**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. Most sales forecasts are based on past sales performances as well as (5 points)

 a. expected market conditions.

 b. managers’ hopes for the future.

 c. the number of local competitors.

 d. government regulations.

 2. Which of the following is a potential benefit of sales forecasting: (5 points)

 a. Decreased revenue

 b. Higher costs

 c. Increased efficiency

 d. New product ideas

 3. Which type of sales forecasting is based on expert opinion and personal experience? (5 points)

 a. Long range

 b. Qualitative

 c. Quantitative

 d. Short range

 4. Which type of sales forecasting is based on the analysis of hard facts or numerical data? (5 points)

 a. Long range

 b. Qualitative

 c. Quantitative

 d. Short range

 5. Which of the following is an example of *internal* information used for quantitative sales
forecasting: (5 points)

 a. Mass media stories

 b. Past sales records

 c. Government reports

 d. Trade magazines

**POSTTEST** (cont’d)

 6. Which of the following is an example of *external* information used for quantitative sales
forecasting: (5 points)

 a. Customer surveys

 b. Financial statements

 c. Accounting records

 d. Industry publication

 7. Which of the following is an advantage of quantitative sales forecasting: (5 points)

 a. It’s reliable.

 b. It’s cheap.

 c. It provides a “human touch.”

 d. It’s perfect for new businesses.

 8. Which of the following is an internal factor that may affect a business’s sales forecast: (5 points)

 a. Economic conditions

 b. Length of time to complete sales

 c. Competition

 d. Season/Weather

 9. How would an inventory shortage likely affect a business’s sales forecast? (5 points)

 a. Predicted sales would be lower.

 b. Predicted sales would be slightly higher.

 c. Predicted sales would stay the same.

 d. Predicted sales would drop to zero.

 10. Which of the following is an external factor that may affect a business’s sales forecast: (5 points)

 a. Promotion

 b. Price

 c. Distribution

 d. Political conditions

**POSTTEST** (cont’d)

**Objective B**

 11. Which of the following is a true statement regarding how economic conditions may affect a business’s sales forecast: (5 points)

 a. Economic conditions have very little impact on sales forecasts.

 b. A poor economy will decrease sales for all types of businesses.

 c. A strong economy will increase sales for all types of businesses.

 d. A poor economy will hurt sales for some businesses but will help others.

 12. A business might create a sales forecast to predict future sales for (5 points)

 a. discontinued products.

 b. product ideas.

 c. a specific market segment.

 d. a competitor.

 13. The farther into the future a sales forecast reaches, the more \_\_\_\_\_\_\_\_\_\_ it is. (5 points)

 a. detailed

 b. inaccurate

 c. useful

 d. inexpensive

 14. Short-range sales forecasts are used to (5 points)

 a. aid in day-to-day decision making.

 b. plan yearly budgets.

 c. determine whether or not to make capital expenditures.

 d. make strategic plans.

 15. Intermediate-range sales forecasts are used to (5 points)

 a. plan yearly budgets.

 b. make strategic plans.

 c. aid in scheduling.

 d. aid in staffing.

 16. Long-range sales forecasts are used to (5 points)

 a. aid in inventory planning.

 b. plan yearly budgets.

 c. determine whether or not to make capital expenditures.

 d. make strategic plans.

**POSTTEST** (cont’d)

 17. For new businesses, sales forecasts are *especially* vital for (5 points)

 a. paying taxes.

 b. obtaining loans and investments.

 c. determining sales quotas.

 d. monitoring costs.

 18. Which of the following is a use for sales forecasting in business planning: (5 points)

 a. Coming up with new product ideas

 b. Negotiating contracts with suppliers

 c. Comparing sales to industry norms

 d. Designing advertisements

 19. How might sales forecasting aid a business in setting prices? (5 points)

 a. Sales forecasts tell businesses exactly what to charge for each product.

 b. If predicted sales are high, the business might consider lowering prices.

 c. If predicted sales are low, the business might consider lowering prices.

 d. The business might decide to raise prices among certain market segments.

 20. Which of the following is an excuse a business might make for not creating sales forecasts: (5 points)

 a. There are too many benefits.

 b. The results are too accurate to be useful.

 c. There’s too much information on hand.

 d. It takes too much time.

**Suggested** Criterion Level: 80 points