MCQ’s Unit-II: Organizing the Sales Force

1. _____ involves identifying activities management feels the salespeople should perform to produce the desired results.
   a. SWOT analysis
   b. Environmental audit
   c. Training analysis
   d. Needs assessment

2. Which of the following is NOT an example of behavioural measures used to evaluate salespeople?
   a. assessment of salesperson's attitude and attention to customers
   b. product knowledge and selling and communication skills
   c. appearance and professional demeanor
   d. accounts generated and profit achieved

3. Which are the most basic forms of the sales organization?
   a. Line sales organization
   b. Line and staff sales organization
   c. Functional sales organization
   d. None of the above

4. Companies engage in sales training to: A. increase absenteeism and turnover  
   B. increase selling costs  
   C. decrease sales volume  
   D. change or reinforce behavior that makes salespeople more efficient

5. The formula \( N = \frac{S}{P (1 + T)} \) is for……………..
   a. Workload
   b. Sales potential (or breakdown)
   c. Incremental
   d. None of the above
6. The sales force can play a central role in achieving a marketing orientation strategy, by
   a. Maintaining infrequent contact with customer
   b. **Collecting and disseminating market information**
   c. Focusing on cutting costs
   d. Following the competition's lead

7. From management's point of view, what is the advantage of a straight salary compensation plan?
   a. With a straight salary plan, selling costs are kept in proportion to sales.
   b. **The straight salary plan is simple and economical to administer.**
   c. With a straight salary plan, salespeople have the assurance of positive feedback.
   d. A straight salary plan links performance to leadership style.

8. The most critical impact to a sales organization affected by down-sizing is that:
   a. The sales team is de-motivated
   b. The company must recalculate sales budgets
   c. The sales workload must be redistributed
   d. **Customers may change suppliers due to severed relationship with salesperson**

9. The three major tasks involved in the implementation stage of the sales management process are:
   a. **salesforce recruitment and selection, salesforce training, and salesforce motivation and compensation.**
   b. Developing account management policies, implementing the account management policies, correcting the account management policies.
   c. Setting sales objectives, organizing the salesforce, and developing account management policies.
   d. Organizing the salesforce, quantitative assessment, and follow-up.

10. In which method does the net profits will increase when additional salespeople are added, If the increase in the amount of sales revenue exceed the incremental costs?
    a. Workload
    b. Sales potential (or breakdown)
    c. **Incremental**
d. None of the above

11. An effective sales plan objective should be:
   
   a. **Precise, measurable, and time specific.**
   b. General, measurable, and flexible.
   c. Profitable, subjective, and measurable.
   d. Precise, profitable, and flexible.

12. If a company chooses to employ its own sales force, the three organizational structures it may use are:
   
   a. Dollar volume, geography, and customer.
   b. **Geography, customer, and product.**
   c. Geography, market size, and product.
   d. Market size, product, and customer.

13. Long-term compensation plans:
   
   a. Include bonuses and contests
   b. Should be evaluated and modified quarterly
   c. **Should be well thought out, so that few changes will be needed from year to year**
   d. Must be developed so that short-term compensation plans will not be necessary

14. ............... is teaching how to do the jobs.
   
   a. Sales personnel
   b. Sales target
   c. **Sales force training**
   d. Induction

15. Which of the following is NOT one of the major factors affecting how compensation is structured for a sales force?
   
   a. wage level in relation to salespeople in other organizations in the industry
   b. salesperson's individual wage
   c. wage structure for the sales force
   d. **number of new customers in each sales territory**
16. Which of the following elements is NOT used for determining the size of a sales force in the workload method?

   a. Number of salespeople.
   b. Number of customers.
   c. Length of an average call.
   d. **Number of years in sales experience**

17. The most frequently used type of compensation plan is a:

   a. Straight salary compensation plan.
   b. Straight commission compensation plan.
   c. **Combination compensation plan.**
   d. Weighted compensation plan.

18. In medium and large firms, one would find the…………….types of organization

   a. Line sales organization
   b. **Line and staff sales organization**
   c. Functional sales organization
   d. None of the above

19. The first step in determining how a firm’s sales force compensation program will be structured is to determine the:

   a. **Wage level relative to salespeople in other organizations in the industry**
   b. Salesperson's individual wage
   c. Wage structure for the sales force
   d. Number of new customers in each sales territory

20. When commission is combined with a base salary it is known as………………

   a. **Commission based compensation plans**
   b. Straight salary compensation plan
   c. Territory volume compensation plans
   d. Profit margin/ revenue based sales compensation plans

21. The workload method is used to:

   a. Quantify the point at which the sale can be closed.
b. Calculate commission compensation payment.
c. Determine how much training a salesperson needs.
d. **Determine the size of a salesforce.**

22. There are three interrelated elements of rewards for salespeople. One of the elements is nonfinancial compensation and includes:

   a. **Recognition dinners, certificates of achievement, and features in sales newsletters**
   b. Larger accounts and sales territories
   c. Personal development opportunities, merit salary increases, and promotions
   d. Promotions, certificates of achievement, and larger sales territories

23. Research relating sales people’s personal characteristics to sales aptitude and job performance suggests there is no single set of traits and abilities that sales managers can use as criteria for deciding what kind of recruits to hire is known as…………..

   a. Job analysis
   b. Physical examination
   c. Projective tests
   d. Training

24. All of the following would be major sales force management decision steps EXCEPT:

   a. Designing sales force strategy and structure.
   b. Supervising salespeople.
   c. **Global management and marketing structures.**
   d. Recruiting and selecting salespeople.

25. In which organizational structure, all sales personnel receive direction from, and are accountable to different executives, on different aspects of their work?

   a. Line sales organization
   b. Line and staff sales organization
   c. **Functional sales organization**
   d. None of the above

26. Which of the following WOULD NOT be a method of establishing sales force structure?

   a. Territorial sales force structure.
   b. **Lifestyle sales force structure.**
c. Product sales force structure.
d. Customer sales force structure.

27. In which type of compensation plan there is no incentives?
   a. Commission based compensation plans
   b. **Straight salary compensation plan**
   c. Territory volume compensation plans
   d. Profit margin/ revenue based sales compensation plans

28. A company's compensation plan should reflect its overall marketing strategy. For example, if the strategy is to grow rapidly and gain market share, the compensation plan might include:
   a. Encouragement for team selling.
   b. Rewards for account management.
   c. **A larger commission component coupled with a new-account bonus to encourage high sales performance.**
   d. Incentives to manage the product mix.

29. Tests of intelligence tests are known as…………………
   a. Projective tests
   b. Tests of habitual characteristics
   c. **Tests of ability**
   d. Achievement tests

30. There are three interrelated elements of rewards for salespeople. One of the elements is direct financial rewards and includes:
   a. Salary, commission, and career advancement
   b. Merit salary increases, commission, and better territory
   c. **Merit salary increases, bonuses, and commissions**
   d. Larger sales territories, bonuses, insurance, and a certificate of achievement