

## Chapter 2: The Economics of the Media Industry Test Bank

1. Which of the following correctly links a broadcaster and its parent company?
  - a. NBC—Viacom
  - b. ABC—Comcast
  - c. CBS—Walt Disney
  - \*d. Fox—News Corporation
  
2. A company seeking to become vertically integrated in the book industry may want to purchase which of the following companies?
  - a. A record label
  - \*b. A paper mill
  - c. A chain of movie theaters
  - d. None of the above
  
3. Conglomeration refers to the process in which:
  - a. Network television imitates itself to build on previously established success
  - b. A larger number of corporations enter the media industry
  - \*c. Media companies become part of larger corporations
  - d. Media companies begin to sell off their holdings
  
4. The notion of a “private ministry of information” refers to:
  - \*a. A small number of private firms dominating the media industry
  - b. Government interference in the media industry
  - c. The rise of the computer Internet as a form of communication
  - d. High taxes on media companies
  
5. The “homogenization hypothesis” about media ownership and the diversity of media content proposes that concentrated ownership will:
  - \*a. Produce media that lack diversity
  - b. Produce media that contain great diversity
  - c. Lead to the expression of new ideas
  - d. Have no effect
  
6. “Quasi-monopoly” local newspaper ownership means that:
  - a. There are a small number of local newspaper owners
  - b. Local newspapers are owned by national chains
  - \*c. Two companies jointly operate the two papers in a single town
  - d. There are no daily papers available
  
7. Which of the following media conglomerations is not American?
  - a. Viacom
  - \*b. Bertelsmann
  - c. Time-Warner
  - d. Walt Disney

8. When Warner Bros. released Harry Potter and the Sorcerer's Stone in 2001, corporate parent AOL Time Warner promoted the film using a variety of media. Which of the following media they did not use?

- a. AOL
- b. Moviefone
- c. People magazine
- \*d. HarperCollins Publishing

9. The belief that "nothing succeeds like success" leads network television executives to:

- \*a. Develop programs that copy key traits of current ratings leaders
- b. Develop programs about successful businesspeople
- c. Move program time slots in search of a successful slot on the schedule
- d. Look for new talent on a regular basis

10. News companies are taking various measures to keep costs down lately. Which of the following does not belong to such measures?

- a. Decrease the number of journalists on staff
- b. Limit investigative reporting
- c. Focus the news on preplanned official events
- \*d. Increase international news coverage

11. When advertisers sponsor TV programs, they are especially interested in the:

- a. Name of the program's producer
- b. Network executives they will be working with
- c. Scripts for upcoming episodes
- \*d. Size and make-up of the audience

12. The shift to advertising as a source of revenue for the 19th-century British press led to:

- \*a. The decline of the national radical press
- b. The rise of a national radical press
- c. An increase in the importance of the number of readers
- d. A decrease in the importance of the number of readers

13. Which kind of news is particularly vulnerable to pressure from advertisers?

- a. Coverage of national sporting events
- \*b. Coverage of local real estate
- c. Coverage of the president
- d. Coverage of foreign policy

14. Which of the following media companies is the dominant player in the U.S. radio industry?

- \*a. Clear Channel
- b. Sony Music Entertainment

- c. Penguin Random House
- d. 20th Century Fox

15. Many argue that increased media concentration by a small number of conglomerations causes some effects on media contents. Which of the following does not belong to such effects?

- a. The diversity of media contents may be reduced.
- b. News and other journalistic programs may be forced to become an “entertainment.”
- c. Media owners’ specific political agenda may be promoted.
- \*d. Audience may become more active in interpreting media contents.

16. If a media company integrates a talent agency, a film studio, and a movie theater, this is called \_\_\_\_\_ integration.

- \*a. vertical
- b. horizontal
- c. spiral
- d. linear

17. “Advergames” is an example of \_\_\_\_\_ marketing.

- \*a. viral
- b. guerilla
- c. preferential
- d. mass

18. Advertisers’ strategy to build their products into the storyline of a movie, television series, or video game by including them in a seemingly natural and recurring way that may be hard to recognize is called \_\_\_\_\_.

- \*a. product placement
- b. product testing
- c. product sampling
- d. product exhibition

19. The advertising strategy in which brands become integral characters in media contents and thereby media production costs are shared by advertisers is known as \_\_\_\_\_

- a. brand procurement
- \*b. brand integration
- c. brand synergy
- d. brand sharing

20. \_\_\_\_\_ refers to the ways reporters doubt themselves, tone down their work, omit small items, or drop entire stories to avoid pressure, eliminate any perception of bias, or advance their careers.

- a. Citizen journalism
- b. Embedded journalism

- \*c. Self-censorship
- d. Agenda-setting

21. Which of the following is true about early newspapers in the United States (18th to early 19th century)?

- a. Newspapers were largely funded by corporations.
- b. "Objectivity" was a major norm of newspaper journalists.
- c. No editors existed for newspapers.
- \*d. Newspapers were advocates of political parties.

22. \_\_\_\_\_ refers to the degree to which there is diversity in media content readily available to audiences.

- a. Media monopoly
- b. Media concentration
- \*c. Media pluralism
- d. Media conglomeration

23. Which corporation owns the sports cable network ESPN?

- \*a. Walt Disney
- b. News Corporation
- c. Comcast
- d. Viacom

24. Networks' tendency to minimize the risk of losing money on programs is known as \_\_\_\_\_

- \*a. Profit-driven logic of safety
- b. Program diversification
- c. Fin-sync rule
- d. Prime time program bias

25. The approach to media that says media products should be understood as the result of a social process that occurs within an institutional framework is known as the \_\_\_\_\_ perspective.

- \*a. production
- b. technological
- c. encoding
- d. decoding

Type: E

26. From American Idol to Survivors to Jersey Shore, a recent trend in television is the proliferation of reality shows. Why do you think there is such proliferation of reality shows today? Try to incorporate media economics and production perspectives in your answer.

Type: E

27. Many network television shows constantly imitate each other, creating copies and spin-offs. From the perspective of media economics, why do we see similar programs across the networks?

Type: E

28. Define media “concentration” and “conglomeration.” Then discuss their potential effects on media contents and production.

Type: E

29. Analysts often say that profit-driven logic has taken over news operations in many media firms these days. What would be the consequences of cost minimization and profit maximization on news media specifically?

Type: E

30. It is often said that economic forces helped develop the norms of objectivity and neutrality in U.S. newspapers during the 19th century. Clarify this statement to your best ability.

31. The number of media businesses in the United States has decreased over the last several decades.

- \*a. True
- b. False

32. A “production perspective” in media studies suggests that media products should be seen as the result of social and economic processes of production.

- \*a. True
- b. False

33. Bertelsmann is the largest global media company measured by revenue.

- a. True
- \*b. False

34. The homogenization hypothesis suggests that media concentration would lead to decreased diversity in media contents.

- \*a. True
- b. False

35. “Horizontal” integration refers to the integration of media companies of similar sizes.

- a. True
- \*b. False

36. CBS is an example of a niche media company aimed at specific audiences.

- a. True
- \*b. False

37. Media products are free-floating texts, independent of organizational or external constraints.

a. True

\*b. False

38. The U.S. press of the early 19th century was a biased, partisan press.

\*a. True

b. False

39. "Advergames" refers to adventure games played online.

a. True

\*b. False