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# Marketing Environment Questions for IBPS Clerk and SBI Clerk

## Marketing Environment Quiz 1

Direction: Study the following questions carefully and choose the right answer.

**1. Compaq Computers collects information about political, legal, regulatory, societal, economic, competitive and technological forces that may affect its marketing activities. This process is called:**

- A. Environmental scanning
- B. Survey of environment
- C. Marketing information analysis
- D. Environmental segmentation
- E. None of these

**2. After Compaq Computers gathers information related to its marketing environment, it attempts to define current environmental changes and predict future changes, allowing it to determine possible opportunities and threats facing the company this process is called:**

- A. Environmental scanning
- B. Survey of environment
- C. Marketing planning
- D. Environmental analysis
- E. Marketing information processing

**3. There are two major categories of laws that directly affect marketing practices - procompetitive legislation and:**

- A. Consumer protection legislation
- B. Unfair trade practices laws
- C. Trading standards legislation
- D. Consumer price discrimination legislation
- E. None of these

**4. If the National Association of Hosiery Manufacturers sets guidelines for its member firms to follow regarding the use of unethical practices, it is engaging in:**

- A. Legislation
- B. Lobbying
- C. Self-regulation
- D. Environmental scanning
- E. Trade restraint

**5. The consumer movement is:**

- A. against foreign imports that are much cheaper than products produced in the home market
- B. a movement that is trying to improve consumer satisfaction
- C. a social movement that is able to challenge big business practices
- D. a diverse group of individuals, groups and organizations attempting to protect the rights of consumers
- E. None of these

**6. Lynx has demonstrated against the sale of coats made of animal furs. This group's efforts to change attitudes of shoppers, represents \_\_\_\_\_ for fur retailers.**

- A. An opportunity
- B. Self-regulation
- C. A societal force
- D. An economic force
- E. A technological force

**7. The period in the business cycle in which there is extremely high unemployment, low wages, minimum total disposable income, and a lack of confidence in the economy by consumers is:**

- A. Recovery
- B. Prosperity
- C. Depression
- D. Recession
- E. None of these

**8. In a period of recession, which of the following products would probably see the smallest negative impact on sales?**

- A. Nike sportswear
- B. Summer holidays
- C. Sony televisions
- D. HP baked beans
- E. Kraft General Foods microwave popcorn

**9. In terms of consumer demand and spending behavior, marketers are most interested in:**

- A. Wealth
- B. Consumer credit
- C. Disposable income
- D. Pretax income
- E. High incomes

**10. Income left over after an individual pays taxes and purchases the basic necessities of food, clothing and shelter is called:**

- A. Disposable income
- B. Taxable income
- C. Accounting income
- D. Discretionary income
- E. Income on Credit

**Correct Answers:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
A	D	A	C	D	C	C	D	C	D

**Explanations:**

**1.**

Environmental scanning can be defined as 'the study and interpretation of the political, economic, social and technological events and trends which influence a business, an industry or even a total market'.

Option 'A' hence is the most appropriate choice here.

Hence, the option A is correct.

**2.**

Environmental analysis is a strategic tool. It is a process to identify all the external and internal elements, which can affect the organization's performance. The analysis entails assessing the level of threat or opportunity the factors might present.

Option 'D' hence is the most appropriate choice here.

**3.**

Procompetitive laws are designed to preserve competition. Most of these laws were enacted to end various practices deemed unacceptable by society.

Examples of illegal anticompetitive practices include stealing trade secrets or obtaining other confidential information from a competitor's employees, trademark and copyright infringement, price fixing, etc.

Consumer Protection legislation deals with consumer safety, such as the food and drug acts. It was designed to protect people from actual and potential physical harm caused by adulteration or mislabeling.

Ex: Tobacco labeling and packaging have been impacted by consumer protection legislation through disclosures and warnings.

Hence, the option A is correct.

**4.**

Marketing self-regulation is a system by which the advertising, marketing, agency and media industry set voluntary rules and standards of practice that go beyond their legal obligations.

In the given context, National Association of Hoisery is quite clearly engaged in self-regulation.

Hence, the option C is correct.

**5.**

The consumer movement is an effort to promote consumer protection through an organized social movement which is in many places led by consumer organizations. It advocates for the rights of consumers, especially when those rights are infringed by the actions of corporations, governments, and other organizations which provide products and services to consumers.

**Ref:**

**[https://en.wikipedia.org/wiki/Consumer\\_movement](https://en.wikipedia.org/wiki/Consumer_movement)**

Hence, the option D is correct.

**6.**

Societal forces are those thoughts, desires, longings, necessities or religious determinings of a people that result in the expression of said things via revolution, war, voting, demonstrations, rallies, immigration, migration or whatever means are at the disposal of the people to exact the desired effect that is wanted by that society.

Option 'C' hence is the most appropriate answer.

**7.**

In economics, a depression is a sustained, long-term downturn in economic activity in one or more economies. It is a more severe downturn than an economic recession, which is a slowdown in economic activity over the course of a normal business cycle. A depression is an unusual and extreme form of recession. Depressions are characterized by their length, by abnormally large increases in unemployment, falls

in the availability of credit (often due to some form of banking or financial crisis), shrinking output as buyers dry up and suppliers cut back on production and investment, large number of bankruptcies including sovereign debt defaults, significantly reduced amounts of trade and commerce (especially international trade), as well as highly volatile relative currency value fluctuations (often due to currency devaluations). Price deflation, financial crises and bank failures are also common elements of a depression that do not normally occur during a recession.

**Ref:**

**[https://en.wikipedia.org/wiki/Depression\\_\(economics\)](https://en.wikipedia.org/wiki/Depression_(economics))**

Option 'C' hence is the most appropriate choice here.

**8.**

Option 'D' seems to be the most appropriate choice here as it comes under the category of 'Necessity goods'.

Necessity goods are goods that we cannot live without and will not likely cut back on even when times are tough, for example food, power, water and gas.

Hence, the option D is correct.

**9.**

Disposable income is total personal income minus personal current taxes. In national accounts definitions, personal income minus personal current taxes equals disposable personal income.

Marketers are more interested in disposable income because this disposable income is a ready source of buying power.

Option 'C' is the right answer here.

**10.**

Discretionary income is disposable income (after-tax income), minus all payments that are necessary to meet current bills. It is total personal income after subtracting taxes and typical expenses (such as rent or mortgage, utilities, insurance, medical, tithe, transportation, property maintenance, child support, food and sundries, etc.) to maintain a certain standard of living.



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