AMA PCM Practice Questions

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Question 1

Question Type: MultipleChoice

Recency, frequency, monetary (RFM) analysis is based on the concept that

Options:

A- most consumers follow the standard AIDA process when viewing an ad.
B- the best predictor of future behavior is past and present behavior.
C- demographics are the basis of all good market research data.
D- the best customers for a product are the existing customers.

Answer:

B

Question 2

Question Type: MultipleChoice

Donner Inc. manufactures a new vacuum cleaner that it claims can actively disinfect areas from bacteria and viruses, along with dust and dust mites. Whitwell Technologies, Donner's competitor, is fascinated with the idea but does not want to license technology from Donner Inc. Instead, the R&D team at Whitwell take apart Donner's vacuum cleaner to understand how it works. Whitwell improves on the technology and manufactures a vacuum cleaner that it claims to be better at disinfecting areas from bacteria and viruses than other competitors. Which of the following is illustrated in the scenario?

Options:

A- Reverse engineering
B- R&D Consortia
C- Licensing
D- Brainstorming
E- Outsourcing

Answer:

A

Question 3

Question Type: MultipleChoice

Which of the following combinations is used to determine the equity of a brand?

Options:

A- Brand awareness, perceived value, brand associations, and brand loyalty
B- Brand extension, depth, breadth, and product mix
C- Co-branding, customer value, and product line
D- Brand dilution, marketing strategy, labeling strategy, and branding strategy
E- Brand association, packaging, line extension, and associated services

Answer:

A

Question 4

Question Type: MultipleChoice

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

Options:

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 5

Question Type: MultipleChoice

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.

Options:

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

Answer:

E

Question 6

Question Type: MultipleChoice

_____ is a theory that states that if the exchange rates of two countries are in equilibrium, a product purchased in one will cost the same in the other, if expressed in the same currency.

Options:

A- Subsistence theory
B- Samuelson effect theory
C- Purchasing power parity theory
D- Penn effect theory
E- Trade parity theory

Answer:

C

Question 7

Question Type: MultipleChoice

Kreme, a biscuit manufacturer, offers retailers a 20% discount on its latest product, Coco-Bite. The discount offer comes with a rider that retailers have to feature the product in their promotional material. Kreme is offering a(n) _____ to its retailers.

Options:

A- slotting allowance
B- cash discount
C- seasonal discount
D- advertising allowance
E- cumulative quantity discount

Answer:

D

Question 8

Question Type: MultipleChoice

PlayBall, a manufacturer of gaming consoles, announces the release of its new device. Karen, wanting to be one of the first to own the new gaming console, stands in a queue for over five hours on the day of its release. Even though disappointed that the product sold out before her turn arrived, Karen returned at 2 A.M the next day and was the first person in line. In this scenario, Karen is one among the _____.

Options:

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

Answer:

B

Question 9

Question Type: MultipleChoice

What does the break-even point refer to in a break-even analysis?

Options:

A- It refers to the number of product units sold at which point both loss and profit are zero.
B- It refers to the point at which the fixed costs curve intersects the variable costs curve.
C- It refers to the required number of products that should sell for the profit to equal the fixed costs.
D- It refers to the point at which the variable costs start increasing over fixed costs.
E- It refers to the point at which the total costs are equal to the profit generated.

Answer:

A

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