**PRACTICE TEST**

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

**Objective A**

 1. How do channels of distribution provide benefits for consumers? (3 points)

 2. How do channels of distribution differ from physical routes? (3 points)

 3. Where do channels of distribution begin and end? (3 points)

 4. Describe producers. (2 points)

 5. Describe ultimate consumers. (2 points)

 6. Describe industrial users. (2 points)

 7. Describe the role of intermediaries in channels of distribution. (3 points)

 8. List and describe three types of intermediaries. (15 points; 5 points each)

 9. Describe three ways that intermediaries enable producers to match production to the wants of consumers and industrial users. (15 points; 5 points each)

**Objective B**

 10. Describe the difference between direct distribution and indirect distribution. (2 points)

 11. Describe the five basic channels of distribution for consumer goods: (25 points; 5 points each)

 a. Producer to consumer

 b. Producer to retailer to consumer

 c. Producer to wholesaler to retailer to consumer

 d. Producer to agent to retailer to consumer

 e. Producer to agent to wholesaler to retailer to consumer

 12. Describe the four basic channels of distribution for industrial goods: (20 points; 5 points each)

 a. Producer to industrial user

 b. Producer to industrial distributor to user

 c. Producer to agent to user

 d. Producer to agent to industrial distributor to user

 13. Describe channels for services. (5 points)

**Suggested** Criterion Level: 80 points