**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:**

|  |  |
| --- | --- |
| **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 |

 |
|  |
| **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 |

 |
|  |
| **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 |

 |
|  |

**Chapter 13:**

|  |  |
| --- | --- |
| **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 |

 |
|  |
| **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 |

 |
|  |
| **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 |

 |
|  |