

MGT 100 Practice Quiz 1, covering content in Weeks 1-3

This is a practice quiz 1. Use it to understand and predict the types of questions you will be asked. Answers are at the end. The real Midterm 1 quiz takes place at the Triton Testing Center Computer-Based Testing Facility. It is closed-notes, 20 questions, with duration up to 45 minutes. An advance appointment is required, as described on the CBTF website. Use this as a representative sample, not an exhaustive study guide.

True/false and multiple-choice questions are worth one point each. Short-answer questions are scored as follows: +2 points if left blank; 3 or 4 points if correct; 0 or 1 points if incorrect. You should leave the question blank if you do not know the answer.

Q1. Focusing on short-term profitability helps sidestep most ethical problems in marketing.

True False

Q2. Every customer analytics project must begin by building a predictive model.

True False

Q3. According to the Professor, which of the following customer heterogeneity measures is often overrated as a driver of customer choices?

- (a) Customer needs
- (b) Customer demographics
- (c) Customer psychographics
- (d) Customer satisfaction

Q4. The Du et al. (2019) chart shown in class plots minute-by-minute Google searches for DraftKings and FanDuel during an NFL game. What does the chart show happened when one of these brands airs a TV ad?

- (a) Search volume for that brand increases 15-25x within the ad minute and returns to baseline within about 5 minutes
- (b) Search volume decreases because viewers are glued to the TV
- (c) Search volume spikes for 30+ minutes, indicating accelerating consumer interest
- (d) Only non-brand ads produce a search response

Q5. Regression is a good first step for summarizing a dataset.

True False

Q6. "Analytics" means using data to improve decisions.

True False

Q7. In a well-trained word embedding space, the vector operation "king minus man plus woman" will most closely approximate which of the following vectors?

- (a) prince
- (b) queen

- (c) royalty
- (d) human

Q8. The K-Means centroid estimation algorithm is guaranteed to find the global optimum.

- True
- False

Q9. The Independence of Irrelevant Alternatives (IIA) property of MNL implies which of the following?

- (a) The relative odds of choosing between any two products depend only on those two products' utilities, not on any third product
- (b) Consumers view all products as similar
- (c) Attributes that are independent of each other are irrelevant to demand
- (d) Market shares depend on absolute, not relative, utility levels

Q10. Running a price experiment can change future demand.

- True
- False

Q11. A parent buys baby formula for their infant. Who is the customer and who is the consumer? Answer in 25 words or less. Leave blank for partial credit if you do not know.

Q12. Suppose we segment the smartphone market according to each customer's desired brand. Is this a good idea? Why or why not? Explain in 25 words or less. Leave blank for partial credit if you do not know.

Answer Key

Q1. False

Q2. False

Q3. B

Q4. A

Q5. False

Q6. True

Q7. B

Q8. False

Q9. A

Q10. True

Q11. Parent is the customer (pays); baby is the consumer (consumes).

Q12. No. It's circular: it uses the outcome as the required input. Puts the cart before the horse.

Segmentation should reflect customer needs, not assume outcomes.

[any reasonable variation would suffice]