

***Essentials of Marketing Research (Malhotra)***

**Chapter 2 Defining the Marketing Research Problem and Developing an Approach**

1) While every step in a marketing research project is important, research design formulation is the most important step.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 1

2) A statement of the management decision problem and a broad statement of the general problem and identification of the specific components of the marketing research problem is called problem definition.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 1

3) Problem audit is a comprehensive examination of a marketing problem to understand its origin and nature.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 2

4) Problem audit is a comprehensive examination of a marketing department to identify fraud.

Answer: FALSE

Diff: 1

AACSB: Reflective thinking

Objective: 2

5) The resume of the decision maker is one of the issues discussed with the decision maker during the problem audit.

Answer: FALSE

Diff: 1

AACSB: Reflective thinking

Objective: 2

6) The alternative courses of action available to the DM is one of the issues discussed with the decision maker during the problem audit.

Answer: TRUE

Diff: 2

AACSB: Written and oral communication

Objective: 2

7) Secondary data are data collected for some purpose other than the problem at hand.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 2

8) Secondary data are data of secondary importance.

Answer: FALSE

Diff: 1

AACSB: Application of knowledge

Objective: 2

9) According to the text, primary data are an economical and quick source of background information.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 2

10) Data originated by the researcher specifically to address the research problem are called primary data.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 2

11) Pilot surveys contain fewer open-ended questions than large-scale surveys.

Answer: FALSE

Diff: 3

AACSB: Reflective thinking

Objective: 2

12) An unstructured, exploratory research methodology based on small samples intended to provide insight and understanding of the problem setting is called quantitative research.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 2

13) Qualitative research is based on large samples and involves statistical analysis.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 2

14) The political environment is a factor that comprises the environmental context of the problem.

Answer: FALSE

Diff: 3

AACSB: Application of knowledge

Objective: 3

15) Buyer behavior is a body of knowledge that tries to understand and predict consumers' reactions based on an individual's specific characteristics.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 3

16) According to the text, buyer behavior is a central component of the environmental context of the problem.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 3

17) General economic conditions are considered elements of the legal environment.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 3

18) Marketing and technological skills are considered elements of the environmental context.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 3

19) The problem confronting the decision maker is typically referred to as the marketing research problem.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 4

20) The management decision problem asks what information is needed and how it can best be obtained.

Answer: FALSE

Diff: 2

AACSB: Application of knowledge

Objective: 4

21) According to the text, the marketing research problem is information-oriented.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 4

22) Focusing on the underlying causes of a problem is a characteristic of a management decision problem.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 4

23) Focusing on the underlying causes of a problem is a characteristic of the marketing research problem.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 4

24) A marketing research problem asks what information is needed and how it should be obtained.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 4

25) Determining the impact on sales and profits of various levels of price changes is an issue that would be addressed in a management decision problem.

Answer: FALSE

Diff: 3

AACSB: Reflective thinking

Objective: 4

26) Unbiased evidence that is supported by empirical findings is called objective evidence.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 6

27) A theory is a conceptual scheme based on foundational statements, which are assumed to be true.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 6

28) An analytical model consists of a set of variables related in a specified manner to represent all or a part of some real system or process.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 6

29) In graphical models, the variables and their relationships are stated in prose form.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 6

30) Graphical models are particularly helpful in conceptualizing an approach to the problem.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 6

31) Graphical models explicitly specify the strength and direction of relationships among variables, usually in equation form.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 6

32) Research questions are refined statements of the specific components of the problem.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 6

33) An unproven statement or proposition about a factor or phenomenon that is of interest to the researcher is called a theory.

Answer: FALSE

Diff: 2

AACSB: Reflective thinking

Objective: 6

34) Hypotheses are statements about proposed relationships rather than merely questions to be answered.

Answer: TRUE

Diff: 2

AACSB: Reflective thinking

Objective: 6

35) An unproven statement or proposition about a factor or phenomenon that is of interest to the researcher is called a hypothesis.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 6

36) Specification of information needed is one of the components of the marketing research problem.

Answer: FALSE

Diff: 2

AACSB: Application of knowledge

Objective: 6

37) Specification of information needed is one of the components of the approach to the problem.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 6

38) By focusing on each component of the problem, the research questions and hypotheses, the researcher can determine what information should be obtained.

Answer: TRUE

Diff: 1

AACSB: Reflective thinking

Objective: 6

39) Each specific component of the marketing research problem should be further refined by developing one or more research questions and associated hypotheses.

Answer: TRUE

Diff: 2

AACSB: Application of knowledge

Objective: 5

40) Many international marketing efforts fail because a problem audit is not conducted prior to entering the foreign market, and the relevant environmental factors are not taken into account.

Answer: TRUE

Diff: 1

AACSB: Diverse and multicultural work environments

Objective: 7

41) In defining the problem and developing an approach, the researcher must be sensitive to the underlying cultural factors that influence consumption and purchase behavior.

Answer: TRUE

Diff: 1

AACSB: Diverse and multicultural work environments

Objective: 7

42) Analysis of blogs and Facebook postings revealed to Dell that many customers who purchased its computers were having issues with service support.

Answer: TRUE

Diff: 2

AACSB: Information technology

Objective: 8

43) With the use of social media such as blogs, Facebook, or Twitter, researchers can update consumers on the research that has been ongoing and the actions that have been taken.

Answer: TRUE

Diff: 2

AACSB: Information technology

Objective: 8

44) It is possible to identify industry experts, and an analysis of their social media sites can provide insights into their thinking as it relates to problems at hand.

Answer: TRUE

Diff: 2

AACSB: Information technology

Objective: 8

45) A limitation of social media in understanding consumer behavior is that we cannot determine how consumers interact with each other over time.

Answer: FALSE

Diff: 2

AACSB: Information technology

Objective: 8

46) The researcher is ethically bound to define the problem so as to further the best interest of the research firm, rather than the interest of the client.

Answer: FALSE

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 9

47) At times, ethical considerations may involve making the interest of the research firm subservient to the client.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 9

48) While every step in a marketing research project is important, \_\_\_\_\_ is the most important step.

A) problem definition

B) problem correction

C) research design formulation

D) report generation and presentation

E) project completion

Answer: A

Diff: 2

AACSB: Reflective thinking

Objective: 1

49) According to the problem definition and approach development process as given in the text, the tasks involved in problem definition consist of all of the following EXCEPT \_\_\_\_\_.

A) discussions with the decision makers

B) interviews with industry experts

C) analysis of project costs

D) analysis of secondary data

Answer: C

Diff: 3

AACSB: Reflective thinking

Objective: 2

50) According to the problem definition and approach development process as given in the text, the tasks involved in problem definition consist of all of the following EXCEPT \_\_\_\_\_.

A) discussions with the decision makers

B) interviews with industry experts

C) analysis of project schedule

D) analysis of secondary data

E) qualitative research

Answer: C

Diff: 2

AACSB: Reflective thinking

Objective: 2



51) According to the problem definition and approach development process as given in the text, the tasks involved in problem definition consist of \_\_\_\_\_.

- A) discussions with the decision makers
- B) estimates of expected results
- C) analysis of project costs
- D) recommendations for decision makers
- E) all of the above

Answer: A

Diff: 2

AACSB: Reflective thinking

Objective: 2

52) According to the problem definition and approach development process as given in the text, the tasks involved in problem definition consist of \_\_\_\_\_.

- A) secondary data analysis
- B) experimentation
- C) budgeting of the project
- D) scheduling of the project
- E) all of the above

Answer: A

Diff: 1

AACSB: Reflective thinking

Objective: 2

53) A statement of the management decision problem and a broad statement of marketing research problem and identification of the specific components is called \_\_\_\_\_.

- A) problem correction
- B) problem definition
- C) hypotheses generation
- D) problem audit
- E) project conceptualization

Answer: B

Diff: 2

AACSB: Application of knowledge

Objective: 1

54) Michael Dell of Dell Computers wants his company to take market share from Hewlett-Packard and Apple in the category of printers. As his marketing research director, which of the following would NOT be part of the tasks involved in formulating the marketing research problem to support Dell's strategic initiative in selling printers?

- A) qualitative research
- B) interviews with experts
- C) secondary data analysis
- D) discussions with Michael Dell
- E) composing the research design

Answer: E

Diff: 3

AACSB: Application of knowledge

Objective: 2

55) The \_\_\_\_\_ provides a useful framework for interacting with the decision maker and identifying the underlying causes of the problem.

- A) problem audit
- B) management problem
- C) problem definition
- D) research presentation
- E) none of the above

Answer: A

Diff: 2

AACSB: Application of knowledge

Objective: 2

56) To identify the underlying causes of the problem, the researcher should \_\_\_\_\_.

- A) conduct a problem audit
- B) define the management decision problem
- C) assess what past research was done for the firm
- D) assess competitor success
- E) all of the above

Answer: A

Diff: 2

AACSB: Reflective thinking

Objective: 2

57) \_\_\_\_\_ is a comprehensive examination of a marketing problem to understand its origin and nature.

- A) Problem definition
- B) Problem correction
- C) Hypotheses generation
- D) Research directive
- E) Problem audit

Answer: E

Diff: 2

AACSB: Application of knowledge

Objective: 2

58) The problem audit involves discussions with the decision maker on all of the following issues EXCEPT the \_\_\_\_\_.

- A) history of the problem
- B) criteria that will be used to evaluate the alternative courses of action
- C) information that is needed to answer the decision maker's questions
- D) alternative courses of action available to the decision maker
- E) national culture as it's related to a country's trade barriers

Answer: E

Diff: 3

AACSB: Reflective thinking

Objective: 2

59) Interviews with industry experts, those individuals who are knowledgeable about the firm and the industry, may help formulate the marketing research problem. Which of the following statements is true about interviews with industry experts?

- A) These experts may be found both inside and outside the firm.
- B) Typically, expert information is obtained by unstructured personal interviews without administering a formal questionnaire.
- C) It is helpful to prepare a list of topics to be covered during the interview.
- D) All of the above are true.

Answer: D

Diff: 3

AACSB: Reflective thinking

Objective: 2

60) \_\_\_\_\_ are data collected for some purpose other than the problem at hand.

- A) Primary data
- B) Secondary data
- C) Virtual data
- D) Observational data
- E) Research data

Answer: B

Diff: 1

AACSB: Reflective thinking

Objective: 2

61) Which of the following is true about secondary data?

- A) Collection time is long.
- B) Quality of data is high.
- C) Cost of collecting the data is low.
- D) It is easy to access.
- E) It is highly relevant to marketing research problems.

Answer: C

Diff: 1

AACSB: Application of knowledge

Objective: 2

62) According to the text, \_\_\_\_\_ are an economical and quick source of background information.

- A) primary data
- B) virtual data
- C) secondary data
- D) observational data
- E) all of the above

Answer: C

Diff: 1

AACSB: Reflective thinking

Objective: 2

63) Which of the following is NOT an example of a source of secondary data?

- A) trade organizations
- B) Census Bureau
- C) Internet
- D) industry associations
- E) survey data

Answer: E

Diff: 2

AACSB: Reflective thinking

Objective: 2

64) Which of the following represents an example of a secondary data source?

- A) the formula for Coca-Cola
- B) population census data
- C) the new models to be introduced by GM in the next three to five years
- D) interviews
- E) experiments

Answer: B

Diff: 3

AACSB: Reflective thinking

Objective: 2

65) Which sources of secondary data would be helpful in defining the problem of Wendy's increasing its share of the fast food market?

A) a field research project to be conducted by Wendy's to answer the question of how to increase its share of the fast food market

B) a report from the Fast Food Retailers Association on changing preferences for consumer tastes

C) a US Census Bureau report on the changing demographic profile of the US consumer

D) all of the above

E) B and C only

Answer: E

Diff: 2

AACSB: Reflective thinking

Objective: 2

66) Data originated by the researcher specifically to address the research problem are called \_\_\_\_\_.

A) primary data

B) secondary data

C) virtual data

D) census data

E) research data

Answer: A

Diff: 1

AACSB: Application of knowledge

Objective: 2

67) An unstructured, exploratory research methodology based on small samples intended to provide insight and understanding of the problem setting is called \_\_\_\_\_.

A) quantitative research

B) qualitative research

C) descriptive research

D) causal research

E) secondary data

Answer: B

Diff: 2

AACSB: Application of knowledge

Objective: 2

68) \_\_\_\_\_ tend to be less structured and to have smaller samples than large-scale surveys.

- A) Mail surveys
- B) Pilot surveys
- C) Online surveys
- D) Census surveys
- E) Telephone surveys

Answer: B

Diff: 2

AACSB: Reflective thinking

Objective: 2

69) All of the following represent factors that comprise the environmental context of the problem EXCEPT \_\_\_\_\_.

- A) resources of the firm
- B) objectives of the decision maker
- C) accounting practices used by the firm twenty years ago
- D) economic environment
- E) constraints of the firm

Answer: C

Diff: 1

AACSB: Analytical thinking

Objective: 3

70) \_\_\_\_\_ is a body of knowledge that tries to understand and predict consumers' reactions based on an individual's specific characteristics.

- A) Economic behavior
- B) Organizational behavior
- C) Buyer behavior
- D) Ethical behavior
- E) Census data

Answer: C

Diff: 2

AACSB: Application of knowledge

Objective: 3

71) According to the text, \_\_\_\_\_ is a central component of the environmental context of the problem.

- A) economic theory
- B) organizational behavior
- C) ethical behavior
- D) stock price of the publicly held company in question
- E) buyer behavior

Answer: E

Diff: 2

AACSB: Application of knowledge

Objective: 3

72) \_\_\_\_\_ includes the underlying motives, perceptions, attitudes, buying habits, and demographic and psychographic profiles of buyers and potential buyers.

- A) Buyer behavior
- B) Economic behavior
- C) Organizational behavior
- D) Ethical behavior
- E) Advertising creativity

Answer: A

Diff: 2

AACSB: Application of knowledge

Objective: 3

73) Of which two objectives must the researcher have a clear understanding?

- A) market share and profitability
- B) daily and weekly
- C) financial and non-financial
- D) return on investment and return on equity
- E) of the organization and of the decision maker

Answer: E

Diff: 2

AACSB: Application of knowledge

Objective: 3

74) Which of the following is NOT considered an element of the legal environment?

- A) public policies
- B) general economic conditions
- C) laws
- D) government agencies
- E) pressure groups

Answer: B

Diff: 3

AACSB: Reflective thinking

Objective: 3

75) Which of following is NOT an element in the economic environment?

- A) public policies
- B) purchasing power
- C) discretionary income
- D) general economic conditions
- E) disposable income

Answer: A

Diff: 2

AACSB: Reflective thinking

Objective: 3

76) The problem confronting the decision maker is typically referred to as the \_\_\_\_\_.

- A) management decision problem
- B) theoretical decision problem
- C) hypothetical decision problem
- D) marketing research problem
- E) research context problem

Answer: A

Diff: 2

AACSB: Application of knowledge

Objective: 4

77) The management decision problem is \_\_\_\_\_.

- A) the shakeup of the management
- B) the problem confronting the decision maker
- C) how to boost the stock price
- D) how to meet objectives
- E) how to please stockholders

Answer: B

Diff: 2

AACSB: Application of knowledge

Objective: 4

78) The marketing research problem asks the question, \_\_\_\_\_.

- A) how can we increase market share
- B) how can we increase sales and profits
- C) what information is needed and how can it best be obtained
- D) how can we save money
- E) where do we go from here

Answer: C

Diff: 2

AACSB: Application of knowledge

Objective: 4

79) The \_\_\_\_\_ asks what information is needed and how can it best be obtained.

- A) management decision problem
- B) theoretical decision problem
- C) hypothetical decision problem
- D) research context problem
- E) marketing research problem

Answer: E

Diff: 2

AACSB: Application of knowledge

Objective: 4



80) According to the text, the \_\_\_\_\_ is information oriented.

- A) marketing research problem
- B) management decision problem
- C) theoretical decision problem
- D) hypothetical decision problem
- E) research context problem

Answer: A

Diff: 2

AACSB: Application of knowledge

Objective: 4

81) Which of the following is NOT a characteristic of a management decision problem?

- A) focuses on symptoms
- B) asks what the decision maker needs to do
- C) is action oriented
- D) focused on the underlying causes
- E) All are characteristics of a management decision problem.

Answer: D

Diff: 3

AACSB: Reflective thinking

Objective: 4

82) Which of the following is a characteristic of a management decision problem?

- A) tends to focus on symptoms
- B) asks what the decision maker would do without the need for information
- C) focuses on the underlying causes
- D) occurs late in the research process
- E) all of the above

Answer: A

Diff: 3

AACSB: Reflective thinking

Objective: 4

83) Which of the following is NOT a characteristic of a marketing research problem?

- A) asks what the decision maker needs to do
- B) asks what information is needed and how it should be obtained
- C) is information oriented
- D) focuses on the underlying causes
- E) All are characteristics.

Answer: A

Diff: 3

AACSB: Reflective thinking

Objective: 4

84) Which of the following is NOT an issue that would be addressed in a management decision problem?

- A) Should the advertising campaign be changed?
- B) Should the price of the product be changed?
- C) Determine the impact on sales and profits of various levels of price changes.
- D) What can a company do to expand its share of its product category?
- E) B and C

Answer: C

Diff: 3

AACSB: Analytical thinking

Objective: 4

85) Unbiased evidence that is supported by empirical findings is called \_\_\_\_\_.

- A) objective evidence
- B) sound evidence
- C) legal evidence
- D) subjective evidence
- E) research data

Answer: A

Diff: 2

AACSB: Application of knowledge

Objective: 6

86) A(n) \_\_\_\_\_ is a conceptual scheme based on foundation statements, which are assumed to be true.

- A) experiment
- B) theory
- C) objective
- D) incident
- E) investigation

Answer: B

Diff: 2

AACSB: Application of knowledge

Objective: 6

87) An explicit specification of a set of variables and their interrelationships designed to represent some real system or process in whole or in part is called \_\_\_\_\_.

- A) an analytical model
- B) a theory
- C) a hypothesis
- D) an objective
- E) broad-based research

Answer: A

Diff: 2

AACSB: Application of knowledge

Objective: 6

88) Which of the following is a common form of a model discussed in the text?

- A) verbal model
- B) graphical model
- C) mathematical model
- D) technological model
- E) causal model

Answer: B

Diff: 2

AACSB: Application of knowledge

Objective: 6

89) In \_\_\_\_\_, the variables and their relationships are depicted in a diagram.

- A) verbal models
- B) graphical models
- C) mathematical models
- D) technological models
- E) provisional models

Answer: B

Diff: 2

AACSB: Reflective thinking

Objective: 6

90) \_\_\_\_\_ are visual and pictorially represent the theory.

- A) Graphical models
- B) Mathematical models
- C) Verbal models
- D) Technological models
- E) Cartoons

Answer: A

Diff: 2

AACSB: Reflective thinking

Objective: 6

91) Which of the following models are used to isolate variables and to suggest directions of relationships but are not designed to provide numerical results?

- A) graphical models
- B) mathematical models
- C) verbal models
- D) technological models
- E) specific models

Answer: A

Diff: 2

AACSB: Reflective thinking

Objective: 6

92) \_\_\_\_\_ are refined statements of the specific components of the problem.

- A) Research questions
- B) Theories
- C) Hypotheses
- D) Experiments
- E) Scientific information

Answer: A

Diff: 2

AACSB: Application of knowledge

Objective: 6

93) An unproved statement or proposition about a factor or phenomenon that is of interest to the researcher is called a(n) \_\_\_\_\_.

- A) theory
- B) hypothesis
- C) model
- D) experiment
- E) relationship

Answer: B

Diff: 2

AACSB: Application of knowledge

Objective: 6

94) A hypothesis is a possible answer to a \_\_\_\_\_.

- A) management decision problem
- B) marketing research problem
- C) theory
- D) research question
- E) none of the above

Answer: D

Diff: 2

AACSB: Reflective thinking

Objective: 6

95) \_\_\_\_\_ are statements about proposed relationships rather than merely questions to be answered.

- A) Theories
- B) Models
- C) Experiments
- D) Hypotheses
- E) Scientific notations

Answer: D

Diff: 2

AACSB: Reflective thinking

Objective: 6

96) An unproven statement or proposition about a factor or phenomenon that is of interest to the researcher is called a(n) \_\_\_\_\_.

- A) situation
- B) incident
- C) hypothesis
- D) theory
- E) research question

Answer: C

Diff: 2

AACSB: Reflective thinking

Objective: 6

97) The researcher can determine what information should be obtained by focusing on \_\_\_\_\_.

- A) the components of the problem
- B) research questions
- C) hypotheses
- D) all of the above
- E) none of the above

Answer: D

Diff: 2

AACSB: Reflective thinking

Objective: 6

98) Many international marketing efforts fail because \_\_\_\_\_.

- A) the researcher cannot understand the language
- B) the relevant environmental factors are not taken into account
- C) the researcher is incompetent
- D) funds are not provided to conduct the research
- E) all of the above

Answer: B

Diff: 3

AACSB: Diverse and multicultural work environments

Objective: 7

99) In a short essay, list and discuss at least three important issues that are discussed with decision makers when a problem audit is conducted.

Answer:

- a. The history of the problem — this is a discussion of the events that led to the decision to act.
- b. The alternate courses of action available to the decision maker — the set of alternatives may be incomplete at this stage, and qualitative research may be needed to identify the more innovative courses of action.
- c. The information that is needed to answer the decision maker's questions — the information needed includes a comparison of all elements of the marketing mix in order to determine relative strengths and weaknesses.

Diff: 3

AACSB: Reflective thinking

Objective: 2

100) In a short essay, discuss the differences between primary and secondary data. Include a specific example of each to support your answer.

Answer: Secondary data are data collected for some purpose other than the problem at hand, such as data available from trade organizations, the Bureau of Census, and the Internet. Primary data, on the other hand, are originated by the researcher for the specific problem under study, such as survey data. Secondary data include information made available by business and government sources, commercial marketing research firms, and computerized databases. Secondary data are an economical and quick source of background information.

Diff: 1

AACSB: Analytical thinking

Objective: 2

101) In a short essay, discuss the differences between a management decision problem and a marketing research problem.

Answer: The management decision problem asks what the decision maker needs to do, whereas the marketing research problem asks what information is needed and how can it best be obtained. The management decision problem is action-oriented, framed from the perspective of what should be done, and focuses on the symptoms not the underlying causes. It asks questions such as "How should the loss of market share be arrested? Should the market be segmented differently? Should a new problem be introduced? Should the promotional budget be increased?" In contrast, the marketing research problem is information-oriented. Research is directed at providing the information necessary to make a sound decision. The marketing research problem focuses on the underlying causes. Examples of this type of problem include the determination of the effectiveness of the current advertising campaign and the determination of the impact on sales and problems of various levels of price changes.

Diff: 3

AACSB: Reflective thinking

Objective: 4

102) In a short essay, discuss the characteristics of an analytical model and list and discuss the three most common forms of this model.

Answer: An analytical model consists of a set of variables related in a specified manner to represent all or a part of some real system or process. Models can take many forms. The most common are verbal, graphical, and mathematical structures. In verbal models, the variables and their relationships are stated in prose form. These models are often a summary or restatement of the main points of the theory. Graphical models are visual and pictorially represent the theory. They are used to isolate variables and to suggest directions of relationships but are not designed to provide numerical results. They are logical, preliminary steps to developing mathematical models. Mathematical models explicitly specify the strength and direction of relationships among variables, usually in equation form.

Diff: 2

AACSB: Reflective thinking

Objective: 6

103) In a short essay, discuss the characteristics of research questions and a hypothesis.

Answer:

- a. Research questions are refined statements of the specific components of the problem. A problem component may break into several research questions. Research questions are designed to ask the specific information required to address each problem component. Research questions that successfully address the problem components will provide valuable information for the decision maker. The formulation of the research questions should be guided, not only by the problem definition, but also by the analytical framework and the model adopted.
- b. A hypothesis is an unproven statement or proposition about a factor or phenomenon that is of interest to the researcher. It may be a tentative statement about the relationships discussed in the theoretical framework or represented in the analytic model. The hypothesis may also be stated as a possible answer to the research question. Hypotheses are statements about proposed relationships rather than merely questions to be answered. They reflect the researchers' expectation and can be tested empirically. Hypotheses also play the important role of suggesting variables to be included in the research design.

Diff: 2

AACSB: Reflective thinking

Objective: 6