

Your answer

[1]

7 A primary purpose of the marketing function of a business is:

- A to employ staff
- B to improve employee retention
- C to increase sales
- D to reduce costs

Your answer

[1]

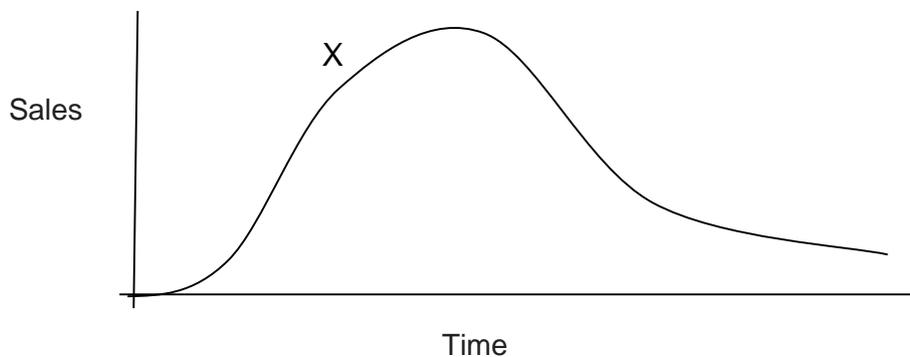
8 Which of the following is a benefit to a business of advertising in a national newspaper?

- A A large audience can be reached
- B A specific city can be targeted
- C Additional finance may be required
- D Audio visual techniques can be used

Your answer

[1]

9 The letter X on the product life cycle diagram below shows the current position of Xandos, a marine navigation device.



What stage of the product life cycle is Xandos currently in?

- A Decline
- B Growth
- C Introduction
- D Maturity

Your answer

[1]

10 Market research is used by a business to:

- A decrease demand
- B identify customer needs
- C motivate its employees
- D shorten the product life cycle

Your answer

[1]

11 Which one of the following is **not** a reason for a business to offer price reductions?

- A To encourage new customers to try the products
- B To increase sales
- C To raise awareness of available products
- D To reduce market share

Your answer

[1]

12 A baker's shop gives out free samples of its sausage rolls for customers to try.

This is an example of:

- A advertising
- B market segmentation
- C point of sale promotion
- D secondary market research

Your answer

[1]

13 Which of the following is a disadvantage to a sole trader of advertising on social media?

- A It could go viral
- B It is an expensive form of advertising
- C It is difficult to control
- D It is of limited use to small businesses

Your answer

[1]

14 Which of the following is a benefit of innovation?

- A Business risk is increased
- B Customer needs can be ignored
- C It can extend the product life cycle
- D It will increase delegation

Your answer

[1]

- 15 In response to market research data, a florist shop reduces the price it charges for a small bouquet of flowers from £16.00 to £12.50.

The percentage reduction in the price charged for a small bouquet of flowers is approximately:

- A 4%
- B 5%
- C 22%
- D 28%

Your answer

[1]

- 16 Which of the following is an advantage to a business of using primary market research rather than secondary market research?

- A Primary market research can be more specific
- B Primary market research is likely to cost less
- C Primary market research is provided by the government
- D Primary market research will be less time consuming

Your answer

[1]

- 17 A manufacturer is **most** likely to use a regional distribution centre to:

- A allow fast delivery to all parts of the country
- B identify the needs of local consumers
- C increase costs
- D train its workforce

Your answer

[1]

- 18 A national supermarket chain is testing whether a new type of savoury snack will be popular in its stores. The new snack is currently being offered for sale in 10 of its 120 stores.

What market research method is the supermarket chain using?

- A Sampling
- B Target marketing
- C The national census
- D Trialling

Your answer

[1]

19 A business that uses a digital distribution channel:

- A uses social media to promote its products
- B uses state-of-the-art lorries to transport its products
- C uses the Internet to deliver its products
- D uses warehouses to store its products

Your answer

[1]

20 The table below shows market data for two products before and after advertising on television.

	Quantity sold before advertising on television	Quantity sold after advertising on television
Product A	3 million products per month	6 million products per month
Product B	10 million products per month	11 million products per month

- A demand for both products decreased significantly
- B Product A was more popular than Product B
- C the quantity sold of Product A increased by 50%
- D the sales of Product A increased by a higher percentage than Product B

Your answer

[1]

## Mark scheme

Question	Answer	Marks	Rationale
1	(a)	1	<p>(a) <b>Correct answer:</b> Market segmentation divides customers with similar characteristics into sub-groups</p> <p>(b) Promotional methods include advertising and point of sale promotion.</p> <p>(c) Market segmentation is not a form of market research.</p> <p>(d) Transportation is known as distribution not segmentation.</p>
2	(a)	1	<p>(a) <b>Correct answer:</b> The 4Ps are price, place, promotion and product. Packaging comes under the banner of product.</p> <p>(b) Place is one of the 4Ps.</p> <p>(c) Price is one of the 4Ps.</p> <p>(d) Promotion is one of the 4Ps.</p>
3	(d)	1	<p>(a) A seller can set any price it wishes, it is not an illegal behaviour</p> <p>(b) Innovation involves altering a product or process, not altering the price.</p> <p>(c) Penetration pricing sets a low price for a new product, in order to attract customers.</p> <p>(d) <b>Correct answer:</b> Skimming involves setting a relatively high price at first, then reducing the price later on.</p>
4	(c)	1	<p>(a) Conducting face-to-face interviews with customers would be a primary source of market research.</p> <p>(b) Focus groups are primary sources of market research.</p> <p>(c) <b>Correct answer:</b> Magazine articles are a secondary source of market research.</p> <p>(d) Questionnaires sent to local residents would be a primary source of market research.</p>
5	(d)	1	<p>(a) Candidate calculates a 20% increase.</p> <p>(b) Candidate erroneously adds £120 to the cost.</p> <p>(c) Candidate correctly calculates 120% (£960) but does not add it to cost.</p> <p>(d) <b>Correct answer:</b> <math>£800 \times 120/100 = £960</math>. <math>£800 \text{ plus } £960 = £1760</math>.</p>

# GCSE (9-1) BUSINESS

Question	Answer	Marks	Rationale
6	(c)	1	<p>(a) Families with young children are unlikely to be the target market for expensive round-the-world cruises.</p> <p>(b) The travel agent is internet-based, so the answer 'local residents' makes little if any sense here.</p> <p>(c) <b>Correct answer:</b> The travel agent is likely to target people with high incomes who can afford the expensive holidays.</p> <p>(d) The target market for expensive round-the-world cruises is unlikely to be young people, nor a single gender.</p>
7	(c)	1	<p>(a) Employing staff is a primary role of the human resources function.</p> <p>(b) Improving employee retention is a part of the human resource functions' role.</p> <p>(c) <b>Correct answer:</b> The marketing function seeks to increase sales using various marketing strategies.</p> <p>(d) All business functions may need to reduce costs. It is not the primary purpose of the marketing function.</p>
8	(a)	1	<p>(a) <b>Correct answer:</b> A national newspaper has a large readership.</p> <p>(b) A local newspaper would allow a specific city or region to be targeted.</p> <p>(c) Needing additional finance is a drawback not a benefit to a business.</p> <p>(d) Unlike television, cinema and online advertising, audio visual techniques cannot be used in the written press.</p>
9	(b)	1	<p>(a) The decline stage is downward sloping because sales are decreasing.</p> <p>(b) <b>Correct answer:</b> Xandos is on a steep incline, approaching the summit. They are, therefore, in the growth stage of the product life cycle.</p> <p>(c) The introductory stage is the beginning of the line, in this case a short, shallow incline.</p> <p>(d) The peak of the curve represents the maturity stage, where sales are more or less constant.</p>
10	(b)	1	<p>(a) Market research does not directly affect demand; however the aim of any marketing activity is to increase, rather than decrease demand.</p> <p>(b) <b>Correct answer:</b> Market research is used to identify and understand customer needs.</p> <p>(c) Market research is not an employee motivation technique.</p> <p>(d) Market research does not directly affect the product lifecycle, however the aim of any marketing activity is to extend, rather than shorten, the product life cycle.</p>
11	(d)	1	<p>(a) Price reductions are used by businesses to encourage new customers to try the products.</p> <p>(b) Price reductions are used by businesses to encourage sales.</p> <p>(c) Price reductions are used by businesses to raise awareness of available products.</p> <p>(d) <b>Correct answer:</b> Reducing prices is likely to increase market share.</p>

# GCSE (9–1) BUSINESS

Question	Answer	Marks	Rationale
12	(a)	1	<p>(a) Offering free samples is a promotional technique, but is not advertising.</p> <p>(b) Market segmentation allows specific groups of customers to be targeted with promotional techniques.</p> <p>(c) <b>Correct answer:</b> Offering free samples is an example of point of sale promotion.</p> <p>(d) Giving out free samples per se is not a market research method, however if feedback is also sought it could be – however this would be a primary market research method rather than a secondary one.</p>
13	(c)	1	<p>(a) Going viral would be a benefit rather than a disadvantage.</p> <p>(b) Using social media as an advertising medium is much less expensive than many traditional forms.</p> <p>(c) <b>Correct answer:</b> The message and the rate of spread are controlled by the social media users, not the sole trader.</p> <p>(d) Social media advertising can be used very effectively by all sizes of business and is, therefore, appropriate for a sole trader.</p>
14	(c)	1	<p>(a) Increasing business risk is not a benefit.</p> <p>(b) Innovation does not remove the importance of identifying customer needs.</p> <p>(c) <b>Correct answer:</b> An improved model or new recipe, for example, can extend the product life cycle.</p> <p>(d) Innovation, or lack of it, has no direct effect on the number of tasks delegated to subordinates.</p>
15	(c)	1	<p>(a) Candidate uses the incorrect base of £12.50 and inverts the formula, thus £12.50/£3.50.</p> <p>(b) Candidate inverts the formula, thus £16.00/£3.50.</p> <p>(c) <b>Correct answer:</b> £16.00 - £12.50 = £3.50. <math>\frac{£3.50}{£16.00} \times 100 = 22\%</math>.</p> <p>(d) Candidate correct calculates the £3.50 reduction but erroneously divides by £12.50.</p>
16	(a)	1	<p>(a) <b>Correct answer:</b> Primary market research can be focussed on finding out exactly what the business needs to know.</p> <p>(b) Primary research is likely to be more expensive than secondary research as the research has not already been conducted by a third party.</p> <p>(c) The government does produce some market research data e.g. census, national statistics; however this is secondary market research.</p> <p>(d) Primary market research is normally more time consuming than secondary research as it involves field research.</p>

# GCSE (9-1) BUSINESS

Question	Answer	Marks	Rationale
17	(a)	1	<p>(a) <b>Correct answer:</b> Having warehouses in different regions allows for fast delivery to all parts of the country.</p> <p>(b) Market research identifies the needs of customers.</p> <p>(c) A manufacturer would not use a regional distribution centre to increase costs.</p> <p>(d) A regional distribution centre is a warehousing and despatch facility, not a training facility.</p>
18	(d)	1	<p>(a) Sampling could refer to the giving of free sample, or sampling survey techniques, neither fits with the scenario in the question.</p> <p>(b) Target marketing attempts to encourage a particular type of customer to buy products.</p> <p>(c) The national census is an official collection of statistics about the population of the country.</p> <p>(d) <b>Correct answer:</b> Using selected stores to test the popularity of a product is called 'trailing'.</p>
19	(c)	1	<p>(a) Digital distribution is about how the product gets to the customer, not how it is promoted.</p> <p>(b) Digital distribution does not use any physical distribution channels.</p> <p>(c) <b>Correct answer:</b> Digital distribution refers to delivering products via the Internet. Examples include software and e-books.</p> <p>(d) A business that uses digital distribution has no physical products to store.</p>
20	(d)	1	<p>(a) Demand for both products has increased (Product A by 3 million per month and Product B by 1 million per month).</p> <p>(b) Despite a large increase in demand for Product A, Product B is still more popular (11 million a month v 6 million a month)</p> <p>(c) The quantity sold of Product A doubles, i.e. increases by 100%.</p> <p>(d) <b>Correct answer:</b> the sales of Product A increase by 100%, whereas the sales of Product B only increase by 10%.</p>

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