# MGT211 INTRODUCTION TO BUSINESS

# **Important mcqs**

# Lec 23 - The Marketing Environment

- 1. Which of the following is an example of an external factor that can affect a company's marketing environment?
  - a) Employee morale
  - b) Production efficiency
  - c) Economic conditions
  - d) Customer satisfaction

# Answer: c) Economic conditions

- 2. Which of the following is an example of a social and cultural trend that can impact a company's marketing environment?
  - a) Technological advancements
  - b) Competitive pressure
  - c) Shifts in consumer behavior
  - d) Political regulations

## Answer: c) Shifts in consumer behavior

- 3. Which of the following is an internal factor that can affect a company's marketing environment?
  - a) Technological advancements
  - b) Political regulations
  - c) Production capacity
  - d) Economic conditions

## Answer: c) Production capacity

- 4. Which of the following is an example of a legal and regulatory factor that can impact a company's marketing environment?
  - a) Changes in consumer preferences
  - b) Shifts in the economy
  - c) Advertising restrictions
  - d) Advances in technology

## Answer: c) Advertising restrictions

- 5. Which of the following is an example of a competitive factor that can affect a company's marketing environment?
  - a) Changes in social and cultural trends

- b) Technological advancements
- c) Economic conditions
- d) Rival companies' pricing strategies

## Answer: d) Rival companies' pricing strategies

- 6. Which of the following is an example of a technological factor that can impact a company's marketing environment?
  - a) Shifting demographics
  - b) Legal and regulatory changes
  - c) Changes in production processes
  - d) Advances in communication technology

## Answer: d) Advances in communication technology

- 7. Which of the following is an example of an economic factor that can affect a company's marketing environment?
  - a) Changes in consumer preferences
  - b) Technological advancements
  - c) Inflation rates
  - d) Social and cultural trends

### Answer: c) Inflation rates

- 8. Which of the following is an example of a political factor that can impact a company's marketing environment?
  - a) Technological advancements
  - b) Changes in consumer preferences
  - c) Government regulations
  - d) Economic conditions

## Answer: c) Government regulations

- 9. Which of the following is an example of a demographic factor that can affect a company's marketing environment?
  - a) Technological advancements
  - b) Economic conditions
  - c) Aging population
  - d) Shifts in social and cultural trends

## Answer: c) Aging population

- 10. Which of the following is an example of a natural factor that can impact a company's marketing environment?
  - a) Economic conditions
  - b) Technological advancements
  - c) Natural disasters
  - d) Changes in consumer behavior

#### Answer: c) Natural disasters

# Lec 24 - The Marketing Mix

- 1. What are the four elements of the marketing mix?
  - A) Product, price, promotion, and packaging
  - B) Product, price, place, and promotion
  - C) Product, pricing, position, and packaging
  - D) Promotion, placement, product, and profit

Answer: B) Product, price, place, and promotion

- 2. Which element of the marketing mix relates to the activities involved in getting the product to the customer?
  - A) Product
  - B) Price
  - C) Place
  - D) Promotion

Answer: C) Place

- 3. Which element of the marketing mix includes decisions about the features, design, and packaging of the product?
  - A) Product
  - B) Price
  - C) Place
  - D) Promotion

Answer: A) Product

- 4. Which element of the marketing mix involves determining the optimal price for a product or service?
  - A) Product
  - B) Price
  - C) Place
  - D) Promotion

Answer: B) Price

- 5. Which element of the marketing mix refers to the methods used to promote a product or service?
  - A) Product
  - B) Price
  - C) Place
  - D) Promotion

**Answer: D) Promotion** 

- 6. What is the purpose of the marketing mix?
  - A) To identify the target market
  - B) To develop the product
  - C) To set the price
  - D) To create a successful marketing strategy

Answer: D) To create a successful marketing strategy

- 7. Which of the following is an example of a promotional tactic?
  - A) Determining the optimal price for a product
  - B) Designing the packaging for a product
  - C) Creating an advertising campaign

D) Deciding on the distribution channels for a product

Answer: C) Creating an advertising campaign

- 8. Which element of the marketing mix relates to the profit margins for a product?
  - A) Product
  - B) Price
  - C) Place
  - D) Promotion

Answer: B) Price

- 9. Which of the following is an example of a product decision?
  - A) Determining the target market
  - B) Setting the price
  - C) Deciding on the product features
  - D) Creating a promotional campaign

Answer: C) Deciding on the product features

- 10. Which element of the marketing mix relates to the distribution channels used to get the product to the customer?
  - A) Product
  - B) Price
  - C) Place
  - D) Promotion

Answer: C) Place

# Lec 25 - The Marketing Research

- 1. What is the primary goal of marketing research?
  - A) To increase sales
  - B) To understand customer needs and preferences
  - C) To create new products
  - D) To reduce costs

## Solution: B) To understand customer needs and preferences

- 2. Which of the following is NOT a method of collecting primary data?
  - A) Surveys
  - B) Interviews
  - C) Social media analytics
  - D) Observational research

#### Solution: C) Social media analytics

- 3. Which of the following is a disadvantage of using secondary data in marketing research?
  - A) It is often more expensive than primary data
  - B) It is usually more time-consuming to collect than primary data
  - C) It may not be specific enough for the research needs
  - D) It is biased and unreliable

# Solution: C) It may not be specific enough for the research needs

- 4. Which type of research involves collecting data from a sample of people through structured questions?
  - A) Exploratory research
  - B) Descriptive research
  - C) Experimental research
  - D) Observational research

## Solution: B) Descriptive research

- 5. Which of the following is a common sampling method used in marketing research?
  - A) Random sampling
  - B) Convenience sampling
  - C) Quota sampling
  - D) All of the above

## Solution: D) All of the above

- 6. Which of the following is an example of a closed-ended question in a survey?
  - A) How do you feel about our new product?
  - B) Can you tell me more about your experience with our company?
  - C) Do you prefer product A or product B?
  - D) What factors influence your purchasing decisions?

Solution: C) Do you prefer product A or product B?

## 7. Which of the following is NOT a step in the marketing research process?

- A) Data analysis
- B) Formulating a research question
- C) Developing a marketing plan
- D) Reporting the findings

## Solution: C) Developing a marketing plan

# 8. What type of data analysis involves finding patterns and relationships between variables?

- A) Descriptive analysis
- B) Inferential analysis
- C) Exploratory analysis
- D) Predictive analysis

## Solution: A) Descriptive analysis

## 9. What is the purpose of a focus group in marketing research?

- A) To collect quantitative data
- B) To collect primary data
- C) To gain insights into customer attitudes and perceptions
- D) To observe customer behavior

## Solution: C) To gain insights into customer attitudes and perceptions

## 10. Which of the following is an example of a research objective?

- A) To increase sales by 20% in the next quarter
- B) To understand why customers prefer our competitor's products
- C) To develop a new advertising campaign
- D) To launch a new product line

Solution: B) To understand why customers prefer our competitor's products

# Lec 26 - Consumer Behavior and Marketing Research

#### 1. What is the definition of consumer behavior?

- A) The study of how businesses operate
- B) The study of how individuals make decisions about buying, using, and disposing of goods and services
- C) The study of how to market products to consumers
- D) The study of how to create new products

# Solution: B) The study of how individuals make decisions about buying, using, and disposing of goods and services.

## 2. What is the first step in the consumer decision-making process?

- A) Need recognition
- B) Information search
- C) Evaluation of alternatives
- D) Purchase decision

## Solution: A) Need recognition.

# 3. Which of the following is NOT a type of consumer buying decision?

- A) Habitual buying decision
- B) Limited decision making
- C) Complex buying decision
- D) Casual buying decision

## Solution: D) Casual buying decision.

## 4. Which of the following is NOT a psychological factor influencing consumer behavior?

- A) Motivation
- B) Perception
- C) Attitude
- D) Distribution

#### Solution: D) Distribution.

# 5. Which of the following is NOT a method of primary data collection for marketing research?

- A) Surveys
- B) Focus groups
- C) Social media analytics
- D) Secondary data analysis

## Solution: D) Secondary data analysis.

#### 6. What is the difference between qualitative and quantitative research?

- A) Qualitative research focuses on numbers and statistics, while quantitative research focuses on subjective opinions and experiences.
- B) Quantitative research focuses on numbers and statistics, while qualitative research focuses on subjective opinions and experiences.

- C) Qualitative research is more expensive than quantitative research.
- D) Quantitative research is more time-consuming than qualitative research.

Solution: B) Quantitative research focuses on numbers and statistics, while qualitative research focuses on subjective opinions and experiences.

## 7. What is a sample in marketing research?

- A) The entire population being studied
- B) A small subset of the population being studied
- C) The margin of error in the research results
- D) The standard deviation of the research results

# Solution: B) A small subset of the population being studied.

## 8. What is a focus group?

- A) A one-on-one interview between a researcher and a participant
- B) A survey sent out to a large group of people
- C) A group discussion led by a researcher to gather opinions and experiences about a product or service
- D) A statistical analysis of sales data

Solution: C) A group discussion led by a researcher to gather opinions and experiences about a product or service.

# 9. What is a psychographic segmentation variable?

- A) Age
- B) Gender
- C) Income
- D) Personality

## Solution: D) Personality.

## 10. What is the purpose of market segmentation?

- A) To divide a market into smaller groups of consumers with similar needs and characteristics
- B) To create a single product that appeals to all consumers
- C) To eliminate competition in a market
- D) To reduce the cost of production

Solution: A) To divide a market into smaller groups of consumers with similar needs and characteristics.

# Lec 27 - Product, Product types & step for product development

## 1. Which of the following is NOT a step in the product development process?

- A) Concept testing
- B) Market analysis
- C) Customer segmentation
- D) Commercialization

Answer: C) Customer segmentation

## 2. What are the four types of products?

- A) Durable, perishable, services, experiences
- B) Convenience, shopping, specialty, unsought
- C) Raw materials, semi-finished, finished goods, consumer goods
- D) Basic, enhanced, premium, luxury

Answer: B) Convenience, shopping, specialty, unsought

## 3. Which type of product requires more extensive search and evaluation by consumers?

- A) Convenience
- B) Shopping
- C) Specialty
- D) Unsought

Answer: B) Shopping

## 4. Which of the following is NOT a characteristic of a specialty product?

- A) High price
- B) Exclusive distribution
- C) Widespread availability
- D) Unique characteristics

Answer: C) Widespread availability

## 5. What is the first step in the product development process?

- A) Idea generation
- B) Business analysis
- C) Concept testing
- D) Market testing

Answer: A) Idea generation

# 6. Which step in the product development process involves estimating sales, costs, and profits?

- A) Concept testing
- B) Business analysis
- C) Market testing
- D) Commercialization

Answer: B) Business analysis

## 7. What is the final step in the product development process?

- A) Concept testing
- B) Market testing
- C) Commercialization
- D) Idea generation

**Answer: C) Commercialization** 

- 8. Which of the following is an example of an unsought product?
  - A) Milk
  - B) Toothpaste
  - C) Funeral services
  - D) Smartphones

Answer: C) Funeral services

- 9. Which type of product is typically sold at a lower price point and in more locations?
  - A) Specialty
  - B) Shopping
  - C) Convenience
  - D) Unsought

Answer: C) Convenience

- 10. Which step in the product development process involves testing the product in a small market before a full launch?
  - A) Concept testing
  - B) Business analysis
  - C) Market testing
  - D) Commercialization

Answer: C) Market testing

# Lec 28 - Product Life Cycle, Branding, Packaging and Labeling

- 1. Which of the following is NOT a stage in the Product Life Cycle?
  - a) Introduction
  - b) Growth
  - c) Maturity
  - d) Decline
  - e) None of the above

## Answer: e) None of the above

- 2. At which stage of the Product Life Cycle is a product likely to experience the highest sales growth?
  - a) Introduction
  - b) Growth
  - c) Maturity
  - d) Decline

# Answer: b) Growth

- 3. Which of the following is an example of a secondary package?
  - a) A cereal box
  - b) A can of soda
  - c) A bottle of shampoo
  - d) A shipping box

## Answer: d) A shipping box

- 4. What is the purpose of branding?
  - a) To create a unique identity for a product or service
  - b) To enhance the functionality of a product
  - c) To increase the price of a product
  - d) To reduce the cost of production

## Answer: a) To create a unique identity for a product or service

- 5. Which of the following is an example of a national brand?
  - a) Tide laundry detergent
  - b) Target's Up & Up brand
  - c) Great Value brand at Walmart
  - d) Kirkland Signature brand at Costco

## Answer: a) Tide laundry detergent

- 6. What is the purpose of labeling a product?
  - a) To provide important information to customers
  - b) To create a unique identity for a product
  - c) To enhance the functionality of a product
  - d) To reduce the cost of production

# Answer: a) To provide important information to customers

- 7. Which of the following is an example of a private label brand?
  - a) Coca-Cola
  - b) Nike
  - c) Kirkland Signature at Costco
  - d) Apple

## Answer: c) Kirkland Signature at Costco

- 8. Which stage of the Product Life Cycle is characterized by intense competition and pressure on pricing?
  - a) Introduction
  - b) Growth
  - c) Maturity
  - d) Decline

## Answer: c) Maturity

- 9. What is the purpose of primary packaging?
  - a) To protect the product during shipping and storage
  - b) To provide important information to customers
  - c) To create a unique identity for a product
  - d) To enhance the functionality of a product

## Answer: d) To enhance the functionality of a product

- 10. Which of the following is an example of a premium brand?
  - a) Great Value brand at Walmart
  - b) Levi's jeans
  - c) Kirkland Signature at Costco
  - d) Target's Up & Up brand

Answer: b) Levi's jeans

# Lec 29 - Pricing and Distribution Mix

- 1. What is the purpose of a pricing strategy in marketing?
  - a) To maximize production costs
  - b) To set a price that covers only production costs
  - c) To set a price that maximizes sales and profitability
  - d) To set a price that is lower than competitors

#### Answer: c) To set a price that maximizes sales and profitability

## 2. What is the purpose of a distribution strategy in marketing?

- a) To limit access to the product
- b) To choose the right channels to make the product available to customers
- c) To set up a complex distribution network
- d) To increase production costs

## Answer: b) To choose the right channels to make the product available to customers

#### 3. What is the difference between direct and indirect distribution channels?

- a) Direct channels involve selling through intermediaries, while indirect channels involve selling directly to customers
- b) Direct channels involve selling directly to customers, while indirect channels involve selling through intermediaries
- c) Direct channels involve selling to a limited customer base, while indirect channels involve selling to a wider customer base
- d) There is no difference between direct and indirect channels

# Answer: b) Direct channels involve selling directly to customers, while indirect channels involve selling through intermediaries

# 4. What is a pricing strategy that involves setting a high initial price and gradually lowering it over time?

- a) Penetration pricing
- b) Skimming pricing
- c) Cost-plus pricing
- d) Discount pricing

## Answer: b) Skimming pricing

#### 5. Which of the following is an example of a direct distribution channel?

- a) Selling through retailers
- b) Selling through wholesalers
- c) Selling through a company website
- d) Selling through agents or brokers

## Answer: c) Selling through a company website

#### 6. Which of the following is a disadvantage of a selective distribution strategy?

- a) It limits competition
- b) It limits access to the product

- c) It increases production costs
- d) It limits geographic coverage

# Answer: d) It limits geographic coverage

- 7. What is the purpose of a channel intermediary?
  - a) To limit access to the product
  - b) To add value to the product
  - c) To increase production costs
  - d) To reduce customer demand

## Answer: b) To add value to the product

- 8. What is a pricing strategy that involves setting a low initial price to attract customers and gain market share?
  - a) Penetration pricing
  - b) Skimming pricing
  - c) Cost-plus pricing
  - d) Discount pricing

## Answer: a) Penetration pricing

- 9. Which of the following is an example of an indirect distribution channel?
  - a) Selling through a company website
  - b) Selling through a physical store location
  - c) Selling through a catalog
  - d) Selling through a sales agent

## Answer: d) Selling through a sales agent

- 10. What is a distribution strategy that involves selling a product through a single intermediary or retail outlet in a particular geographic area?
  - a) Intensive distribution
  - b) Selective distribution
  - c) Exclusive distribution
  - d) Multichannel distribution

Answer: c) Exclusive distribution

# Lec 30 - Wholesaling, retailing & physical distribution

# 1. Which of the following is not a function of wholesalers?

- a) Bulk purchasing
- b) Transportation
- c) Product display
- d) Warehousing

Answer: c) Product display

## 2. Which of the following is a characteristic of retailing?

- a) Selling goods in large quantities
- b) Selling goods to intermediaries
- c) Selling goods directly to consumers
- d) Selling goods through e-commerce only

Answer: c) Selling goods directly to consumers

## 3. Which of the following is not a component of physical distribution?

- a) Transportation
- b) Inventory management
- c) Product display
- d) Order processing

Answer: c) Product display

## 4. Which of the following is not a type of retailer?

- a) Department store
- b) Convenience store
- c) Factory outlet
- d) Manufacturer

Answer: d) Manufacturer

## 5. Which of the following is not a function of retailers?

- a) Product display
- b) After-sales support
- c) Bulk purchasing
- d) Customer service

Answer: c) Bulk purchasing

## 6. Which of the following is not a benefit of effective physical distribution?

- a) Reduced costs
- b) Increased customer satisfaction
- c) Improved inventory management
- d) Decreased transportation efficiency

Answer: d) Decreased transportation efficiency

## 7. Which of the following is not a type of wholesaler?

- a) Merchant wholesaler
- b) Retailer
- c) Agent/broker
- d) Manufacturer's sales branch or office

Answer: b) Retailer

## 8. Which of the following is not a factor to consider when choosing a distribution channel?

- a) Target market
- b) Product characteristics
- c) Competitor's pricing
- d) Company's resources and capabilities

Answer: c) Competitor's pricing

## 9. Which of the following is not a type of physical distribution system?

- a) Direct distribution
- b) Indirect distribution
- c) Selective distribution
- d) Exclusionary distribution

Answer: d) Exclusionary distribution

# 10. Which of the following is not a benefit of using intermediaries in the distribution process?

- a) Increased market coverage
- b) Reduced costs
- c) Increased control over distribution
- d) Decreased customer satisfaction

Answer: d) Decreased customer satisfaction

#### Lec 31 - Promotion and advertisement

- 1. Which of the following is not a type of promotion?
  - a) Advertising
  - b) Public relations
  - c) Direct mail
  - d) Production

## Solution: d) Production

- 2. Which type of advertising targets a specific geographic area?
  - a) National advertising
  - b) Global advertising
  - c) Regional advertising
  - d) Local advertising

## Solution: d) Local advertising

- 3. What is the goal of a pull promotion strategy?
  - a) To push the product into the market
  - b) To create a strong brand image
  - c) To target a specific demographic
  - d) To encourage consumers to seek out the product

# Solution: d) To encourage consumers to seek out the product

- 4. Which of the following is an example of a sales promotion?
  - a) A billboard advertisement
  - b) A press release
  - c) A coupon
  - d) A product launch event

## Solution: c) A coupon

- 5. Which type of advertising is used to build long-term brand awareness?
  - a) Direct response advertising
  - b) Retail advertising
  - c) Institutional advertising
  - d) Promotional advertising

## Solution: c) Institutional advertising

- 6. What is the primary goal of advertising?
  - a) To educate consumers
  - b) To entertain consumers
  - c) To persuade consumers
  - d) To confuse consumers

## Solution: c) To persuade consumers

## 7. Which of the following is not a social media platform commonly used for advertising?

- a) Facebook
- b) LinkedIn
- c) TikTok
- d) Netflix

# Solution: d) Netflix

## 8. What is the purpose of public relations?

- a) To advertise products or services
- b) To create a positive image for a company or brand
- c) To target a specific audience
- d) To increase sales

## Solution: b) To create a positive image for a company or brand

## 9. Which of the following is not a factor that affects the cost of advertising?

- a) The size of the advertisement
- b) The type of media used
- c) The target audience
- d) The location of the business

## Solution: d) The location of the business

## 10. What is the goal of a push promotion strategy?

- a) To encourage consumers to seek out the product
- b) To build long-term brand awareness
- c) To create a strong brand image
- d) To push the product into the market

Solution: d) To push the product into the market

# Lec 32 - Personal Selling

# 1. What is personal selling?

- a) A form of advertising
- b) A form of promotion
- c) A form of public relations
- d) A form of direct mail

Answer: b) A form of promotion

## 2. What is the primary goal of personal selling?

- a) To increase brand awareness
- b) To generate leads
- c) To persuade customers to buy a product or service
- d) To build relationships with customers

Answer: c) To persuade customers to buy a product or service

## 3. What is the difference between personal selling and advertising?

- a) Personal selling uses paid media, while advertising uses face-to-face communication
- b) Personal selling uses face-to-face communication, while advertising uses paid media
- c) Personal selling focuses on building relationships, while advertising focuses on creating brand awareness
- d) Personal selling is used for simple products, while advertising is used for complex products Answer: b) Personal selling uses face-to-face communication, while advertising uses paid media

# 4. Which of the following is an example of personal selling?

- a) A TV commercial
- b) A billboard advertisement
- c) A salesperson offering a product demonstration to a potential customer
- d) A print ad in a magazine

Answer: c) A salesperson offering a product demonstration to a potential customer

# 5. Which of the following is a characteristic of effective personal selling?

- a) Focusing on the features of the product
- b) Being pushy and aggressive
- c) Building relationships with customers
- d) Providing a one-size-fits-all solution to all customers

Answer: c) Building relationships with customers

## 6. What is the difference between transactional selling and relationship selling?

- a) Transactional selling focuses on building relationships with customers, while relationship selling focuses on making quick sales
- b) Transactional selling is used for simple products, while relationship selling is used for complex products
- c) Transactional selling is focused on making quick sales, while relationship selling is focused on building long-term customer relationships
- d) Transactional selling is more expensive than relationship selling

Answer: c) Transactional selling is focused on making quick sales, while relationship selling is focused on building long-term customer relationships

## 7. Which of the following is an example of a sales force automation tool?

a) A CRM system

- b) A product catalog
- c) A brochure
- d) A price list

Answer: a) A CRM system

## 8. Which of the following is an important step in the personal selling process?

- a) Identifying potential customers
- b) Designing advertisements
- c) Conducting market research
- d) Building brand awareness

Answer: a) Identifying potential customers

## 9. What is consultative selling?

- a) Focusing on building relationships with customers
- b) Offering a one-size-fits-all solution to all customers
- c) Identifying customer needs and providing tailored solutions
- d) Offering discounts and incentives to customers

Answer: c) Identifying customer needs and providing tailored solutions

## 10. What is the role of salespeople in the personal selling process?

- a) To build brand awareness
- b) To persuade customers to buy a product or service
- c) To conduct market research
- d) To design advertisements

Answer: b) To persuade customers to buy a product or service

# Lec 33 - Personal Selling (Continued).

## 1. What is personal selling?

- a) Advertising through various channels
- b) Direct interaction between a salesperson and potential customer
- c) Social media marketing
- d) Telemarketing

## Answer: b) Direct interaction between a salesperson and potential customer

## 2. What are the objectives of personal selling?

- a) Building relationships with customers
- b) Generating leads
- c) Providing customer service
- d) All of the above

## Answer: d) All of the above

## 3. What is consultative selling?

- a) Quick sales approach
- b) Building long-term customer relationships
- c) Providing tailored solutions to meet customer needs
- d) None of the above

# Answer: c) Providing tailored solutions to meet customer needs

#### 4. What are the steps in the personal selling process?

- a) Prospecting, qualifying, presenting, handling objections, closing the sale, following up
- b) Advertising, telemarketing, social media marketing
- c) Branding, packaging, pricing, promotion, distribution
- d) None of the above

## Answer: a) Prospecting, qualifying, presenting, handling objections, closing the sale, following up

## 5. What is the role of salespeople in personal selling?

- a) Building relationships with customers
- b) Identifying customer needs
- c) Providing tailored solutions
- d) All of the above

## Answer: d) All of the above

## 6. What are the skills required for effective personal selling?

- a) Communication skills
- b) Active listening skills
- c) Product knowledge
- d) All of the above

## Answer: d) All of the above

## 7. What is the difference between transactional selling and relationship selling?

- a) Transactional selling is focused on making quick sales, while relationship selling is focused on building long-term customer relationships.
- b) Transactional selling is focused on building long-term customer relationships, while relationship selling is focused on making quick sales.
- c) Both are the same approach.
- d) None of the above.

Answer: a) Transactional selling is focused on making quick sales, while relationship selling is focused on building long-term customer relationships.

## 8. What are some common sales force automation tools used in personal selling?

- a) CRM systems
- b) Lead management systems
- c) Sales forecasting tools
- d) All of the above

## Answer: d) All of the above

## 9. What are the challenges faced by salespeople in personal selling?

- a) Rejection
- b) Competition
- c) Need to adapt to changing customer needs and preferences
- d) All of the above

## Answer: d) All of the above

## 10. What is the primary objective of personal selling?

- a) Building relationships with customers
- b) Providing customer service
- c) Generating leads
- d) Persuading customers to purchase a product or service

Answer: d) Persuading customers to purchase a product or service

#### Lec 34 - Sales Promotion

- 1. Which of the following is an example of a sales promotion?
  - A) Product packaging
  - B) Advertising
  - C) Public relations
  - D) Coupons

## Answer: D) Coupons

- 2. Which of the following sales promotion tactics is designed to encourage repeat purchases?
  - A) Coupons
  - B) Rebates
  - C) Loyalty programs
  - D) Contests

# Answer: C) Loyalty programs

- 3. A company offers a discount to customers who purchase a certain quantity of their product. This is an example of which type of sales promotion?
  - A) Coupons
  - B) Rebates
  - C) Quantity discounts
  - D) Sampling

# Answer: C) Quantity discounts

- 4. Which of the following sales promotion tactics is designed to increase trial of a product?
  - A) Coupons
  - B) Rebates
  - C) Loyalty programs
  - D) Contests

## Answer: A) Coupons

- 5. Which of the following is an example of a trade promotion?
  - A) Coupons
  - B) Rebates
  - C) Free samples
  - D) Slotting fees

## Answer: D) Slotting fees

- 6. A company offers a free sample of their product to customers. This is an example of which type of sales promotion?
  - A) Coupons
  - B) Rebates
  - C) Quantity discounts
  - D) Sampling

## Answer: D) Sampling

- 7. Which of the following is an example of a push promotion?
  - A) Coupons
  - B) Rebates
  - C) Advertising
  - D) Public relations

## Answer: C) Advertising

- 8. Which of the following is an example of a pull promotion?
  - A) Coupons
  - B) Rebates
  - C) Sales force promotions
  - D) Public relations

# Answer: A) Coupons

- 9. Which of the following is a disadvantage of sales promotions?
  - A) Increased brand awareness
  - B) Increased customer loyalty
  - C) Reduced profit margins
  - D) Increased sales volume

## Answer: C) Reduced profit margins

- 10. Which of the following is an example of a premium promotion?
  - A) Coupons
  - B) Rebates
  - C) Free gifts
  - D) Slotting fees

Answer: C) Free gifts

# Lec 35 - The Productivity

## 1. What is productivity?

- A) The amount of money a company earns
- B) The efficiency and effectiveness of resource usage
- C) The number of employees a company has
- D) The size of a company's revenue

## Answer: B

## 2. Which of the following is NOT a factor that can affect productivity?

- A) Workforce training
- B) Production processes
- C) Investment in technology and infrastructure
- D) The number of employees a company has

#### **Answer: D**

### 3. Why is productivity important?

- A) It can lead to increased output and lower costs
- B) It is a measure of a company's revenue
- C) It determines a company's profitability
- D) It is an indicator of customer satisfaction

#### Answer: A

## 4. What is a common method for improving productivity?

- A) Hiring more employees
- B) Reducing employee salaries
- C) Investing in technology and infrastructure
- D) Reducing employee benefits

#### **Answer: C**

# 5. Which of the following is an example of a productivity metric?

- A) Number of employees in a company
- B) Revenue generated by a company
- C) Output per employee hour
- D) Customer satisfaction ratings

#### Answer: C

## 6. Which industry typically has the highest productivity levels?

- A) Manufacturing
- B) Retail
- C) Hospitality
- D) Healthcare

#### Answer: A

## 7. What is the relationship between productivity and economic growth?

- A) Higher productivity leads to lower economic growth
- B) Lower productivity leads to higher economic growth
- C) Higher productivity leads to higher economic growth
- D) Productivity has no impact on economic growth

## 8. What is the difference between labor productivity and total factor productivity?

- A) Labor productivity measures output per worker, while total factor productivity measures output per unit of capital and labor
- B) Labor productivity measures output per unit of capital and labor, while total factor productivity measures output per worker
- C) There is no difference between the two measures
- D) Total factor productivity measures only the output of labor, while labor productivity measures both labor and capital

#### Answer: A

# 9. Which of the following is an example of an external factor that can impact productivity?

- A) Workforce training
- B) Production processes
- C) Government regulations
- D) Investment in technology and infrastructure

## Answer: C

## 10. What is the impact of low productivity on a company?

- A) Increased costs and reduced output
- B) Increased revenue and higher profits
- C) Improved customer satisfaction
- D) Increased market share

Answer: A

# **Lec 36 - Tools for Production Planning**

## 1. Which of the following is a tool for production planning?

- A) Microsoft Excel
- B) Adobe Photoshop
- C) Autodesk AutoCAD
- D) Google Drive

Answer: C) Autodesk AutoCAD

## 2. What does MRP stand for in production planning?

- A) Manufacturing Resource Planning
- B) Material Resource Planning
- C) Marketing Resource Planning
- D) Management Resource Planning

Answer: B) Material Resource Planning

## 3. Which of the following is not a production planning tool?

- A) Statistical process control (SPC)
- B) Computer-aided design (CAD) software
- C) Enterprise resource planning (ERP) software
- D) Adobe Illustrator

Answer: D) Adobe Illustrator

## 4. What is the primary benefit of using production planning tools?

- A) To increase costs
- B) To improve efficiency
- C) To reduce output
- D) To decrease profits

Answer: B) To improve efficiency

## 5. Which tool is used for scheduling production tasks and tracking inventory levels?

- A) MRP
- B) ERP
- C) SPC
- D) CAD

Answer: A) MRP

## 6. Which of the following is a CAD software commonly used in production planning?

- A) Microsoft Word
- B) Adobe Acrobat
- C) Autodesk Inventor
- D) Google Sheets

**Answer: C) Autodesk Inventor** 

## 7. What does ERP stand for in production planning?

- A) Enterprise Resource Planning
- B) Energy Resource Planning
- C) Environmental Resource Planning
- D) Economic Resource Planning

Answer: A) Enterprise Resource Planning

- 8. Which tool is used to monitor and control production processes?
  - A) SPC
  - B) CAD
  - C) MRP
  - D) ERP

Answer: A) SPC

- 9. Which of the following is not a function of production planning tools?
  - A) Inventory management
  - B) Resource allocation
  - C) Cost reduction
  - D) Customer service

Answer: D) Customer service

- 10. What is the primary objective of using production planning tools?
  - A) To increase costs
  - B) To reduce efficiency
  - C) To decrease profits
  - D) To optimize production processes

Answer: D) To optimize production processes

# Lec 37 - Total Quality Management

- 1. Which of the following is NOT a principle of Total Quality Management?
  - A) Continuous improvement
  - B) Customer focus
  - C) Employee empowerment
  - D) Micromanagement

## Answer: D) Micromanagement

- 2. Which of the following is NOT a component of the Deming cycle?
  - A) Plan
  - B) Do
  - C) Check
  - D) Act

# Answer: D) Act

- 3. Which of the following is a tool used in statistical process control?
  - A) Histogram
  - B) Fishbone diagram
  - C) Affinity diagram
  - D) Pareto chart

## Answer: A) Histogram

- 4. Which of the following is NOT a cost associated with poor quality?
  - A) Prevention costs
  - B) Appraisal costs
  - C) External failure costs
  - D) Internal development costs

## Answer: D) Internal development costs

- 5. Which of the following is a key element of Six Sigma?
  - A) Employee empowerment
  - B) Continuous improvement
  - C) Customer focus
  - D) Lean manufacturing

## **Answer: B) Continuous improvement**

- 6. Which of the following is NOT one of the 7 basic tools of quality?
  - A) Flowchart
  - B) Histogram
  - C) Scatter plot
  - D) Fishbone diagram

Answer: C) Scatter plot

- 7. Which of the following is a technique used in Total Quality Management for gathering ideas?
  - A) Affinity diagram
  - B) Control chart
  - C) Gantt chart
  - D) Pareto chart

## Answer: A) Affinity diagram

- 8. Which of the following is a technique used in Total Quality Management for identifying the most important issues to address?
  - A) Brainstorming
  - B) Flowcharting
  - C) Pareto analysis
  - D) Quality circles

## Answer: C) Pareto analysis

- 9. Which of the following is a key characteristic of a Total Quality Management culture?
  - A) Micromanagement
  - B) Blaming individuals for mistakes
  - C) Punishing employees for making errors
  - D) Empowering employees to improve processes

## Answer: D) Empowering employees to improve processes

- 10. Which of the following is a benefit of Total Quality Management?
  - A) Decreased customer satisfaction
  - B) Increased costs
  - C) Improved employee morale
  - D) Decreased productivity

Answer: C) Improved employee morale

# **Lec 38 - Total Quality Management (Continued)**

# 1. What is the primary focus of Total Quality Management?

- a) Reducing costs
- b) Enhancing employee empowerment
- c) Improving quality
- d) All of the above

#### Answer: c) Improving quality

### 2. What is the goal of continuous improvement in TQM?

- a) To achieve ever-higher levels of quality and efficiency
- b) To reduce costs and increase profits
- c) To eliminate waste in processes
- d) To achieve customer satisfaction

## Answer: a) To achieve ever-higher levels of quality and efficiency

### 3. What is statistical process control?

- a) A tool used to monitor and control processes in TQM
- b) A technique used to reduce waste in manufacturing
- c) A method of quality assurance for products
- d) A process of benchmarking organizational performance

# Answer: a) A tool used to monitor and control processes in TQM

#### 4. What is benchmarking?

- a) A tool used to compare organizational performance
- b) A technique used to reduce waste in production
- c) A method of measuring customer satisfaction
- d) A process of employee empowerment

## Answer: a) A tool used to compare organizational performance

## 5. What is the role of top management in TQM?

- a) Providing leadership and support
- b) Identifying customer needs and expectations
- c) Participating in quality circles
- d) Monitoring process improvement

## Answer: a) Providing leadership and support

### 6. What is a quality circle?

- a) A team of employees who meet regularly to identify and solve quality-related problems
- b) A method of statistical process control
- c) A tool used for benchmarking organizational performance
- d) A process of continuous improvement

## Answer: a) A team of employees who meet regularly to identify and solve quality-related problems

## 7. What is the importance of customer feedback in TQM?

- a) It helps to identify areas for improvement
- b) It reduces costs and waste
- c) It enhances employee empowerment
- d) It improves leadership effectiveness

# Answer: a) It helps to identify areas for improvement

## 8. What is the benefit of TQM for organizations?

- a) Improved customer satisfaction
- b) Reduced employee empowerment
- c) Increased waste and costs
- d) Decreased competitive advantage

## Answer: a) Improved customer satisfaction

## 9. What is the key principle of TQM?

- a) Employee empowerment
- b) Continuous improvement
- c) Cost reduction
- d) Customer focus

## Answer: d) Customer focus

## 10. What is the role of employees in TQM?

- a) To participate in quality circles
- b) To monitor process improvement
- c) To reduce waste in production
- d) All of the above

Answer: d) All of the above

# Lec 39 - Benchmarking

# 1. What is benchmarking?

- A. A process of comparing organizational performance to industry standards.
- B. A process of monitoring employee productivity.
- C. A process of reducing waste in manufacturing.

Answer: A

## 2. Which of the following is not a type of benchmarking?

- A. Internal benchmarking
- B. Competitive benchmarking
- C. Customer benchmarking
- D. Profit benchmarking

Answer: D

## 3. What is the first step in the benchmarking process?

- A. Identify areas for improvement
- B. Determine benchmarking partners
- C. Collect data

Answer: A

## 4. Which of the following is not a benefit of benchmarking?

- A. Increased costs
- B. Improved quality
- C. Enhanced competitiveness
- D. Increased efficiency

Answer: A

## 5. Which of the following is a limitation of benchmarking?

- A. It is time-consuming and expensive.
- B. It requires extensive training of employees.
- C. It is only applicable to manufacturing organizations.

Answer: A

# 6. What is competitive benchmarking?

- A. Comparing an organization's performance to industry standards.
- B. Comparing an organization's performance to its direct competitors.
- C. Comparing an organization's performance to its own past performance.

**Answer:** B

## 7. Which of the following is not a step in the benchmarking process?

- A. Analyze data
- B. Implement improvements
- C. Develop performance goals
- D. Conduct employee evaluations

Answer: D

## 8. What is functional benchmarking?

- A. Comparing an organization's performance to industry standards.
- B. Comparing an organization's performance to its direct competitors.
- C. Comparing an organization's performance to organizations in different industries.

Answer: C

# 9. What is internal benchmarking?

- A. Comparing an organization's performance to industry standards.
- B. Comparing an organization's performance to its direct competitors.
- C. Comparing an organization's performance to its own past performance.

Answer: C

# 10. What is the main purpose of benchmarking?

- A. To compare an organization's performance to industry standards.
- B. To identify areas for improvement.
- C. To reduce waste in manufacturing.

Answer: B

#### Lec 40 - Communication

- 1. Which of the following is not a component of effective communication?
  - a) Sender
  - b) Receiver
  - c) Noise
  - d) Distortion

#### Answer: d) Distortion

- 2. What is the process of receiving and interpreting messages called?
  - a) Encoding
  - b) Decoding
  - c) Feedback
  - d) Context

## Answer: b) Decoding

- 3. Which of the following is an example of nonverbal communication?
  - a) Speaking
  - b) Writing
  - c) Gesturing
  - d) Emailing

## Answer: c) Gesturing

- 4. Which of the following is an example of formal communication?
  - a) A casual conversation
  - b) A memo from a supervisor
  - c) An email to a friend
  - d) A phone call to a family member

## Answer: b) A memo from a supervisor

- 5. Which of the following is a barrier to effective communication?
  - a) Clarity
  - b) Trust
  - c) Noise
  - d) Active listening

## Answer: c) Noise

- 6. Which of the following is an example of downward communication?
  - a) A manager communicating with employees
  - b) Employees communicating with each other
  - c) Employees communicating with managers
  - d) A board member communicating with shareholders

## Answer: a) A manager communicating with employees

## 7. Which of the following is an example of lateral communication?

- a) A manager communicating with employees
- b) Employees communicating with each other
- c) Employees communicating with managers
- d) A board member communicating with shareholders

## Answer: b) Employees communicating with each other

## 8. Which of the following is an example of upward communication?

- a) A manager communicating with employees
- b) Employees communicating with each other
- c) Employees communicating with managers
- d) A board member communicating with shareholders

# Answer: c) Employees communicating with managers

## 9. Which of the following is an example of informal communication?

- a) A memo from a supervisor
- b) An email to a friend
- c) A phone call to a family member
- d) A company newsletter

## Answer: b) An email to a friend

## 10. What is the process of verifying the accuracy of information called?

- a) Feedback
- b) Clarification
- c) Encoding
- d) Decoding

Answer: b) Clarification

### Lec 41 - Non-Verbal Communication Modes

- 1. Which of the following is an example of non-verbal communication?
  - a) Speaking
  - b) Writing
  - c) Smiling
  - d) Texting

## Answer: c) Smiling

- 2. Which of the following is an example of paralinguistic communication?
  - a) Eye contact
  - b) Facial expressions
  - c) Tone of voice
  - d) Gestures

## Answer: c) Tone of voice

- 3. Which of the following is an example of kinesic communication?
  - a) Shaking hands
  - b) Nodding head
  - c) Raising eyebrows
  - d) All of the above

## Answer: d) All of the above

- 4. Which of the following is an example of haptic communication?
  - a) Touching someone's arm
  - b) Waving goodbye
  - c) Nodding head
  - d) Using facial expressions

## Answer: a) Touching someone's arm

- 5. Which of the following is an example of proxemic communication?
  - a) Using hand gestures
  - b) Making eye contact
  - c) Standing close to someone
  - d) Raising voice

## Answer: c) Standing close to someone

- 6. Which of the following is an example of chronemic communication?
  - a) Using emojis
  - b) Sending text messages
  - c) Being punctual
  - d) Using slang

## Answer: c) Being punctual

## 7. Which of the following is an example of olfactory communication?

- a) Using perfume
- b) Wearing a hat
- c) Making eye contact
- d) Using hand gestures

# Answer: a) Using perfume

## 8. Which of the following is an example of physical appearance communication?

- a) Making eye contact
- b) Using facial expressions
- c) Dressing professionally
- d) Nodding head

# Answer: c) Dressing professionally

## 9. Which of the following is an example of posture communication?

- a) Using hand gestures
- b) Making eye contact
- c) Sitting with crossed legs
- d) Using facial expressions

## Answer: c) Sitting with crossed legs

## 10. Which of the following is an example of silence communication?

- a) Using slang
- b) Nodding head
- c) Making eye contact
- d) Pausing before speaking

Answer: d) Pausing before speaking

# Lec 42 - Application of Information System in the Organizations

- 1. Which of the following is an example of an information system used for financial management in organizations?
  - a. Customer Relationship Management (CRM)
  - b. Enterprise Resource Planning (ERP)
  - c. Decision Support System (DSS)
  - d. Accounting Information System (AIS)

Answer: d. Accounting Information System (AIS)

- 2. Which of the following is an example of an information system used for supply chain management in organizations?
  - a. Human Resource Management System (HRMS)
  - b. Knowledge Management System (KMS)
  - c. Material Requirement Planning (MRP)
  - d. Sales Force Automation (SFA)

Answer: c. Material Requirement Planning (MRP)

- 3. Which of the following is an example of an information system used for customer relationship management in organizations?
  - a. Enterprise Resource Planning (ERP)
  - b. Sales Force Automation (SFA)
  - c. Business Intelligence (BI)
  - d. Supply Chain Management (SCM)

Answer: b. Sales Force Automation (SFA)

- 4. Which of the following is an example of an information system used for human resource management in organizations?
  - a. Enterprise Resource Planning (ERP)
  - b. Decision Support System (DSS)
  - c. Customer Relationship Management (CRM)
  - d. Human Resource Management System (HRMS)

Answer: d. Human Resource Management System (HRMS)

- 5. Which of the following is an example of an information system used for business intelligence in organizations?
  - a. Decision Support System (DSS)
  - b. Sales Force Automation (SFA)
  - c. Knowledge Management System (KMS)
  - d. Customer Relationship Management (CRM)

Answer: a. Decision Support System (DSS)

- 6. Which of the following is an example of an information system used for project management in organizations?
  - a. Supply Chain Management (SCM)
  - b. Business Process Management (BPM)
  - c. Project Management Information System (PMIS)
  - d. Enterprise Content Management (ECM)

Answer: c. Project Management Information System (PMIS)

7. Which of the following is an example of an information system used for marketing in organizations?

- a. Supply Chain Management (SCM)
- b. Customer Relationship Management (CRM)
- c. Business Intelligence (BI)
- d. Enterprise Resource Planning (ERP)

Answer: b. Customer Relationship Management (CRM)

- 8. Which of the following is an example of an information system used for e-commerce in organizations?
  - a. Online Transaction Processing (OLTP)
  - b. Material Requirement Planning (MRP)
  - c. Sales Force Automation (SFA)
  - d. Enterprise Content Management (ECM)

Answer: a. Online Transaction Processing (OLTP)

- 9. Which of the following is an example of an information system used for knowledge management in organizations?
  - a. Business Process Management (BPM)
  - b. Human Resource Management System (HRMS)
  - c. Enterprise Content Management (ECM)
  - d. Knowledge Management System (KMS)

Answer: d. Knowledge Management System (KMS)

- 10. Which of the following is an example of an information system used for logistics management in organizations?
  - a. Supply Chain Management (SCM)
  - b. Enterprise Resource Planning (ERP)
  - c. Business Intelligence (BI)
  - d. Decision Support System (DSS)

Answer: a. Supply Chain Management (SCM)

# Lec 43 - Accounting

- 1. Which of the following is NOT a financial statement?
  - a) Balance sheet
  - b) Income statement
  - c) Cash flow statement
  - d) Sales report

## Answer: d) Sales report

## 2. What is the purpose of a balance sheet?

- a) To show the profitability of a company
- b) To provide information about cash inflows and outflows
- c) To show the financial position of a company at a specific point in time
- d) To report the revenues and expenses of a company over a period of time

## Answer: c) To show the financial position of a company at a specific point in time

- 3. Which accounting principle requires that expenses be recorded in the same period as the related revenues?
  - a) Matching principle
  - b) Revenue recognition principle
  - c) Cost principle
  - d) Conservatism principle

## Answer: a) Matching principle

- 4. Which of the following is an example of a current liability?
  - a) Mortgage payable
  - b) Accounts receivable
  - c) Accounts payable
  - d) Long-term notes payable

## Answer: c) Accounts payable

- 5. What is the purpose of an income statement?
  - a) To show the financial position of a company at a specific point in time
  - b) To provide information about cash inflows and outflows
  - c) To report the revenues and expenses of a company over a period of time
  - d) To show the profitability of a company

## Answer: d) To show the profitability of a company

- 6. What is the purpose of a cash flow statement?
  - a) To show the financial position of a company at a specific point in time
  - b) To provide information about cash inflows and outflows
  - c) To report the revenues and expenses of a company over a period of time
  - d) To show the profitability of a company

## Answer: b) To provide information about cash inflows and outflows

## 7. Which of the following is an example of a fixed asset?

- a) Inventory
- b) Accounts receivable
- c) Land
- d) Prepaid expenses

## Answer: c) Land

## 8. What is the purpose of a trial balance?

- a) To ensure that the total debits equal the total credits
- b) To prepare financial statements
- c) To record adjusting entries
- d) To calculate the net income of a company

## Answer: a) To ensure that the total debits equal the total credits

## 9. What is the purpose of adjusting entries?

- a) To record transactions in the general ledger
- b) To calculate the net income of a company
- c) To bring accounts up to date and match revenues and expenses
- d) To close temporary accounts at the end of the accounting period

## Answer: c) To bring accounts up to date and match revenues and expenses

## 10. What is the purpose of a general journal?

- a) To record transactions in the general ledger
- b) To prepare financial statements
- c) To record adjusting entries
- d) To calculate the net income of a company

Answer: a) To record transactions in the general ledger

# **Lec 44 - Tools of the Accounting Trade**

## 1. Which software is commonly used in accounting?

- a) Photoshop
- b) QuickBooks
- c) Adobe Premiere
- d) Microsoft Word

Answer: b) QuickBooks

## 2. Which spreadsheet program is commonly used in accounting?

- a) Google Sheets
- b) Microsoft PowerPoint
- c) Microsoft Excel
- d) Apple Numbers

Answer: c) Microsoft Excel

## 3. Which of the following is a tool used for electronic payments in accounting?

- a) Venmo
- b) PayPal
- c) Cash App
- d) All of the above

Answer: d) All of the above

#### 4. Which reference material is commonly used by accountants?

- a) Cookbooks
- b) Tax guides
- c) Fiction novels
- d) Biographies

Answer: b) Tax guides

## 5. Which tool is used for managing documents in accounting?

- a) Adobe Acrobat
- b) Photoshop
- c) Microsoft Excel
- d) Document management system

Answer: d) Document management system

# 6. Which financial calculator is commonly used in accounting?

- a) Casio
- b) HP
- c) Texas Instruments
- d) All of the above

Answer: d) All of the above

#### 7. Which tool is used for creating financial statements in accounting?

- a) Microsoft PowerPoint
- b) Adobe Photoshop
- c) Microsoft Excel
- d) Financial reporting software

Answer: d) Financial reporting software

# 8. Which software is commonly used for payroll management in accounting?

- a) Xero
- b) QuickBooks
- c) ADP
- d) Sage

Answer: c) ADP

# 9. Which tool is used for managing inventory in accounting?

- a) Barcode scanner
- b) Microsoft Excel
- c) Financial reporting software
- d) Document management system

Answer: a) Barcode scanner

## 10. Which tool is used for calculating taxes in accounting?

- a) Tax calculator
- b) Tax guide
- c) Tax software
- d) Financial reporting software

Answer: c) Tax software

# Lec 45 - Financial Management

## 1. Which of the following is not a primary objective of financial management?

- a) Maximizing shareholder wealth
- b) Maximizing profits
- c) Minimizing risk
- d) Maximizing market share

Answer: d) Maximizing market share

## 2. The net present value (NPV) method is used to:

- a) Evaluate the profitability of a project
- b) Determine the payback period of a project
- c) Calculate the internal rate of return of a project
- d) None of the above

Answer: a) Evaluate the profitability of a project

## 3. The capital asset pricing model (CAPM) is used to calculate:

- a) The cost of debt
- b) The cost of equity
- c) The weighted average cost of capital (WACC)
- d) None of the above

Answer: b) The cost of equity

## 4. A company's current ratio is calculated by dividing its current assets by its:

- a) Total assets
- b) Long-term liabilities
- c) Current liabilities
- d) Shareholders' equity

Answer: c) Current liabilities

## 5. The time value of money refers to:

- a) The idea that money today is worth more than the same amount of money in the future
- b) The idea that money today is worth less than the same amount of money in the future
- c) The idea that money has the same value regardless of when it is received
- d) None of the above

Answer: a) The idea that money today is worth more than the same amount of money in the future

#### 6. The debt-to-equity ratio is calculated by dividing a company's total liabilities by its:

- a) Total assets
- b) Shareholders' equity
- c) Net income
- d) Gross profit

Answer: b) Shareholders' equity

## 7. The quick ratio is a measure of a company's:

- a) Liquidity
- b) Solvency
- c) Profitability
- d) Efficiency

Answer: a) Liquidity

## 8. The goal of financial leverage is to:

- a) Increase a company's profitability
- b) Reduce a company's risk
- c) Maximize a company's market share
- d) Increase a company's return on investment (ROI)

Answer: d) Increase a company's return on investment (ROI)

## 9. The internal rate of return (IRR) is the discount rate that makes the:

- a) NPV of a project positive
- b) NPV of a project negative
- c) Payback period of a project equal to its useful life
- d) None of the above

Answer: a) NPV of a project positive

## 10. A company's cash flow statement shows:

- a) Its revenue and expenses over a period of time
- b) Its assets, liabilities, and equity at a specific point in time
- c) Its cash inflows and outflows over a period of time
- d) None of the above

Answer: c) Its cash inflows and outflows over a period of time