

AMA

Exam PCM

Professional Certified Marketer

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[Total Questions: 316]

Question No : 1

The management team at Green Meadows Inc. is debating expanding its corporate social responsibility (CSR) budget for the year. Greg is against the proposal, saying that the expenditure on CSR activities does not profit the firm in any way. In his opinion, the money could be better invested in other activities, especially as the market is seeing some volatility. Paolo, however, says that investing in CSR will benefit the firm's reputation in its target market in the long run. Which of the following, if true, weakens Greg's argument?

- A.** The firm has an assured customer base for its products as it is the only supplier in the market.
- B.** The country in which Green Meadows operates has recently introduced stricter regulations about the import of raw materials.
- C.** The firm has many competitors who sell similar products at similar prices.
- D.** The firm's B2B division is much larger and more profitable than its B2C division.
- E.** Most of the firm's customers are long-time customers who have been loyal to the firm for many years.

Answer: C

Question No : 2

In which of the following cases is a company changing its business strategy in response to a strength identified in a SWOT analysis?

- A.** When it realized that its products were inferior in quality to competitors' products, KPR Inc. instituted a revamp of its production processes.
- B.** YellowBerry Inc. identified market demand for powdered energy drinks, and began producing powdered drinks to cater to this demand.
- C.** When a survey revealed that customers thought its products were safe and durable, Masada Motors began stressing that aspect in its advertisements.
- D.** Chocobella Inc. introduced a line of unsweetened chocolates when a competitor's unsweetened chocolate saw increasing demand.
- E.** When new competitors entered its market, Widdershins Inc. had to increase its advertising and marketing efforts to maintain its market share.

Answer: C

Question No : 3

In _____ companies initially develop products for niche or underdeveloped markets, and then expand them into their original or home markets.

- A. glocalization
- B. reverse innovation
- C. homogenization
- D. localization
- E. inverse creation

Answer: B

Question No : 4

Dento Inc., a manufacturer of dental care products, faced a social media uproar when rumors spread that it was using ingredients from animal sources to create its products. The labels as such carried no evidence of this and this discovery was brought about by an independent researcher. The company's CEO and senior management did not know about these ingredients. Internal research revealed that containers used to hold Dento's products, produced by a vendor, used products derived from animal fat in the manufacturing process, but the product itself did not contain any fat. What should Dento do to prove that it is ethical?

- A. Release a statement to the press explaining that it is not responsible for the manufacturing processes of its suppliers.
- B. Refute the independent researcher's claims by filing a defamation suit.
- C. Invest in a program that aims to spread dental hygiene awareness.
- D. Inform its consumers of the situation and implement measures to ensure animal-fat-free packaging and products.
- E. Penalize the vendor by not paying for the next order of packaging materials.

Answer: D

Question No : 5

Sophia, a market researcher at Contell Foods, is tasked with assessing the particular food tastes of the Hispanic population in the United States. Previously conducted surveys reveal that the company has failed to tap into the market for processed foods with respect to Hispanic Americans. As a part of Sophia's task, she is required to stay with 50 Hispanic American families and white American families over a period of 6 months and understand the difference in the food tastes, the cooking methods used, and the family culture

prevalent in these families. Sophia is conducting _____ research.

- A. content analysis
- B. focus group
- C. quantitative
- D. mixed
- E. ethnographic

Answer: E

Question No : 6

In the typical communication process, the message originates from the _____.

- A. receiver
- B. transmitter
- C. sender
- D. creator
- E. decoder

Answer: C

Question No : 7

Which of the following is most likely to be considered a convenience product?

- A. A lamp
- B. A haircut
- C. Running shoes
- D. A can of soda
- E. Concert tickets purchased online

Answer: D

Question No : 8

_____ survey type has questions that are open ended and allow respondents to answer in

their own words.

- A. Structured
- B. In-depth
- C. Focus
- D. Unstructured
- E. Panel

Answer: D

Question No : 9

When conducting a SWOT analysis, opportunities and threats are likely to arise from:

- A. assets and financial performance.
- B. key personnel.
- C. changes in consumer preferences.
- D. the company's core competencies.
- E. the location of the company.

Answer: C

Question No : 10

In the marketing communication process, the sender works with a creative department, either an in-house marketing department or an external agency, who receives the information and transforms it for use. Here, the creative department is the _____.

- A. encoder
- B. decoder
- C. transmitter
- D. channel
- E. receiver

Answer: C

Question No : 11

What do retail outlets hope to achieve from using promotions in conjunction with markdowns?

- A. Bulk purchase of products, which reduces brand switching and, in turn, increased consumption
- B. Increased loyalty of customers based on discounts tailored to suit individual customers
- C. An increase in store traffic that leads to the purchase of non-promotional products at regular prices
- D. Increased savings for customers and increased profits, without actually cutting prices
- E. Selling off less desirable products by including them in a package with more desirable products

Answer: C

Question No : 12

Aaron Ulm and Edyth Mcgann are marketing analysts at Cara Cobey Fashion House, an online retailer that only sells private brands. Cara Cobey made a profit of \$145,000 the previous year and \$180,000 the year before. The loss in profit of almost 20% prompts Cara to hire Aaron and Edyth. Aaron and Edyth figure out that the drop in sales corresponds to a 15% drop in the number of visitors to the site. On their advice, Cara invests \$10,000 in revamping the website to enable potential customers find it easily using Internet searches. At the end of the year, Cara reports a profit of \$175,000. What is the ROI in this scenario?

- A. 100%
- B. 150%
- C. 200%
- D. 250%
- E. 300%

Answer: E

Question No : 13

The person who controls information or access, or both, to decision makers and influencers is known as the _____

- A. buyer
- B. decider

- C. gatekeeper
- D. initiator
- E. user

Answer: C

Question No : 14

Which of the following is the first step in planning and executing an advertising campaign?

- A. Creating advertisement
- B. Conveying the message
- C. Evaluating and selecting media
- D. Determine the budget
- E. Identifying the target audience

Answer: E

Question No : 15

The level of difficulty a manufacturer experiences in getting retailers to purchase its products is determined by:

- A. the degree to which the channel is vertically integrated.
- B. the degree to which the channel is diagonally integrated.
- C. the degree to which the channel is horizontally integrated.
- D. the number of retailers located in a specific geographic region.
- E. the number of competitors in the market.

Answer: A

Question No : 16

_____ represent the collective conception of what communities find desirable, important and morally proper.

- A. Norms

- B. Values
- C. Morals
- D. Character traits
- E. Organizational cultures

Answer: B

Question No : 17

Carnival Cruise Lines increased the price of its seven-day cruise package by 20 percent recently. If demand for its cruises is negatively elastic, which of the following is the likely outcome of the increase in price?

- A. The company will see an increase in customer bookings.
- B. The company's profit will decrease though its revenue will increase.
- C. The company will see a decrease in total revenue.
- D. There will be no change in the number of cruises booked.
- E. The company's total revenue will increase.

Answer: C

Question No : 18

Which of the following statements is most characteristic of a firm that has a relational orientation?

- A. Improving sales techniques is the key to marketing success.
- B. A firm's success depends on producing goods as quickly as possible.
- C. Firms should focus on the value of each customer transaction rather than long-term sales.
- D. Marketers should focus on producing products and then creating customer needs for the products.
- E. Marketing success depends on building lifetime profitability from customers.

Answer: E

Question No : 19

Quano Inc. decides to produce a 3D-display phone, Chel, which is a much-anticipated release. Most buyers are disappointed within a week because of heating issues. Quano announces immediately that it would replace the defective phones with a rectified model. The new Chel arrives two months later and has a few issues that are taken care of by a software upgrade. This prompts a flood of sales. After six months, Quano releases a new 3D-phone and drops the prices of Chel by over 40%. Jason who has been waiting for this opportunity buys a Chel immediately. In this scenario, Jason is one among the _____.

- A. early adopters
- B. innovators
- C. early majority
- D. late majority
- E. laggards

Answer: D

Question No : 20

Filz, a consumer electronics manufacturer, wants to produce a new line of eco-friendly ACs to tap into the segment of customers who make environmentally conscious decisions. It asks the R&D team to come up with a suitable technology to facilitate the production of eco-friendly ACs. Which of the following stages of product development has been exemplified in this scenario?

- A. Evaluation of results
- B. Idea generation
- C. Product development
- D. Market testing
- E. Concept testing

Answer: B

Question No : 21

Calculate the market growth rate of a product in a year if it sold 120,000 units in the first quarter of the year and 200,000 units in the last quarter of the year.

- A. 12.14%
- B. 66.66%

- C. 72.42%
- D. 78.33%
- E. 89.91%

Answer: B

Question No : 22

Jim was born after World War II in the year 1949 in the U.S. If most of his friends were born between 1957 and 1950, Jim and his friends would be considered part of _____.

- A. cohorts
- B. Generation Xers.
- C. baby boomers
- D. Generation Yers
- E. Generation Zers

Answer: C

Question No : 23

Which of the following is likely to lead to less conflict in a vertical marketing system?

- A. Increasing the number of channel members
- B. Increasing flexibility and informality within the system
- C. Requiring each member to act in its own interest
- D. Increasing the degree of formalization
- E. Implementing an independent marketing channel

Answer: D

Question No : 24

Mars Corp., a New York-based soft drink manufacturer, decides to expand its operations to London and Delhi. However, the company decides to sell its existing soft drinks with the same packaging and flavors in these markets. In this scenario, the company is using a _____ strategy.