

Task 4: True or false?

		True / False
a	E-commerce (business via the Internet) is a form of distribution channel.	
b	A shorter distribution channel ensures the manufacturer has more control over the marketing of its products.	
c	Cost-cutting is an important element of supply chain management.	
d	Manufacturers use intermediaries because they cannot sell directly to consumers.	
e	Distribution is one of the four main elements of any marketing mix.	
f	There are only two parties involved in a two-channel chain of distribution.	
g	Intermediation will tend to raise the marketing costs to a business.	

Task 5: Multiple choice

- 1 Traditional channels of distribution do *not* include
 - A Retailers
 - B Wholesalers
 - C Warehouses
 - D Agents

- 2 Which of the following distribution channels is most suitable for luxury products such as designer clothing?
 - A Supermarkets
 - B Online websites
 - C Specialist retail outlets
 - D Overseas markets

- 3 Placement in the marketing mix does *not* refer to
 - A Wholesalers
 - B Distributors
 - C Retailers
 - D Location of business

- 4 The channel of distribution used to sell products to an end user is known as a
 - A Retailer
 - B Wholesaler
 - C Distributor
 - D Purchaser

- 5 Features of a wholesaler do *not* include which of the following?
 - A They have the ability to benefit from economies of scale
 - B They purchase in large quantities and sell in smaller quantities
 - C They charge commission for their services
 - D They are suppliers to retailers

- 6 Which of the following is *not* an example of an agent?
- A Travel insurance broker
 - B Financial advisor
 - C Cashier at a supermarket
 - D Residential real estate negotiator
- 7 Consumer durable 'white goods' (such as fridges, cookers and microwave ovens) are usually distributed using
- A Direct marketing
 - B Retailers
 - C Agents
 - D Hypermarkets
- 8 Wholesalers buy products from manufacturers in large quantities and sell these onto retailers in smaller units. This service is known as
- A Economies of scale
 - B Breaking bulk
 - C Direct selling
 - D Distribution
- 9 Businesses that offer online payment methods via their Internet website are using which form of placement?
- A Direct
 - B Indirect
 - C Specialist retail
 - D Vending
- 10 Wholesaling is popular in which industry?
- A Motor vehicles
 - B Bakeries
 - C Newspaper and magazines
 - D Retailing
- 11 Which channel of distribution trades directly with household customers?
- A Wholesalers
 - B Distributors
 - C Retailers
 - D Vendors
- 12 Which statement does *not* apply to retailers?
- A They are an intermediary in the chain of distribution
 - B They rely on the expertise of distributors and agents
 - C They deal directly with the end user
 - D They are focused on consumer markets

- 13** An advantage of using vending machines as a distribution method is
- A They rely on the expertise of distributors and agents
 - B It is dependent on machinery working effectively
 - C Sales people are not required to sell the product
 - D The storage capacity of vending machines is low
- 14** Which distribution channel is least likely to be used by a producer of expensive products?
- A Agents
 - B Retailers
 - C E-commerce
 - D Wholesaler
- 15** Which of the following is *not* an intermediary in the chain of distribution?
- A Suppliers
 - B Retailers
 - C Marketers
 - D Agents
- 16** Which statement relates to the use of direct marketing?
- A Reduces the need for an intermediary
 - B Costs of distribution material are minimal
 - C Customers tend to read most direct mail
 - D High response rates
- 17 [HL Only]** Supply chain management does *not* involve
- A Cost-cutting
 - B Outsourcing
 - C Increasing levels of stock
 - D Logistics
- 18 [HL Only]** Supply chain management is also known as
- A Administration
 - B Distribution
 - C Logistics
 - D Intermediation
- 19 [HL Only]** Which activity below would *not* be classed as part of a firm's supply chain management?
- A Checking the quality of supplies before distribution
 - B Investigating the lowest cost distributor
 - C Controlling and managing work in progress
 - D Deciding on the products that are to be produced
- 20 [HL Only]** Exclusive dealings act as a barrier to entry because
- A Distribution channels are limited to a single supplier
 - B Intermediation is reduced
 - C Customers cannot choose the best product
 - D The use of franchise agreements are restricted