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Buyer Behavior Questions for Bank Exams (IBPS Clerk & SBI Clerk)

Buyer Behavior Quiz 1

Directions: Study the following questions carefully and answer the questions given below.

1. The demand for many industrial products for which a price increase or decrease will not significantly affect the demand is:

A. elastic B. inelastic C. derived D. joint E. None of these

2. When the requirements associated with a new-task purchase are changed the second or third time, this is called a:

A. modified rebuy purchase

B. contractual purchase

C. straight rebuy purchase

D. negotiated rebuy purchase

E. None of these

3. The group of people within an organisation who are involved in making organisational purchase decisions is referred to as:

A. the new-task team B. negotiators C. purchasing agents D. deciders

E. the buying centre

4. For routinely purchased items, buyers are frequently the:

A. users B. influencers C. deciders D. gatekeepers E. None of these



5. After deciding to order replacement parts for aging machinery, the buyer for a construction company examines catalogues and trade publications. The buyer is probably at which stage of the organisational buying decision process?

- A. problem recognition B. product specification C. product-supplier search
- D. product selection E. product evaluation

6. What are the four main categories of factors that influence organisational buying decisions?

- A. Cultural, social, psychological and personal
- B. Environmental, organisational, psychological and individual
- C. Environmental, psychological, individual and technological
- D. Technological, organisational, environmental and interpersonal
- E. Environmental, organisational, technological and individual

7. Input-output analysis is most likely to yield what type of information?

- A. The number of employees that a firm has.
- B. The industries that purchase the major portion of an industry's output.
- C. The kinds of returns a firm is getting on its equipment investments.
- D. The type of inventory turnover that is characteristic of a firm.
- E. None of these

Correct Answers:

1	2	3	4	5	6	7
B	A	E	C	C	A	B

Explanations:

1.

Demand whose percentage change is less than a percentage change in price. For example, if the price of a commodity rises twenty-five percent and demand decreases by only two percent, demand is said to be inelastic.

In simpler words, A situation in which the demand for a product does not increase or decrease correspondingly with a fall or rise in its price.

Option 'B' hence is the correct answer.

2.

Modified Rebuy is a buying situation in which an individual or organization purchase goods that have been purchased previously but changes either the supplier or some other elements of the previous order. In this the buyer wants to modify product specifications, terms, prices, suppliers.

Option 'A'; hence is the most obvious choice here.

3.

A buying center brings together "all those members of an organization who become involved in the buying process for a particular product or service". Buying centers are also sometimes known as 'decision-making units'.

Option 'E' hence is the correct answer.

4.

Routine decision-making involves purchases that require very little thought after the original decision has been made. Therefore, in such scenario buyers are frequently the deciders.

Option 'C' hence is the correct answer.

5.

Stages of the Business Buying Decision Process

Step 1: Recognize the Problem.

Machine malfunction, firm introduces or modifies a product, etc.

Step 2: Develop product specifications to solve the problem.

Buying center participants assess problem and need to determine what is necessary to resolve/satisfy it.

Step 3: Search for and evaluate possible products and suppliers.

Look in company files and trade directories, contact suppliers for information, solicit proposals from known vendors, examine websites, catalogs, and trade publications conduct a value analysis - an evaluation of each component of a potential purchase; examine quality, design, materials, item reduction/deletion to save costs, etc. conduct vendor analysis - a formal and systematic evaluation of current and potential vendors; focuses on price, quality, delivery service, availability and overall reliability.

Step 4: Select product and supplier and order product.

An organization can decide to use several suppliers, called multiple sourcing. Multiple sourcing reduces the possibility of a shortage by strike or bankruptcy. An organization can decide to use one supplier, called sole sourcing.

Step 5: Evaluate Product and supplier performance

Understanding the stages of business buying and the nature of customers' buying behavior is important to a marketing firm if it is to market its product properly. In order to entice and persuade a consumer to buy a product, marketers try to determine the behavioral process of how a given product is purchased.

Option 'C' hence is the correct answer here.

6.

A consumer's buyer behaviour is influenced by four major factors:

Cultural, Social, Personal and Psychological.

These factors cause consumers to develop product and brand preferences. Although many of these factors cannot be directly controlled by marketers, understanding of

their impact is essential as marketing mix strategies can be developed to appeal to the preferences of the target market.

Hence, the option A is correct.

7.

Input-output analysis seeks to explain how one industry sector affects others in the same nation or region. The analysis illustrates that the output of one sector can in turn become an input for another sector, which results in an interlinked economic system.

Ref:

<http://www.investopedia.com/terms/i/input-output-analysis.asp>

Ex. A paper manufacturing unit produces paper which in turn becomes input for a book publishing company that uses that paper quality for its books.

Hence the option B is correct.



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