InstantCert
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Free Principles of Marketing CLEP Practice Test

10 questions from InstantCert's 336-card Principles of Marketing study guide

How to use this PDF

Each of these questions is a sentence with one blank and four choices. Pick the best fit, mark it, and keep going. The answer key with explanations starts after question 10, so do all 10 before you look. No timer. On the real exam you get 54 seconds per question, so if you want a challenge, give yourself 9 minutes for the set.

What your score means

0 to 4 correct

The Marketing CLEP runs on vocabulary, and a score in this range usually means the textbook terms are not there yet. Ten questions is a sample, not a diagnosis. Take Round 2 on the page linked at the end before you decide how much work is ahead of you.

5 to 7 correct

Right in the middle. Close enough to the line to be worth studying for, and not close enough to walk in cold on an exam that about 1 in 5 civilian test takers and nearly half of military test takers do not pass. Take Round 2 and see if the number holds.

8 to 10 correct

You know the pricing, product life cycle, promotion, and distribution terms in this set. Keep in mind that ten questions with no clock is a sample, and the real exam is 100 questions at 54 seconds each. Take Round 2, then read the explanation on anything you missed.

Questions

QUESTION 1 OF 10 | MARKETING MIX

The _____ is a pricing strategy which involves selling products/services at a price that will generate little or no profit and in some cases not even cover all associated costs.

A. Break Even
B. Loss Leader
C. Price Penetration
D. Skimming

QUESTION 2 OF 10 | TARGET MARKETING

When performing market segmentation, using one segmentation variable, or base, is usually not very _____. Segmenting using one variable is known as Single-variable Segmentation.

A. practical
B. basic
C. measurable
D. meaningful

QUESTION 3 OF 10 | TARGET MARKETING

_____ dissonance are the doubts that occur because the buyer questions whether the right decision was made in purchasing the product.

A. Cognitive
B. Purchase
C. Personality
D. Evaluation

QUESTION 4 OF 10 | MARKETING MIX

Calculate the markup as a percentage of the cost when the product cost is $40 and the selling price is $60. The _____ would be 50%.

A. price
B. profit
C. markup
D. cost

QUESTION 5 OF 10 | MARKETING MIX

The _____ process concerns the progression through which an innovation travels through the social system.

A. adoption
B. acceptance
C. social
D. diffusion

QUESTION 6 OF 10 | MARKETING MIX

During the _____ stage of the Product Life Cycle, sales peak and begin to decline and profits continue to decline.

A. maturity
B. introduction
C. growth
D. decline

QUESTION 7 OF 10 | MARKETING MIX

If a company doubles the _____ of its product, and it barely affects its number of sales, then demand for its product is said to be inelastic.

A. marketing
B. price
C. sales
D. benefits

QUESTION 8 OF 10 | MARKETING MIX

A _____ policy of product promotion is where the producer promotes directly to consumers with the intention of developing a strong consumer demand for the products.

A. Push
B. Direct
C. Channel
D. Pull

QUESTION 9 OF 10 | MARKETING MIX

_____ are Limited Service Merchant Wholesalers who take title to goods and negotiate sales, but never take actual possession of products.

A. Drop Shippers
B. Rack Jobbers
C. Limited-Line Wholesalers
D. Mail-Order Wholesalers

QUESTION 10 OF 10 | MARKETING MIX

_____ is the element in the Selling Process where the salesperson asks the prospect to buy the product.

A. Closing
B. Follow-Up
C. Prospecting
D. Approach

Answer Key

1. B Loss Leader

The Loss Leader pricing strategy often involves selling at below cost. The idea is to attract customers to the business via a bargain who may then purchase other products/services. Selling other items that generate high profits makes up for the Loss Leader pricing.

2. D meaningful

Single-variable segmentation is rarely useful, because in most cases, the resulting market segment is too broad and is not going to be homogeneous. For example, using just one variable such as gender, to split up the total toy market is too broad--toys that appeal to toddlers will not appeal to teens--the market segment is still too diverse to be considered a target market.

3. A Cognitive

Cognitive dissonance often occurs shortly after the purchase of an expensive product. The buyer continues to evaluate alternatives after making the purchase, and remains uncertain and less than fully satisfied about his decision.

4. C markup

The answer is 50%. Take the markup (60 - 40 = 20) and divide it by the cost (20 / 40). You divide it by the cost because you are calculating markup as a percentage of the cost. If you divide it by the selling price (20 / 60) you get 33.3%, so when the markup based on cost is 50%, the markup based on price is 33.3%.

5. D diffusion

Whereas the diffusion process tracks an innovation as it spreads throughout a social system, the adoption process is concerned with the individual's decision making process.

6. A maturity

The Maturity stage is marked by a peaking of sales and then a decline. The difference between maturity and growth stages is that in the growth stage, profits peak and begin to decline as more money is spent due to heavier competition, while in the maturity stage, sales peak and begin to decline.

7. B price

Demand for this company's product is inelastic. On the other hand, if there was a significant drop in sales, then demand would be elastic. When demand is elastic, a small change in price can mean a noticeable change in sales.

8. D Pull

A Pull policy is intended to "pull" the goods down through the channel by creating demand at the consumer level. The consumers want to get the products at retail stores, so retail stores go to the wholesalers, who in turn go to the producers to buy the product. This is in contrast to the producer "pushing" the product down the channel.

9. A Drop Shippers

Drop shippers, sometimes called Desk Jobbers, forward orders to manufacturers and then arrange for shipments of items to be delivered directly from producers to customers.

10. A Closing

Closing the Sale, often simply called "Closing." If unsure if it's time to close the deal, a salesperson will often try a trial close, which involves asking questions that assume the prospect will buy the product. For example, asking about financial terms, delivery arrangements, etc., allow the prospect to indicate indirectly that he is ready to buy the product.

Want 10 more? Take Round 2 online

Round 2 is 10 more questions from the same 336 cards. It covers pricing a brand-new product, what a price change does to total revenue, the product life cycle, how retail stores change over time, and how salespeople get paid. Take Round 1 on the page below, enter your email on the score screen, and the Round 2 link follows.

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The full Principles of Marketing study guide

336 Principles of Marketing flashcards, each one with an explanation of why the answer is right, plus 3 full-length timed practice tests in software built to feel like the real CLEP screen, plus the Specific Exam Feedback forum on DegreeForum.net, where members post what was on their exam. $20/month, cancel anytime. 30-day money-back guarantee. 97% of InstantCert students who reported a Principles of Marketing score passed (1,288 of 1,332), against a civilian pass rate of 79% and a military pass rate of 55%.

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