**CHAPTER 2: MASTER TEST BANK**

**DEVELOPING SUCCESSFUL ORGANIZATIONAL AND MARKETING STRATEGIES**

**Test Item Table by Major Section of the Chapter and Bloom’s Level of Learning**

|  |  |  |  |
| --- | --- | --- | --- |
| **Major Section of the Chapter** | **Bloom’s Level of Learning (LL)** | | |
| **Level 1**  **Knowledge (Knows Basic Terms & Facts)** | **Level 2**  **Comprehension (Understands Concepts & Principles)** | **Level 3**  **Application (Applies Principles)** |
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NOTE: **Bold** numbers indicate short essay questions. Underlined numbers indicate visually enhanced questions.

**CHAPTER 2: MASTER TEST BANK**

**DEVELOPING SUCCESSFUL ORGANIZATIONAL AND MARKETING STRATEGIES**

**Test Item Table by Learning Objective and Bloom’s Level of Learning**

|  |  |  |  |
| --- | --- | --- | --- |
| **Learning Objective**  **(LO)** | **Bloom’s Level of Learning (LL)** | | |
| **Level 1**  **Knowledge (Knows Basic Terms & Facts)** | **Level 2**  **Comprehension (Understands Concepts & Principles)** | **Level 3**  **Application (Applies Principles)** |
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**CHAPTER 2: MASTER TEST BANK**

**DEVELOPING SUCCESSFUL ORGANIZATIONAL AND MARKETING STRATEGIES**

**MULTIPLE CHOICE QUESTIONS**

**2-1 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

Ben & Jerry’s is founded on and dedicated to a sustainable corporate concept of linked prosperity. Its mission consists of three interrelated parts: Ben & Jerry’s product mission is to make, distribute, and sell the finest quality all natural ice cream and euphoric concoctions with

a. milk obtained exclusively from large nationally certified dairies that use bovine growth hormone.

b. the intent of making modest profits without sacrificing high product quality standards.

c. ingredients that are all completely organic and are available only in Vermont to ensure freshness and contribute to the local economy.

d. a commitment to incorporating wholesome, natural ingredients and promoting business practices that respect the earth and the environment.

e. ingredients that come exclusively from developed countries promoting Fair Trade practices.

**Answer:** d **Page(s):** 24-25 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Ben & Jerry’s product mission is to make, distribute, and sell the finest quality all natural ice cream and euphoric concoctions with a continued commitment to incorporating wholesome, natural ingredients and promoting business practices that respect the Earth and the Environment.

**2-2 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

Ben & Jerry’s is founded on and dedicated to a sustainable corporate concept of linked prosperity. Its mission consists of three interrelated parts: Ben & Jerry’s social mission is to operate the company in a way that actively recognizes the central role that business plays in society by

a. promoting the quality concept through its commitment to making the finest ice cream.

b. giving its stakeholders the greatest possible input into company marketing decisions.

c. generating enough revenue to be a completely nonprofit organization.

d. donating 10% of its net profits to local charitable causes and an additional 5% to support producers that practice sustainable farming.

e. initiating innovative ways to improve the quality of life locally, nationally and internationally.

**Answer:** e **Page(s):** 24-25 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Ben & Jerry’s social mission is to operate the Company in a way that actively recognizes the central role that business plays in society by initiating innovative ways to improve the quality of life locally, nationally and internationally.

**2-3 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

Ben & Jerry’s is founded on and dedicated to a sustainable corporate concept of linked prosperity. Its mission consists of three interrelated parts: Ben & Jerry’s economic mission is to operate the company

a. with the goal of generating enough revenue to be a completely nonprofit organization.

b. on a sustainable financial basis of profitable growth, increasing value for our stakeholders and expanding opportunities for development and career growth for our employees.

c. with the goal of making profits for selected charitable organizations such as Fair Trade.

d. with the goal of increasing market share not only in ice cream sales but also in its retail clothing and accessories merchandise lines.

e. with the goal of expanding into international markets by developing sustainable dairies for developing nations.

**Answer:** b **Page(s):** 24-25 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Ben & Jerry’s economic mission is to operate the Company on a sustainable financial basis of profitable growth, increasing value for our stakeholders and expanding opportunities for development and career growth for our employees.

**2-4 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

In keeping with its business mission, Ben & Jerry’s

a. created a children’s TV program with cat and mouse cartoon characters “Ben” and “Jerry” to teach about the importance of good nutrition and Fair Trade sustainable business practices.

b. offered to buy out any failing family-owned ice cream parlor and turn it into a ScoopShop franchise.

c. invested in research to create genetically engineered cows that will produce more hypoallergenic milk.

d. committed to buying its milk and cream from a dairy cooperative that guarantees the supplies are bovine growth hormone free.

e. donated free ice cream coupons to all children who get good grades in school.

**Answer:** d **Page(s):** 24-25 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Ben & Jerry’s buys its milk and cream from one dairy cooperative whose members guarantee the supplies are bovine growth hormone free.

**2-5 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

In keeping with its business mission, Ben & Jerry’s

a. opened new franchises exclusively in pre-built structures in order to save natural resources.

b. invested in research to create genetically engineered cows that will produce more hypoallergenic milk.

c. believed that “people should get their fair share of the pie” and as a result practices Fair Trade-certified sourcing.

d. limited its advertising to online media to prevent paper waste and save the rainforests from deforestation.

e. will package its next line of bulk ice cream in glass containers that not only keep the ice cream colder but are recyclable as well.

**Answer:** c **Page(s):** 24 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Ben & Jerry’s believed that “people should get their fair share of the pie” and as a result practice Fair Trade-certified sourcing.

**2-6 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

In keeping with its business mission, Ben & Jerry’s has

a. created a children’s TV program with cat and mouse cartoon characters “Ben” and “Jerry” to teach them about the importance of good nutrition.

b. offered to buy out any failing family-owned ice cream parlor and turn it into a ScoopShop franchise.

c. invested in research to create genetically engineered cows that will produce more hypoallergenic milk.

d. donated free ice cream coupons to all children who get good grades in school.

e. become “B-Corp certified” to solve social and environmental problems.

**Answer:** e **Page(s):** 24 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Ben & Jerry’s social mission has earned them “B-Corp” certification. This is a designation from B-Lab, a nonprofit organization whose purpose is to “use the power of business to solve social and environmental problems” in order to positively impact the community and environment within which the organization operates.

**2-7 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

In keeping with its business mission, Ben & Jerry’s has

a. developed new nut- and dairy-free alternatives for those with intolerance or allergy issues.

b. created social entrepreneurship programs to help nonprofit organizations give jobs to at-risk youth.

c. invested in research to create genetically engineered cows that will produce more hypoallergenic milk.

d. limited its advertising to nonprint media.

e. packaged its next line of bulk ice cream in glass containers that not only keep the ice cream colder, but are recyclable as well.

**Answer:** b **Page(s):** 24 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Ben & Jerry’s created PartnerShops, a social entrepreneurship program to enable community-based nonprofit organizations to own and operate ScoopShops that help employ at-risk youth and young adults to better their lives.

**2-8 CHAPTER OPENER: BEN & JERRY’S COMPREHENSION**

Which of the following statements regarding Ben & Jerry’s is **MOST ACCURATE**?

a. Ben & Jerry’s is owned by Unilever, the market leader in the global ice cream industry.

b. Ben & Jerry’s is a privately owned ice cream producer.

c. Ben & Jerry’s prides itself on offering more ice cream flavors than its competitors.

d. Ben and Jerry are not real people; the names were a clever reference to Tom and Jerry cartoon characters in order to capitalize on childhood nostalgia.

e. Ben & Jerry’s has only been in business for twenty years and is already the industry leader in premium ice cream.

**Answer:** a **Page(s):** 24-25 **LO: 2-2** **AACSB: Analytic** **QD: Medium**

**Rationale:** Today, Ben & Jerry’s is owned by Unilever, which is the market leader in the global ice cream industry—one that is expected to reach $68 billion by 2015.

**2-9 ORGANIZATIONS KNOWLEDGE**

A(n) \_\_\_\_\_\_\_\_\_\_ is a legal entity that consists of people who share a common mission.

a. department

b. organization

c. SBU

d. industry

e. market

**Answer:** b **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Text term definition—organization.

**2-10 ORGANIZATIONS KNOWLEDGE**

In marketing, an organization refers to

a. a legal entity that consists of people who share a common mission.

b. a group of people united through contractual or corporate ownership.

c. a legal entity engaged in business activities solely with the intent of making a profit.

d. a legal entity engaged in business activities solely with the intent of serving its employees without the intent of making a profit.

e. a privately owned entity that serves its customers to earn a profit so that it can survive.

**Answer:** a **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Text term definition—organization.

**2-11 OFFERINGS KNOWLEDGE**

A(n) \_\_\_\_\_\_\_\_\_\_ is a product, service, or idea that creates value for both the organization and its customers by satisfying their needs and wants.

a. organization

b. business firm

c. nonprofit

d. offering

e. industry

**Answer:** d **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Text term definition—offerings.

**2-12 OFFERINGS KNOWLEDGE**

In marketing, an offering refers to

a. the formal designation of a publicly-traded stock for a specific product, service or idea.

b. a form of currency used by buyer and seller to minimize the tax burden for both parties.

c. a product, service, or idea that creates value for both the organization and its customers by satisfying their needs and wants.

d. the manufacturer’s suggested retail price of a product or service to the general public or the wholesale price to distributors and retailers.

e. the service suppliers and distributors provide to help manufacturers bring a product to market.

**Answer:** c **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Text term definition—offerings.

**2-13 ORGANIZATIONS KNOWLEDGE**

Today’s organizations can be divided into two groups, which are

a. companies and cooperatives.

b. corporations and interests.

c. for-profit and nonprofit organizations.

d. employees and customers.

e. public and private.

**Answer:** c **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Today’s organizations can be divided into two groups, which are for-profit and nonprofit organizations.

**2-14 FOR-PROFIT ORGANIZATIONS KNOWLEDGE**

A(n) \_\_\_\_\_\_\_\_\_\_ is a privately owned organization that serves its customers to earn a profit so that it can survive.

a. agency

b. for-profit organization

c. institution

d. nonprofit organization

e. entity

**Answer:** b **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Text term definition—for-profit organization.

**2-15 FOR-PROFIT ORGANIZATIONS KNOWLEDGE**

A for-profit organization refers to

a. a subsidiary, division, or unit of an organization that markets a set of related offerings to a clearly defined group of customers.

b. a legal entity engaged in business activities solely with the intent of serving its employees without the intent of making a profit.

c. a privately owned organization that serves its customers to earn a profit so that it can survive.

d. a group of people united through contractual or corporate ownership.

e. a publicly owned organization that serves the general population.

**Answer:** c **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Text term definition—for-profit organization.

**2-16 PROFIT KNOWLEDGE**

\_\_\_\_\_\_\_\_\_\_ is(are) the reward to a business firm for the risk it undertakes in marketing its offerings.

a. Shareholders’ equity

b. Profit

c. Assets

d. Contribution margin

e. Goodwill

**Answer:** b **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Key term definition—profit.

**2-17 PROFIT KNOWLEDGE**

Profit refers to

a. the point at which a company’s assets equal its liabilities plus shareholder equity.

b. the difference between the list and final price of a product or service.

c. the money earned when the economic order quantity is minimized.

d. the money left over after a business firm’s total expenses are subtracted from its total revenues.

e. the total amount of revenue accrued through product sales or service distribution.

**Answer:** d **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Key term definition—profit.

**2-18 NONPROFIT ORGANIZATIONS KNOWLEDGE**

A nonprofit organization is

a. a nongovernmental organization that serves its customers but does not have profit as an organizational goal.

b. a legal entity engaged in business activities solely with the intent of serving its employees without the intent of making a profit.

c. a publicly owned organization that serves the general population.

d. a group of people united through contractual or corporate ownership.

e. a privately owned organization that serves its customers to earn a profit so that it can survive.

**Answer:** a **Page(s):** 26 **LO: 2-1** **AACSB: Analytic** **QD: Easy**

**Rationale:** Text term definition—nonprofit organization.

**2-19 NONPROFIT ORGANIZATIONS KNOWLEDGE**