**POSTTEST**

**Directions:** Identify the correct answer to each of the following questions. Use a separate sheet of paper to record your responses.

**Objective A**

1. Which of the following is a benefit of channels of distribution: (5 points)

a. We can more easily obtain products from all over the world.

b. Producers must spend more money.

c. Retailers must spend more money.

d. We spend more time looking for products we want.

2. Where does a channel of distribution begin? (5 points)

a. With the industrial user c. With the producer

b. With the ultimate consumer d. With the intermediary

3. Which of the following is an example of an ultimate consumer: (5 points)

a. A teenager buying her/his first car

b. A farmer buying seed for crops that will be sold at market

c. A manager buying office supplies

d. A restaurant owner buying a new oven for the restaurant’s kitchen

4. Which of the following is an example of an industrial user: (5 points)

a. A parent buying a picture frame for his/her desk

b. A hairstylist buying new scissors to perform haircuts

c. A family buying a new home computer

d. A teacher buying a book to read on vacation

5. Quality Distributors buys electrical equipment and supplies from ABC Electric and sells them to local electrical contractors. Quality Distributors is an example of a(n) (5 points)

a. retailer. c. agent.

b. intermediary. d. producer.

6. Walmart, Domino’s, and Avis Rent-a-Car are examples of (5 points)

a. agents. c. retailers.

b. industrial distributors. d. wholesalers.

**POSTTEST** (cont’d)

7. Top-Notch Wheels buys mountain bikes from The Great Colorado Mountain Bike Company and sells them to bike shops. Top-Notch Wheels is an example of a(n) (5 points)

a. agent. c. producer.

b. retailer. d. wholesaler.

8. What type of intermediary would purchase baseball bats from one producer, mitts from another, and balls from still another, and then sell an assortment to sporting goods stores? (5 points)

a. Agent c. Producer

b. Wholesaler d. Retailer

9. Which of the following intermediaries never actually owns the products they promote and sell: (5 points)

a. Retailers c. Agents

b. Wholesalers d. Industrial users

10. The use of intermediaries enables producers to make larger profits because intermediaries (5 points)

a. help to reduce the per-unit costs of goods.

b. enable producers to use direct distribution.

c. increase the number of retailer-to-producer contacts.

d. may sell more than the producer could sell on its own.

11. Intermediaries buy large quantities of goods from producers and sell smaller quantities to other intermediaries or to consumers. The result is that intermediaries \_\_\_\_\_\_\_\_\_\_ their per-unit cost for goods. (5 points)

a. reduce c. control

b. increase d. stabilize

12. Producers are able to match their production to the needs of consumers or industrial users   
because intermediaries (5 points)

a. develop an assortment of goods. c. enable producers to promote goods.

b. increase distribution costs. d. extend credit services to consumers.

13. An intermediary function that makes goods available to consumers where they are wanted and needed is (5 points)

a. extending credit. c. servicing sales.

b. transporting and storing. d. providing management services.

**POSTTEST** (cont’d)

**Objective B**

14. Which of the following is a direct channel of distribution for consumer goods and services: (5 points)

a. Producer to industrial user c. Producer to ultimate consumer

b. Producer to retailer to consumer d. Producer to distributor to consumer

15. Which of the following retailers would be most likely to be part of the producer-to-retailer-to-consumer channel: (5 points)

a. Small boutique c. Specialty shop

b. Large retail chain d. Locally owned pharmacy

16. An advantage for producers in using the producer-to-wholesaler-to-retailer-to-consumer   
distribution channel is that (5 points)

a. wholesalers do not take title to the goods.

b. it enables them to control channel activities.

c. wholesalers usually buy in large quantities.

d. it enables them to reach large retailers directly.

17. Which indirect channel of distribution is used to reach large retailers when the producer does not want responsibility for the selling activities? (5 points)

a. Producer to retailer to consumer

b. Producer to wholesaler to retailer to consumer

c. Producer to consumer

d. Producer to agent to retailer to consumer

18. What is the most common channel of distribution for large industrial goods? (5 points)

a. Producer to retailer to consumer

b. Producer to wholesaler to retailer to consumer

c. Producer to agent to industrial distributor to user

d. Producer to industrial user

19. What distribution channel is used for high-priced industrial goods when the producer does **not** have its own sale force? (5 points)

a. Producer to agent to user

b. Producer to industrial distributor to user

c. Producer to industrial user

d. Producer to agent to industrial distributor to user

**POSTTEST** (cont’d)

20. Which of the following services would be distributed by a producer-to-agent-to-consumer   
channel: (5 points)

a. Health care c. Income tax preparation

b. Vehicle repair d. Travel planning

**Suggested** Criterion Level: 80 points