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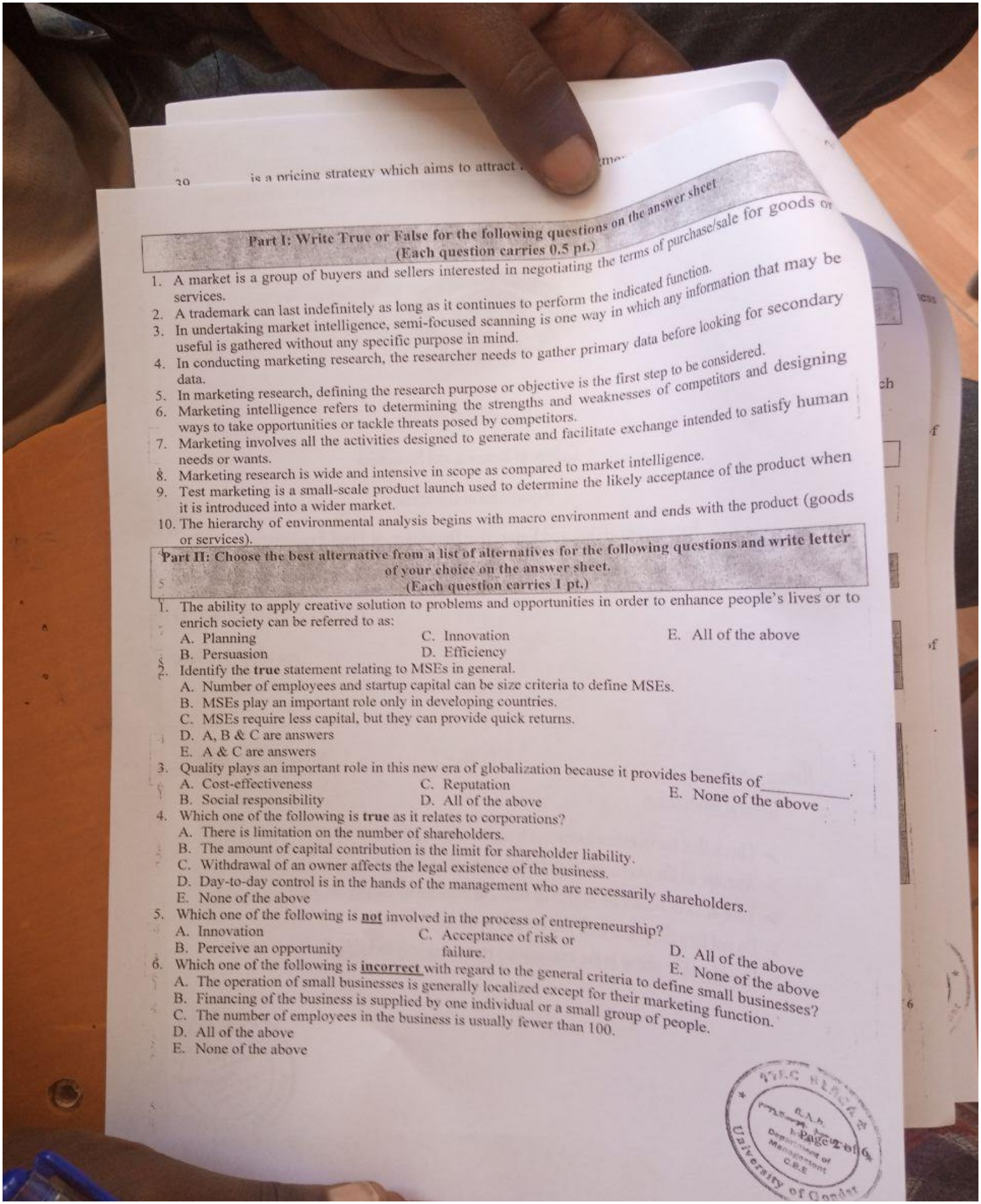

20 is a pricing strategy which aims to attract

Part I: Write True or False for the following questions on the answer sheet (Each question carries 0.5 pt.)

1. A market is a group of buyers and sellers interested in negotiating the terms of purchase/sale for goods or services.
2. A trademark can last indefinitely as long as it continues to perform the indicated function.
3. In undertaking market intelligence, semi-focused scanning is one way in which any information that may be useful is gathered without any specific purpose in mind.
4. In conducting marketing research, the researcher needs to gather primary data before looking for secondary data.
5. In marketing research, defining the research purpose or objective is the first step to be considered.
6. Marketing intelligence refers to determining the strengths and weaknesses of competitors and designing ways to take opportunities or tackle threats posed by competitors.
7. Marketing involves all the activities designed to generate and facilitate exchange intended to satisfy human needs or wants.
8. Marketing research is wide and intensive in scope as compared to market intelligence.
9. Test marketing is a small-scale product launch used to determine the likely acceptance of the product when it is introduced into a wider market.
10. The hierarchy of environmental analysis begins with macro environment and ends with the product (goods or services).

Part II: Choose the best alternative from a list of alternatives for the following questions and write letter of your choice on the answer sheet. (Each question carries 1 pt.)

1. The ability to apply creative solution to problems and opportunities in order to enhance people's lives or to enrich society can be referred to as:
   A. Planning C. Innovation E. All of the above
   B. Persuasion D. Efficiency
2. Identify the **true** statement relating to MSEs in general.
   A. Number of employees and startup capital can be size criteria to define MSEs.
   B. MSEs play an important role only in developing countries.
   C. MSEs require less capital, but they can provide quick returns.
   D. A, B & C are answers
   E. A & C are answers
3. Quality plays an important role in this new era of globalization because it provides benefits of _____.
   A. Cost-effectiveness C. Reputation E. None of the above
   B. Social responsibility D. All of the above
4. Which one of the following is **true** as it relates to corporations?
   A. There is limitation on the number of shareholders.
   B. The amount of capital contribution is the limit for shareholder liability.
   C. Withdrawal of an owner affects the legal existence of the business.
   D. Day-to-day control is in the hands of the management who are necessarily shareholders.
   E. None of the above
5. Which one of the following is **not** involved in the process of entrepreneurship?
   A. Innovation C. Acceptance of risk or failure. D. All of the above
   B. Perceive an opportunity E. None of the above
6. Which one of the following is **incorrect** with regard to the general criteria to define small businesses?
   A. The operation of small businesses is generally localized except for their marketing function.
   B. Financing of the business is supplied by one individual or a small group of people.
   C. The number of employees in the business is usually fewer than 100.
   D. All of the above
   E. None of the above

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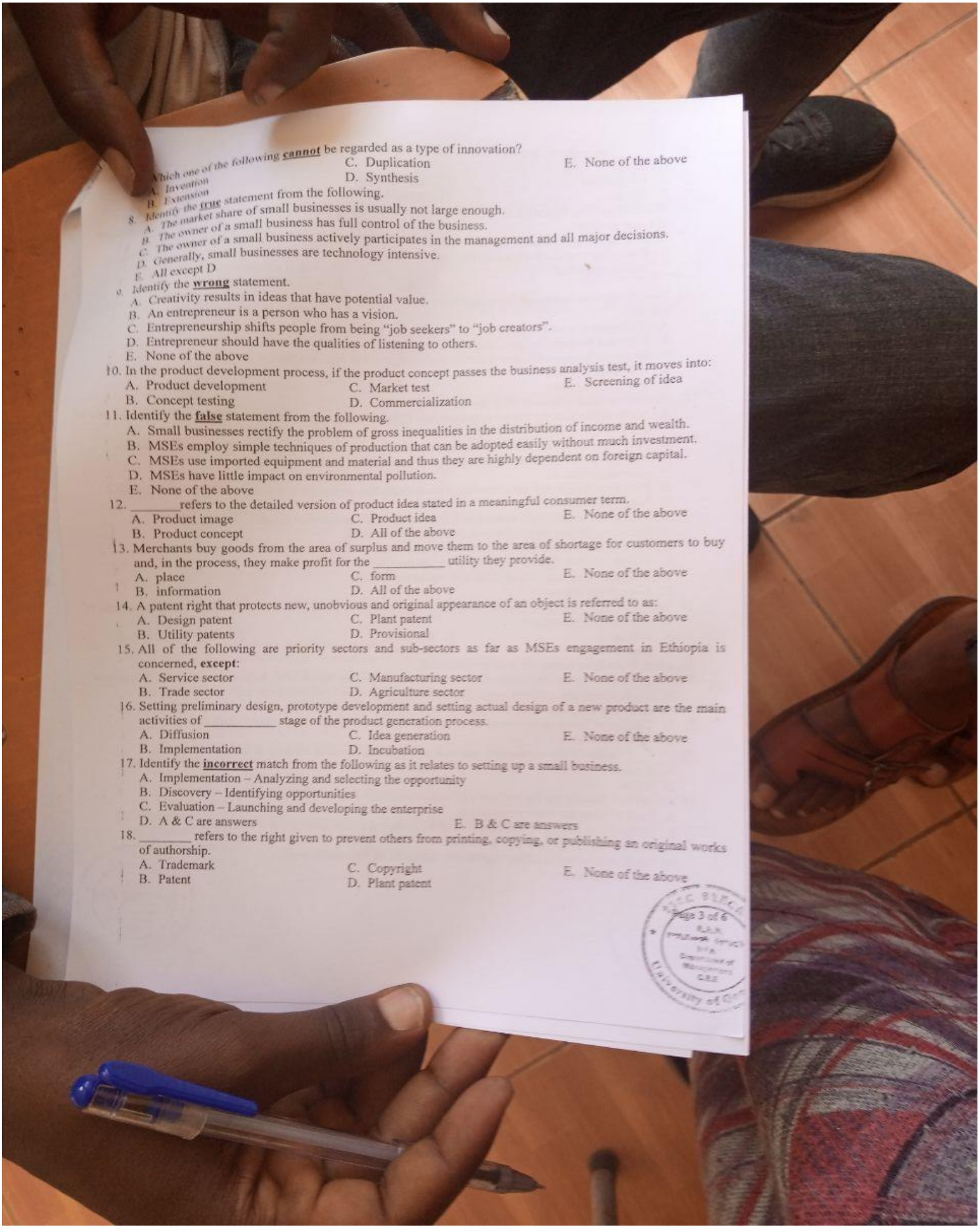

Which one of the following **cannot** be regarded as a type of innovation?
A. Invention
B. Extension
C. Duplication
D. Synthesis
E. None of the above

8. Identify the **true** statement from the following.
A. The market share of small businesses is usually not large enough.
B. The owner of a small business has full control of the business.
C. The owner of a small business actively participates in the management and all major decisions.
D. Generally, small businesses are technology intensive.
E. All except D

9. Identify the **wrong** statement.
A. Creativity results in ideas that have potential value.
B. An entrepreneur is a person who has a vision.
C. Entrepreneurship shifts people from being "job seekers" to "job creators".
D. Entrepreneur should have the qualities of listening to others.
E. None of the above

10. In the product development process, if the product concept passes the business analysis test, it moves into:
A. Product development
B. Concept testing
C. Market test
D. Commercialization
E. Screening of idea

11. Identify the **false** statement from the following.
A. Small businesses rectify the problem of gross inequalities in the distribution of income and wealth.
B. MSEs employ simple techniques of production that can be adopted easily without much investment.
C. MSEs use imported equipment and material and thus they are highly dependent on foreign capital.
D. MSEs have little impact on environmental pollution.
E. None of the above

12. _____refers to the detailed version of product idea stated in a meaningful consumer term.
A. Product image
B. Product concept
C. Product idea
D. All of the above
E. None of the above

13. Merchants buy goods from the area of surplus and move them to the area of shortage for customers to buy and, in the process, they make profit for the _____ utility they provide.
A. place
B. information
C. form
D. All of the above
E. None of the above

14. A patent right that protects new, unobvious and original appearance of an object is referred to as:
A. Design patent
B. Utility patents
C. Plant patent
D. Provisional
E. None of the above

15. All of the following are priority sectors and sub-sectors as far as MSEs engagement in Ethiopia is concerned, **except**:
A. Service sector
B. Trade sector
C. Manufacturing sector
D. Agriculture sector
E. None of the above

16. Setting preliminary design, prototype development and setting actual design of a new product are the main activities of _____ stage of the product generation process.
A. Diffusion
B. Implementation
C. Idea generation
D. Incubation
E. None of the above

17. Identify the **incorrect** match from the following as it relates to setting up a small business.
A. Implementation – Analyzing and selecting the opportunity
B. Discovery – Identifying opportunities
C. Evaluation – Launching and developing the enterprise
D. A & C are answers
E. B & C are answers

18. _____ refers to the right given to prevent others from printing, copying, or publishing an original works of authorship.
A. Trademark
B. Patent
C. Copyright
D. Plant patent
E. None of the above

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19. _____ are negative external forces that hinder an entrepreneur to accomplish his/he[r] objectives.
A. Weaknesses
B. Threats
C. Opportunities
D. Strengths
E. All of the above

20. Which one of the following is a disadvantage in adopting a "first entry strategy" during commercialization of a new product?
A. Bearing the cost of educating the market.
B. Possibility to make fault which the late entrant can avoid.
C. Locking up key distributors and gaining reputation.
D. A & B are answers
E. A, B & C are answers

21. Identify the **true** statement from the following relating to the concept of business termination and business failure.
A. If a business is sold to purse a new one, it is said to be terminated.
B. Closing a business due to a financial loss to a creditor is said to be a business failure.
C. Moving a business to a new location can be regarded as business failure.
D. A & B are answers.
E. B & C are answers.

22. Identify the **false** statement from the following.
A. A patent provides the owner with exclusive rights to hold, transfer and license the production and sale of a product.
B. Processes, machines, manufactures and composition of matter are properties that can be patented.
C. A design patent protects any new invention or functional improvements on existing inventions.
D. Patent can be granted for a number of years depending on the country's laws and type of property.
E. None of the above

23. Which one of the following **cannot** be a mistake that leads to business failure?
A. Providing little or no emphasis on planning for the future.
B. Lack of understanding of the commitment and hard work needed to achieve success in business.
C. Failure to either hire new employees or use existing employees effectively.
D. Inaccurate estimate of cash flow and capital requirement.
E. None of the above

24. The _____ concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization's products.
A. selling
B. production
C. marketing
D. Product
E. None of the above

25. Identify the **false** statement from the following.
A. There is no doubt that there exists a symbiotic relationship between big businesses and small businesses.
B. Small businesses perform more efficiently than large ones in several areas such as distribution.
C. Knowing the purpose for being in business can have a positive impact on business success.
D. Conducive business environment contributes to the emergence of successful small enterprises.
E. None of the above

26. _____ refers to the consumers' estimate of the products overall capacity to satisfy their needs.
A. Product
B. Value
C. Market
D. Cost
E. None of the above

27. All of the following are the problems of small-scale businesses in Ethiopia, **except:**
A. Lack of adequate finance and credit.
B. Difficulty in getting raw materials of good quality at a reasonable price.
C. Use of outdated production techniques.
D. Small enterprises in Ethiopia generally appear to be financially weak.
E. None of the above

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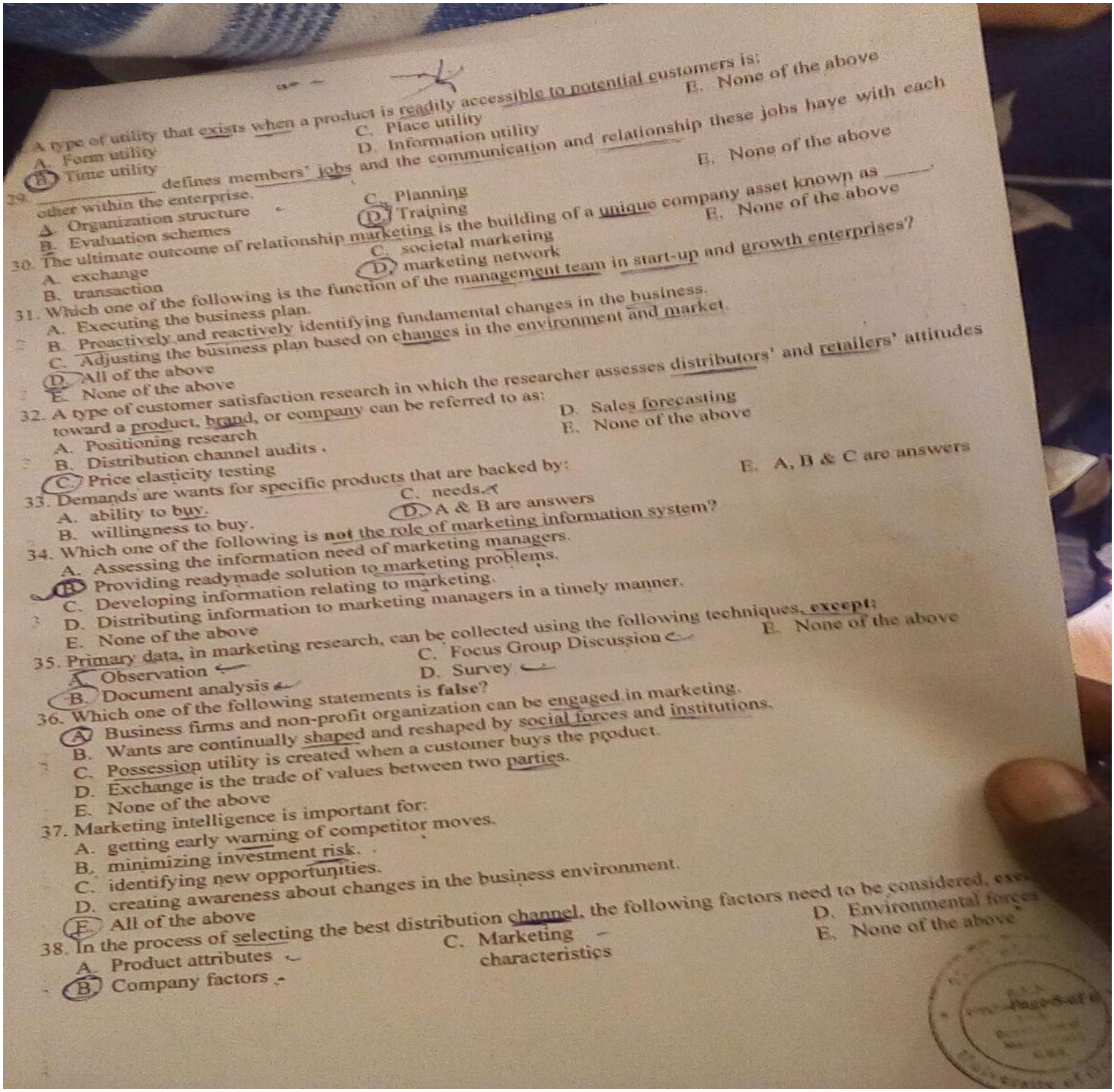

A type of utility that exists when a product is readily accessible to potential customers is:
A. Form utility
B. Time utility
C. Place utility
D. Information utility
E. None of the above

29. _____ defines members' jobs and the communication and relationship these jobs have with each other within the enterprise.
A. Organization structure
B. Evaluation schemes
C. Planning
D. Training
E. None of the above

30. The ultimate outcome of relationship marketing is the building of a unique company asset known as _____.
A. exchange
B. transaction
C. societal marketing
D. marketing network
E. None of the above

31. Which one of the following is the function of the management team in start-up and growth enterprises?
A. Executing the business plan.
B. Proactively and reactively identifying fundamental changes in the business.
C. Adjusting the business plan based on changes in the environment and market.
D. All of the above
E. None of the above

32. A type of customer satisfaction research in which the researcher assesses distributors' and retailers' attitudes toward a product, brand, or company can be referred to as:
A. Positioning research
B. Distribution channel audits
C. Price elasticity testing
D. Sales forecasting
E. None of the above

33. Demands are wants for specific products that are backed by:
A. ability to buy.
B. willingness to buy.
C. needs.
D. A & B are answers
E. A, B & C are answers

34. Which one of the following is **not** the role of marketing information system?
A. Assessing the information need of marketing managers.
B. Providing readymade solution to marketing problems.
C. Developing information relating to marketing.
D. Distributing information to marketing managers in a timely manner.
E. None of the above

35. Primary data, in marketing research, can be collected using the following techniques, **except:**
A. Observation
B. Document analysis
C. Focus Group Discussion
D. Survey
E. None of the above

36. Which one of the following statements is **false**?
A. Business firms and non-profit organization can be engaged in marketing.
B. Wants are continually shaped and reshaped by social forces and institutions.
C. Possession utility is created when a customer buys the product.
D. Exchange is the trade of values between two parties.
E. None of the above

37. Marketing intelligence is important for:
A. getting early warning of competitor moves.
B. minimizing investment risk.
C. identifying new opportunities.
D. creating awareness about changes in the business environment.
E. All of the above

38. In the process of selecting the best distribution channel, the following factors need to be considered, ex
A. Product attributes
B. Company factors
C. Marketing characteristics
D. Environmental forces
E. None of the above

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