**Sales Force Management and Personal Selling EBK 330**

Text: **Text:** *Sales Force Management, 12th edition  
by Mark W Johnston and Greg W Marshall*

Homework: 5

This homework covers Chapters 12 and 13 of the text, as noted. There are 33 multiple choice questions total, each worth 3 points. Indicate the answer you think most correct.

**Chapter 12:**

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | | | | | **In the contribution margin approach, any excess revenues over costs** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Equals profits | | (B) | Contributes to common costs and profits | | (C) | Results in negative amortization | | (D) | Offsets activity-based accounts | | (E) | Reduces warehousing and production costs | | | |
| **2** | | | | | **Allocating costs by sales volume FAILS to:** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Achieve cost efficiency | | (B) | Increase sales | | (C) | Recognize the purpose of the cost incurred | | (D) | Estimate the profit potential | | (E) | Sum the allocated cost of functional responsibility | | | |
|  | | | | | | | |
| **3** | | | | | **Which of the following is the best example of a functional account?** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Order processing | | (B) | Office supplies | | (C) | Rent | | (D) | Electricity | | (E) | Raw materials | | | |
| **4** | | | | | **Which of the following is the best example of a natural account?** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Office supplies | | (B) | Salaries | | (C) | Transportation | | (D) | Raw materials | | (E) | All of the above | | | |
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| **5** | | | | | **Sales managers are typically LEAST concerned with the profitability of:** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Regions | | (B) | Customers | | (C) | Divisions | | (D) | Products | | (E) | Salespeople | | | |
|  | | | | | | | |
| **6** | | | | | **Which of the following statements about the general procedure used to conduct a cost or profitability analysis is true?** | | |
|  | | | | | |  |  | | --- | --- | | (A) | The first step in conducting a cost or profitability analysis is to spread the natural account costs to the appropriate functional cost centers | | (B) | Before determining the purpose of the cost analysis, natural cost centers must be identified | | (C) | Before determining the purpose of the profitability analysis, natural account costs must be allocated to functional cost centers | | (D) | Good profitability analyses require that the various costs be partitioned into direct and indirect expenses so the proper aggregations can be made | | (E) | Natural accounts are the only way that costs can be classified for either a profitability or cost analysis | | | |
|  | | | | | | | |
| **7** | | | | | **The first step in conducting a cost analysis is to:** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Determine whether to use a full-cost or a contribution-margin approach | | (B) | Allocate natural costs to functional cost centers | | (C) | Break costs of revenues into relatively large blocks so that little meaning is lost within each block | | (D) | Determine which segment of the population most needs to be analyzed | | (E) | Specify the purpose for which the study is being done | | | |
|  | | | | | | | |
| **8** | | | | | **In activity-based costing, the three informational components to the company are:** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Channels, products, and vendors | | (B) | Customers, channels, and costs | | (C) | Resources, activities, and cost objects | | (D) | Drivers, products, and customers | | (E) | Products, products, and products | | | |
|  | | | | | | | |
| **9** | | | | | **When assessing segment performance, indirect costs should:** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Be minimized | | (B) | Not be allocated | | (C) | Be quantified and allocated proportionally | | (D) | Be turned into direct costs | | (E) | Be maximized and then subtracted from direct costs | | | |
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| **10** | | | | | **A manager is using a full-cost approach, then allocating fixed costs on the basis of sales volume as a way of analyzing marketing costs. This method could:** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Result in a decrease of profitability for the entire company | | (B) | Create an environment that limits the total sales that can be made | | (C) | Create an environment where high-volume customers appear more profitable than they actually are | | (D) | Create an environment where low-volume customers appear more profitable than they actually are | | (E) | All of the above | | | |
|  | | | | | | | |
| **11** | | | | | **In the contribution margin approach, a \_\_\_\_\_\_\_\_\_\_\_ margin is calculated while in a full-cost approach a \_\_\_\_\_\_\_\_ margin is calculated.** | | |
|  | | | | | |  |  | | --- | --- | | (A) | Gross; contribution | | (B) | Singular; sequential | | (C) | Contribution; gross | | (D) | Minimal; Maximum | | (E) | Below-cost; above cost | | | |
|  | | | | | | | |
| **12** | | **Contribution-margin advocates argue that:** | |
|  | | |  |  | | --- | --- | | (A) | Costs should be distinguished according to where they are incurred | | (B) | All revenues should be reduced by all fixed and variable costs accrued by the segments earning that revenue | | (C) | It is misleading to allocate costs arbitrarily | | (D) | There is no such thing as arbitrary cost allocation | | (E) | The full-cost approach cannot be used to determine the profitability of a product, territory, or customer | | |
|  | | | |
| **13** | | **EMI, a manufacturer of aluminum conveyor belts, allocates costs such as salaries, advertising, warehouse rent, office supplies, and travel expenses. EMI uses the \_\_\_\_\_ approach to marketing cost analysis.** | | | |
|  | | |  |  | | --- | --- | | (A) | Contribution-margin | | (B) | ROAM | | (C) | Gross-margin | | (D) | Full-contribution | | (E) | Net profit | | | | |
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**Chapter 13:**

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| --- | --- | --- |
| **1** | **In 360-degree sales performance feedback, which of the following people would NOT be included?** | |
|  | |  |  | | --- | --- | | (A) | The customer | | (B) | The sales team | | (C) | The sales manager | | (D) | The competitors | | (E) | The delivery personnel | | |
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| **2** | | **A BARS system focuses on:** |
|  | | |  |  | | --- | --- | | (A) | A full range of factors that affect any employee's performance | | (B) | A few critical success factors | | (C) | Only objective performance indexes | | (D) | The one critical incident that separates successful salespeople from unsuccessful ones | | (E) | Only those factors that motivate employees | |
| **3** | | **Which of the following statements about BARS (behaviorally anchored rating scale) systems is true?** |
|  | | |  |  | | --- | --- | | (A) | There are often many factors that are critical to the success of a salesperson and these are identified in the procedure for developing a BARS system | | (B) | A BARS system emphasizes behavior rather than performance and effectiveness | | (C) | Unlike other performance appraisal systems, a BARS system requires appropriate personnel to consider in detail the components of a salesperson's performance | | (D) | One advantage of a BARS system over other performance appraisal systems is the fact that it is an inexpensive system to implement | | (E) | A BARS system is a sophisticated type of merit rating form | |
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| **4** | | **Which of the following would NOT be an advisable instruction to management for the completion of performance rating forms?** |
|  | | |  |  | | --- | --- | | (A) | Guard against the common tendency to overrate | | (B) | Do not let personal like or dislike influence your rating | | (C) | Have sound reasons for your ratings | | (D) | Never rate an employee on several instances of good or poor work, but rather, on his or her general success or failure over the whole appraisal period | | (E) | Base your rating on the salesperson's potential ability | |
|  | | |
| **5** | | **A review of a salesperson's evaluations shows that the average score given, on a 7-point scale, was 4.5 with a variance of 1.0. This indicates that the appraiser may have been adversely affected by:** |
|  | | |  |  | | --- | --- | | (A) | The central tendency effect | | (B) | The halo effect | | (C) | Organizational use influence | | (D) | Leniency | | (E) | An interpersonal bias | |
|  | | |
| **6** | | **If promotion and monetary rewards hinge on ratings, management can be affected by:** |
|  | | |  |  | | --- | --- | | (A) | The halo effect | | (B) | Leniency | | (C) | The lack of outcome focus | | (D) | The central tendency | | (E) | An interpersonal bias | |
|  | | |
| **7** | | **The instruction, ""Do not permit your evaluation of one factor to influence your evaluation of another,"" would prevent \_\_\_\_\_ from affecting a performance measurement rating form.** |
|  | | |  |  | | --- | --- | | (A) | Organizational use influences | | (B) | A lack of outcome focus | | (C) | The halo effect | | (D) | The central tendency effect | | (E) | Interpersonal bias | |
|  | | |
| **8** | | **The worst type of merit rating forms:** |
|  | | |  |  | | --- | --- | | (A) | Are superior to all other subjective performance appraisal methods | | (B) | Burden managers by requiring written justification for each rating | | (C) | Are overly concerned with behaviors and not with actual performance | | (D) | Simply list attributes of interest along one side of the form and evaluation adjectives along the other | | (E) | Require mangers to assess such hard-to-measure attributes as job knowledge and customer relations | |
|  | | |
| **9** | | **Interpersonal bias, lack of an outcome focus and the halo effect are all problems encountered with:** |
|  | | |  |  | | --- | --- | | (A) | Marketing audits | | (B) | Cost/profitability analyses | | (C) | Performance measures based on a salesperson's service record | | (D) | The BARS system | | (E) | Subjective performance rating forms | |
|  | | |
| **10** | | **Outcome bias occurs when a sales manager:** |
|  | | |  |  | | --- | --- | | (A) | Allows the outcome of a mistake made by a salesperson to overly influence the his or her decision | | (B) | Allows the basis of a decision made by the manager to overly influence the salesperson | | (C) | Allows the basis of a decision made by a salesperson to overly influence the his or her decision | | (D) | Allows the input of a decision or a series of decisions made by a manager to overly influence the performance ratings made by the manager | | (E) | Allows the outcome of a decision or a series of decisions made by a salesperson to overly influence the performance ratings made by the manager | |
|  | | |
| **11** | | **Which of the following is NOT a commonly evaluated subjective attribute used in merit rating forms?** |
|  | | |  |  | | --- | --- | | (A) | Customer and company relations | | (B) | Job knowledge | | (C) | Sales results | | (D) | Dependability | | (E) | Resourcefulness | |
|  | | |
| **12** | | **Which of the following is an example of an objective evaluation method?** |
|  | | |  |  | | --- | --- | | (A) | Personality rating factors | | (B) | Active and new prospect account tallies | | (C) | Behaviorally anchored rating scales | | (D) | Technical skills | | (E) | Good customer relationship tallies | |
|  | | |
| **13** | | **Working two days in the Madison area, Bettina Kharian made thirteen planned sales calls and achieved a planned call ratio of 81 percent. She left the city with orders from fourteen customers and an orders-per-call ratio of:** |
|  | | |  |  | | --- | --- | | (A) | 75.2 percent | | (B) | 81 percent | | (C) | 87.5 percent | | (D) | 93 percent | | (E) | 107.5 percent | |
|  | | |
| **14** | | **Which of the following statements about methods of measuring a salesperson's performance is true?** |
|  | | |  |  | | --- | --- | | (A) | Number of days worked x calls per day is used to determine a salesperson's optimum territory size | | (B) | Non-selling activities are hard to measure because the data must be collected from current and potential customers | | (C) | A salesperson who makes 30 calls (20 planned and 10 unplanned) and collects 24 orders has a batting average of .8 and a planned call ratio of 2 | | (D) | Days worked x call rate x batting average x average order size = sales | | (E) | Account share is a key measure for companies that rely on team selling | |
|  | | |
| **15** | | **A salesperson's hit ratio or batting average is the:** |
|  | | |  |  | | --- | --- | | (A) | Number of new accounts/total number of accounts | | (B) | Sales dollar volume/total sales volume in dollars | | (C) | Number of orders/total number of sales | | (D) | Total costs/number of calls | | (E) | Number of new accounts/total number of accounts | |
|  | | |
| **16** | | **The account penetration ratio:** |
|  | | |  |  | | --- | --- | | (A) | Provides a direct measure of whether the salesperson is skimming the cream off the territory | | (B) | Measures how well a salesperson is able to keep prior accounts as active customers | | (C) | Measures how successful a salesperson is at turning leads into suspects | | (D) | Indicates a salesperson's average success per account | | (E) | Reveals the salesperson's call patterns | |
|  | | |
| **17** | | **Which of the following ratios does NOT reflect how well a salesperson is capturing the potential business that exists in his or her territory?** |
|  | | |  |  | | --- | --- | | (A) | Account penetration ratio | | (B) | The cost per call ratio | | (C) | The new account conversion ratio | | (D) | The sales per account ratio | | (E) | The average order size ratio | |
|  | | |
| **18** | | **Which of the following is an example of a productivity ratio that a sales manager might use to evaluate a sales representative?** |
|  | | |  |  | | --- | --- | | (A) | Order cancellation ratio | | (B) | Lost account ratio | | (C) | Planned call ratio | | (D) | Average order size ratio | | (E) | All of the above | |
|  | | |
| **19** | | **Which of the following describes an advantage inherent in the BARS (behaviorally anchored rating scale) system?** |
|  | | |  |  | | --- | --- | | (A) | A BARS system removes the possibility of bias | | (B) | A BARS system is inexpensive to develop and implement | | (C) | A BARS system emphasizes behavior and performance rather than effectiveness | | (D) | A BARS system provides an accurate measure of behavior, performance and effectiveness | | (E) | A BARS system gives management the ability to develop one scale to assess the performance of all types of salespeople within their firm | |
|  | | |
| **20** | | **The customer relationship management philosophy embraces the idea that the customer is a customer of:** |
|  | | |  |  | | --- | --- | | (A) | The sales representative | | (B) | The sales team | | (C) | The sales manager | | (D) | The company | | (E) | The customer | |
|  | | |