

ANSWER KEY

March 14, 2003

Name: _____ Participant # _____

2003 North Carolina FFA Agricultural Sales Career Development Event

Section I: Multiple Choice (25 points)

INSTRUCTIONS: There are 25 questions on this section of the event. Please check carefully to see that you have **five (5)** pages including this cover page.

Read each question carefully. **Circle the letter for the one best answer.** Each question is worth one (1) point. You have **25 minutes** to complete this section of the event.

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1. Brand and exclusivity, quality, appearance, and product performance are types of:
 - A. non-price competition.**
 - B. price competition.
 - C. product features.
 - D. marketplace dominance by one competitor.

2. Which item is NOT a sales call objective?
 - A. to inform the customer about your product.
 - B. to persuade the customer to buy you product.
 - C. to take the customer to lunch.**
 - D. to find out if your customer is willing and able to buy your product.

3. Credit is an important sales tool. A sound credit policy for a company is needed to:
 - A. minimize financial losses associated with customers paying for goods and services purchased.
 - B. provide consistent treatment of customers.
 - C. develop and nurture customer loyalty.
 - D. all of the above**

4. Selling includes products or services. Which of the following is considered a product (versus a service)?
 - A. factory-trained mechanics to repair and maintain your equipment.
 - B. courtesy carts to help load purchases in the customer's vehicles.
 - C. "we accept all major credit cards."
 - D. 100-pound bags of fertilizer.**

5. To determine the right price for your company's product, which do you NOT need to know?
 - A. your competitors' prices.
 - B. your competitors' costs.**
 - C. your company's costs.
 - D. your competitors' product performance.

6. Selling statements are all of the following except:
 - A. sales pitches to identify your customers needs.**
 - B. sentences used by salespeople to convince the customer that they need this product.
 - C. customized to match customer's questions, interests, and needs.
 - D. Sentences containing features, advantages, and benefits describing the product.

7. A salesperson who wishes to help solve a customer's problem must first:
 - A. sale the product to the customer.
 - B. become a friend of the customer.
 - C. identify the problem.**
 - D. make the customer know his problem.

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8. The customer expects the salesperson to complete the sale. If the customer must complete the sale, the salesperson is _____ not a salesperson.

- A. an information source
- B. a technician
- C. a company owner
- D. an order taker**

9. For many companies, the “80/20 rule” refers to

- A. 80 percent of the sales come from 20 percent of the customers.**
- B. 80 percent of the costs are from production and 20 percent of the costs are from selling.
- C. 80 percent of revenues cover costs and 20 percent cover profits.
- D. A salesperson should spend 80 percent of their time in face-to-face selling and 20 percent of their time on administrative selling tasks.

10. Salespeople build _____ by listening to their customers, assessing customer needs, and organizing the company's efforts to solve customer problems.

- A. profits
- B. territories
- C. perks
- D. relationships**

11. Which is one of the reasons that personal selling can be more effective than advertising in complex selling situations?

- A. personal selling can probe customers to learn more about their problems.**
- B. personal selling is cheaper on a per contact basis.
- C. personal selling can reach more customers within a given period of time.
- D. personal selling can deal with inelastic demand.

12. Which of the following statements is most accurate?

- A. Marketing and selling are the same thing.
- B. Selling is that portion of the marketing process that is closest to the buyer.**
- C. Marketing is one part of the selling process.
- D. Selling is all activities involved in getting a product from the initial producer to the final consumer

13. Salespeople that specialize in selling only a portion of the company's products or lines are organized as a:

- A. territorial sales force.
- B. product sales force.**
- C. customer sales force.
- D. multi-tasking sales force.

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14. Salespeople spend their time in various ways. On average, which of the following accounts for the majority of the salesperson's time?

- A. administrative paperwork tasks
- B. service calls
- C. face-to-face selling**
- D. waiting in offices and traveling

15. A set of stages that most new products pass through; these include the development stage, the introductory stage, the growth stage, the mature stage, and the declining sales stage is called:

- A. the product life cycle.**
- B. a marketing plan
- C. the price cycle
- D. the five step selling process.

16. The first step in the selling process is generally recognized to be:

- A. prospecting and qualifying.**
- B. the pre-approach.
- C. the approach.
- D. handling customer objections.

17. Setting call objectives is done during which stage of the selling process?

- A. prospecting and qualifying.
- B. the pre-approach.**
- C. the approach.
- D. handling customer objections.

18. The last step in the selling process is generally recognized to be:

- A. the follow-up.**
- B. the close.
- C. handling customer objections.
- D. taking the order.

19. The law that states "*as price increases, given that other factors are constant, the customer demand for the product will decrease*" is referred to as:

- A. the Robinson-Patman Act (1936).
- B. the law of supply and demand.**
- C. the law of diminishing returns.
- D. the Sherman Anti-Trust Act (1890).

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20. The four Ps of the marketing mix are:

- A. promotion, placement, package, position.
- B. planning, practicing, potential, publicity.
- C. preparation, prospecting, planning, and pricing.
- D. **product, price, place, and promotion.**

21. A niche market for an agricultural product:

- A. **is a specific place, position, or role in a marketplace that is already established**
- B. is profitable.
- C. does not have any competition from other products.
- D. is open only to the first producer that discovers the demand.

22. A market situation where there are many sellers of a product means that it is:

- A. easy for producers to raise prices to cover costs
- B. **difficult for producers to raise prices to cover costs.**
- C. a monopoly.
- D. easy to enter and exit the market as producer.

23. The market price is the price:

- A. set by the salesperson.
- B. set by the seller or producer.
- C. **where consumers will buy all the product that the producers will sell.**
- D. where producers must sell their products.

24. A salesperson should close the sale when the customer:

- A. **gives a buying signal.**
- B. opens the door to the store.
- C. stops asking questions or stops talking.
- D. finishes writing the check.

25. A product display for your company at the Southern Farm Show in Raleigh should:

- A. have all your company's products so you will not miss any sales to customers.
- B. have many sales representative so show visitors will not have to wait to talk with someone.
- C. **have a central theme.**
- D. be outdoors because that's where farmers like to be.

END OF THE MULTIPLE CHOICE SECTION of the Career Development Event.