

Product and Negotiation

1. Which alternative to negotiation can end in an agreement without a cost to the parties involved?
 - A. Problem solving
 - B. Imposing sanctions
 - C. Taking unilateral action
 - D. Withdrawal of concessions
2. What is the cost of disagreement between parties in the negotiation process?
 - A. Discussion time in the negotiation
 - B. Financial incentives and discounts
 - C. Loss of time and a longer process
 - D. Imposing sanctions and penalties
3. Travel agents must often negotiate for compensation on behalf of their clients with _____
 - A. airlines
 - B. hotels
 - C. rental companies
 - D. all of the above
4. In negotiation, a "sanction" is _____
 - A. an incentive
 - B. a punishment
 - C. a reward
 - D. a technique
5. Which two steps in the negotiation cycle require an exchange of information that can have a positive outcome that satisfies both negotiating parties?
 - A. Preparation and discussion steps
 - B. Bargain and discussion steps
 - C. Discussion and signal steps
 - D. Close and agree steps
6. At which stage in the process should negotiating parties test whether assumptions made about each other's objectives or positions are true?
 - A. Signal
 - B. Bargain
 - C. Preparation
 - D. Discussion
7. Which of the following is an example of a negotiation cost?
 - A. A concession
 - B. A bargain
 - C. A disclosure
 - D. An incentive
8. Which is true?
 - A. Accepting a bad deal is better than no deal at all
 - B. It is better to stop negotiating than to accept a bad deal
 - C. A bad deal is the result of staying within the negotiation limits
 - D. Negotiating too many objectives will result in a bad deal



9. When are people motivated to negotiate?
- A. When there are no sanctions
 - B. When there is an incentive benefit
 - C. When a precedent is at risk
 - D. When relationships between parties are bad
10. What is a negotiation "barrier"?
- A. A variable that makes a deal attractive for all negotiating parties
 - B. A variable that is not acceptable for one of the negotiating parties
 - C. A variable that is not acceptable to all the negotiating parties
 - D. A variable that represents a compromise between all parties
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12. Which is a common tool used by businesses to attract interested vendors to a project and collect information from them that helps build a list of eligible vendors.
- A. RFV
 - B. RFP
 - C. RFQ ✓ 137
 - D. RFI
13. What is requested from vendors/suppliers in an RFQ?
- A. To quote for complex projects with prices and creative solutions
 - B. To quote their price for specific service and/or products
 - C. Proof that they will be able to meet certain standards as requested
 - D. Provide credit approval from a bank for specific services
14. Which is not an advantage of the RFP process?
- A. It reduces time spent on defining project definitions and requirements
 - B. The price and various solutions available to meet a need become clear
 - C. It guarantees to negotiate the lowest possible price from a vendor
 - D. The different vendors and suppliers can be easily compared
15. Which statement about E-RFPs is correct?
- A. E-RFPs are only used by information technology companies
 - B. E-RFPs create an opportunity to solicit new business globally
 - C. E-RFPs will satisfy all requirements of an RFP assignment
 - D. E-RFPs can also be used as a substitute for an RFQ or an RFI
16. Which statement about a Non-Disclosure Agreement is false?
- A. It places legal obligations on a negotiating party to respect confidentiality
 - B. It can be as short as a simple single-paragraph to a single-page document
 - C. It is always part of the final contract after negotiations have been finalized
 - D. It usually precedes the RFP Proposal Response or forms an Appendix to it
17. What is a disadvantage for special-interest tour developers?
- A. It is difficult to manage the group size for special-interest tours
 - B. The planning cycle for special-interest tour products is long
 - C. Special-interest tour participants have a smaller travel budget
 - D. It is difficult to find potential special-interest tour customers

18. Which statement about Special Interest tours is correct?
- A. It generally attracts participants with low income levels
 - B. Organizing special interest tours is not labour-intensive
 - C. It covers as many destinations as possible on the itinerary
 - D. May take up to a year to plan as they have longer planning cycle
19. The ideal tour departure day for participants who work full-time is _____.
- A. Saturday or Sunday
 - B. Monday through Friday
 - C. on a public holiday
 - D. on any day with the lowest cost
20. Ecotourism is mostly about travelling to a destination to _____.
- A. visit famous attractions and shop for souvenirs
 - B. observe and respect nature and local culture
 - C. work as a volunteer on a nature project
 - D. work and live among the local people
21. Which statement about certified eco-tours is false?
- A. It adds credibility and visibility to the sale of eco-tours products
 - B. It distinguishes a proven eco-tour provider from the competition
 - C. There is only one eco-tourism certificate program that exists today
 - D. They are certified by either local or national associations
22. Which is the least effective marketing approach to promoting an agency's eco-tour specialty?
- A. Joining nature related clubs and meeting members interested in nature
 - B. Advertising in a retail shop that sells athletic clothes and camping gear
 - C. Printing an ad with the agency's eco- certificate in nature magazines
 - D. Advertising an eco-tour in a newsletter sent to every agency customer
23. Which of the following tours belongs in the category of soft adventure?
- A. A trek across the Andes Mountains by horseback
 - B. A heritage and cultural tour of England, Scotland and Wales
 - C. A whale watching tour in New Zealand
 - D. A snowboarding trip in the Austrian Alps
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25. When arranging a tour for the physically challenged, the hotel component should be _____.
- A. located downtown
 - B. accessible
 - C. close to a hospital
 - D. situated out of town
26. Which types of special-interest tours are likely to include advice for tour participants in the tour brochure terms and conditions that minimize safety risks?
- A. Hard adventure tours
 - B. Religious group tours
 - C. Museum tours
 - D. Singles tours

27. The first step in planning and developing a special interest tour is to _____.
- A. assess consumers' physical aptitudes
 - B. assess consumer demand
 - C. assess consumers' income
 - D. evaluate the cost of the project
28. Which concession from an airline does not change the cost of the air transportation component for the tour planner?
- A. Commissions and overrides on each seat sold
 - B. The ratio of free confirmed seats for paid seats
 - C. The percentage discounts on group bookings
 - D. The services of a group reservations department
29. Bringing a human element to negotiations with the hotel sales manager or representative by negotiating in person _____.
- A. guarantees the lowest rates
 - B. is typically unsuccessful
 - C. creates additional negotiating tension
 - D. builds rapport and credibility
30. Which of the following groups tends to charge more for their services in the motor coach industry?
- A. Smaller, locally-owned companies
 - B. Larger, nationally-owned companies
 - C. Government regulated companies
 - D. Family-owned companies
31. To avoid a misunderstanding between negotiating parties, it is best to identify _____.
- A. the final activity or service to be completed
 - B. the commission percentage for each service required
 - C. the net rate for each service required
 - D. the task to be performed by each staff
32. After the tour, any unused tour vouchers, such as vouchers for meals or tourist attractions, are refunded to tour customers.
- A. True
 - B. False
33. In the "Terms and Conditions" section of the tour brochure, the section called "Not Included" is important in establishing _____.
- A. what is and what is not included in the tour
 - B. the description of the tour itinerary details
 - C. the cancellation penalty terms for the tour
 - D. the insurance coverage for tour participants
34. Very large groups of MICE participants that cannot be handled as a single group by transportation or accommodation suppliers, make it necessary to create smaller subgroups, are called _____ groups.
- A. back-to-back
 - B. buy-in
 - C. tiered
 - D. break-out

35. One way of making sure that your client's conditions of satisfaction are exceeded is to _____
- A. travel to the event site at the time of the meeting or conference
 - B. make sure a host bar is incorporated at the time of attendee arrival and departure
 - C. eliminate all negotiations between client and supplier
 - D. make sure that there are no hidden costs that are discovered after the event
36. Which question motivates the customer to express an opinion?
- A. "Who are your preferred suppliers supporting at other events?"
 - B. "What rate did you pay last time for a similar event?"
 - C. "How well did the hotel meet your expectations in the past?"
 - D. "What is the ideal hotel or location for this reception?"
37. After an agreement has been set, it is best for planners to _____ make sure that all details are being handled and requirements are being met.
- A. rely on suppliers to handle all matters
 - B. plan ahead
 - C. continue to return to the request phase
 - D. None of the above
38. Which of the following event categories is intended to be a prize or reward for its participants?
- A. Meetings
 - B. Conferences
 - C. Exhibitions
 - D. Incentives
39. A host bar offered in meetings and conferences held at hotels and resorts is _____
- A. a cash bar where attendees pay for their own beverages
 - B. a situation where beverages are paid for by the meeting organizer
 - C. a location where one can find information on entertainment for the destination
 - D. a location where express check-in and check-out are provided for the meeting attendees
40. The customer's "conditions of satisfaction" generally include various _____
- A. opinions and options
 - B. examples of competitor prices
 - C. examples of potential clients
 - D. detailed technical information
41. Which of the following statements is the best example of a specific request from a customer for help to organize a meeting event?
- A. "Can you work on a meeting proposal as soon as possible?"
 - B. "Any hotel will be acceptable to host our annual meeting in Chicago."
 - C. "Our company wants to plan a sales meeting in London next year."
 - D. "We need two hotel proposals for the meeting in the centre of Rome."
42. Which is the last step in the travel professional's workflow in providing event-planning services?
- A. Negotiating the event costs on behalf of the customer
 - B. Presenting an agreement with timelines to the customer
 - C. Confirming the level of the customer's satisfaction
 - D. Establishing specific customer requests
43. Travel agents compete with _____ for incentive business.
- A. other travel agents only
 - B. only television suppliers
 - C. only automobile dealers
 - D. any goods or services supplier



44. An itinerary for participants on an incentive trip that details the schedule of activities is called a _____.
- A. points program
 - B. social schedule
 - C. theme
 - D. trip-kit
45. Which is not an example of a travel agency acting as an intermediary?
- A. The travel agency inspects a venue to evaluate its suitability to host an event
 - B. The travel agency hires an event planning professional to manage customer events
 - C. The travel agency supplies the customer with a complete list of supplier contacts
 - D. The travel agency negotiates each supplier's, fees and payment terms
46. A meeting break where nutritious foods and beverages are served, sometimes including a form of exercise, is called a(n) _____ break.
- A. breakfast
 - B. welcome
 - C. cabaret
 - D. energy
47. Which is true for the "site inspection" process?
- A. The inspection of facilities takes place before the site search process
 - B. It is important to visit and evaluate all aspects of a facility or hotel
 - C. Only record and share the negative aspects of each facility with the customer
 - D. It is a good idea to ask the facility for their customer references during the site inspection
48. Gifts provided by the incentive house or travel supplier to program participants are called _____.
- A. advertising specialties
 - B. amenities
 - C. freebies
 - D. points
49. A _____ program rewards members when they reach a performance goal or level.
- A. plateau
 - B. point
 - C. mileage
 - D. tiered
50. Individuals who have not qualified for an incentive travel reward because they did not achieve the required performance goals may be allowed to participate by _____.
- A. attending only part of the incentive event
 - B. accepting low budget accommodations
 - C. paying all personal costs to attend the event
 - D. sponsoring a prize or reward for the event

General Knowledge

51. The term "supervising" is about _____.
- A. commanding, changing and disciplining your staff
 - B. dealing with all administrative processes within your company
 - C. supporting, collaborating and working with your staff
 - D. overseeing every aspect of your staff's work
52. The best example of SMART rules to help achieve Goals and Objectives is when _____.
- A. the Supervisor sets start time and completion date right at the beginning, with sufficient staff, support and systems
 - B. the Supervisor knows the "bad case" scenario and sets deadlines accordingly
 - C. the Objectives are specific, agreed, realistically achievable in a given time and can be measured
 - D. realistic Objectives for performance are set with agreed specific deadlines
53. The A in the SMART technique for setting clear objectives stands for _____.
- A. agreed
 - B. actualized
 - C. authored
 - D. accurate
54. New skills taught on-the-job by supervisors should be done by _____.
- A. demonstrating the job to be done by explaining the first step only
 - B. conducting training sessions and letting the staff work immediately independently thereafter
 - C. clearly explaining the job, its operation and performance standards and giving them guidance and feedback
 - D. giving additional training and notes to refer to improve their performance
55. When being both co-operative and assertive to address concerns, someone is being _____.
- A. competitive
 - B. accommodative
 - C. compromising
 - D. collaborative
56. What is a good example of how to promote team spirit?
- A. Point out mistakes at all times
 - B. Appreciate only the most talented individuals
 - C. Take inputs from and give thanks to other team members
 - D. Refrain from giving feedback to team members
57. The term BCA stands for _____.
- A. Behavior, Consequences and Action
 - B. Behavior, Continuity and Action
 - C. Behavior, Consequences and Attitude
 - D. Behavior, Coaching and Action
58. Which of the following measures implemented by a supervisor or manager would have the smallest effect on employee job performance?
- A. A sign of appreciation such as saying "Thank you"
 - B. Free daily coffee or tea service for staff
 - C. Celebrating achievement of a deadline
 - D. Writing a letter of recognition for a project completion

59. What is the first step in planning a training program for staff?
A. Survey staff on their training needs
B. Identify the skills and knowledge that need upgrading ✓
C. Contact a supplier to negotiate a presentation
D. Create e-learning courses for the staff
60. When being both co-operative and assertive to address concerns, someone is being _____
A. competitive
B. accommodative ✓
C. compromising ✓
D. collaborative
61. Brainstorming is a great way to _____
A. gather team ideas to solve a problem ✓
B. establish team spirit
C. encourage people to work as a team
D. improve sales and revenues
62. Which is the best description of the term "motivation"?
A. Rewards or consequences
B. The amount of job effort
C. Good job performance
D. Wanting to do or give your best
63. Which can be a cause of problems between team members?
A. Personal relationships
B. Employee aptitudes
C. Team size
D. Poor leadership ✓
64. What should a team leader promote within the team in order to turn individuals into an effective team?
A. Team spirit ✓
B. Team assertiveness
C. Team aggressiveness
D. Team rewards
65. How should product brochures be filed in a travel agency?
A. Chronologically
B. By subject
C. Geographically ✓
D. Alphabetically
66. What method of purchasing travel has changed the way agencies and suppliers market their products?
A. Direct mail
B. Kiosk
C. ATM
D. Internet
67. Which is not a factor in choosing a method for filing documents in a travel office?
A. The agency office location
B. The revenues and business growth
C. The travel services sold
D. The number of staff members

68. A Payroll Budget _____.
- A. includes part-time employee salaries
 - B. does not show medical insurance contributions
 - C. is the largest expense for a travel agency
 - D. is a variable expense to the company
69. In case of a commercial account, the travel agency should _____.
- A. ignore the billing cycles for valued customers
 - B. refuse credit card payments due to additional charges
 - C. analyse its finances before making credit facility available
 - D. advise Credit Controllers to issue a legal notices quickly
70. What statement can be made from the following table about the travel agency?

Net Operating Margin		
2011	2010	2009
25%	25%	25%

- A. The agency's net income has decreased over the last 3 years
 - B. The agency's net income has increased over the last 3 years
 - C. Revenue and costs have developed equally over the last 3 years
 - D. The average net operating income over the 3 year period is 23%
71. Every agency sales transaction is recorded with a description in the _____.
- A. ledger
 - B. journal
 - C. cash book
 - D. operating book
72. The complexity of the agency accounting system depends on the agency's _____.
- A. location, volume of business and number of private customers
 - B. cash flow status, degree of specialization and local regulations
 - C. client base size, location and number of employees
 - D. size, sales volume and range of services offered
73. The "float" in an agency office is defined as _____.
- A. the ticket register
 - B. the petty cash account
 - C. the BSP arrangement
 - D. cruise sales register
74. Participation in BSP is open to both IATA member airlines and non-member airlines serving the country or area concerned.
- A. True
 - B. False
75. Discrepancies between the BSP summary report and the travel agency in-house report _____.
- A. never occur
 - B. are likely due to code sharing between airlines
 - C. are likely due to last minute flight cancellations
 - D. are likely due to corrections reflected in debit or credit notes

76. Head-to-head competition is a strategy that _____
- A. openly challenges competitors on product features
 - B. sets pricing to match that of competitors
 - C. targets the most challenging market segments
 - D. prevents a market monopoly
77. When product supply exceeds consumer demand, suppliers will focus on _____ perspectives.
- A. growth oriented
 - B. product oriented
 - C. customer oriented
 - D. production oriented
78. What type of environment does not require product differentiation, as consumers have no choice but to purchase the only product available?
- A. An environment with a choice of suppliers offering the same product
 - B. An environment with only one product supplier to buy from
 - C. An environment with mature companies and well-branded products
 - D. An environment where the product is supported with marketing activities
79. Research by means of a questionnaire is _____
- A. a Qualitative Research Technique
 - B. a Quantitative Research Technique
 - C. a Market Research Technique that is expensive
 - D. usually undertaken by back-office staff of a travel company
80. Research that uses the results of informal discussions with clients over a period of one or two months is called _____
- A. a segmentation research
 - B. a qualitative research
 - C. an exploratory research
 - D. a quantitative research
81. How would local retailers in the US perceive a weakening of the US Dollar versus the Euro?
- A. As a financial risk
 - B. As increased competition
 - C. As an opportunity
 - D. As a disadvantage
82. Which of the following is not a key step in the marketing process?
- A. Financial compilation
 - B. SWOT analysis
 - C. Selecting target markets
 - D. The marketing mix
83. A benefit of Market Segmentation is what?
- A. It enables to find areas of the market not served adequately
 - B. It consists of similar target segments in most countries
 - C. It does not include low income group of travellers
 - D. It is a production-oriented process which simplifies business
84. Research that analyses customers' complaints in order to improve weaknesses in customer service is called a _____
- A. customer service research
 - B. qualitative research
 - C. SWOT analysis
 - D. quantitative research

85. Product pricing is generally _____
A. dependent on the marketing mix
B. dependent on the promotional mix
C. inversely related to consumer demand for the product
D. only dependent on the user's perceived quality of a product
86. The marketing activities commonly known as the "Four P's" include _____
A. performance and positioning
B. production and purchase
C. promotion and product
D. principle and perspective
87. Which marketing mix element establishes the value of an agency product in a customer's mind?
A. Product
B. Public Relations
C. Price
D. Place
88. A Unique Selling Proposition (U.S.P) for your agency is when _____
A. you sell tours that are popular
B. you market in different locations
C. you offer value in your tour products
D. you promote your brand aggressively
89. Demand for travel products tends to be more inelastic for _____ travelers.
A. business
B. leisure
C. young
D. senior
90. Internet-based convergence technology can be defined as which of the following?
A. Interline service agreements between international airlines
B. The resources required by airlines to implement electronic ticketing
C. Accessing many communication services over a single Internet connection
D. The electronic issue of travel visa
91. To eliminate non compliance fines for visa requirements, airlines will be using a technology now available in certain countries known as _____
A. hyperlinks
B. Smart Cards
C. URLs
D. ETAs
92. With the introduction of electronic ticketing, the official proof of travel can be confirmed through the _____
A. airlines' CRS
B. agency's general ledger
C. agency's journal
D. agency's sales ledger
93. Which of the following statements about Electronic Ticketing is false?
A. The legal proof of travel has been placed in the computers of the airline CRS systems
B. E-ticketing requires support through the Global Distribution System
C. The passenger is handed the airline's terms and conditions in paper format only
D. An electronic image of the ticket is used for check-in, boarding and for BSP settlement

- A. send travel updates via the internet
 - B. check-out from a reservation system
 - C. store all passenger travel-related information
 - D. find information about airports and flights
5. The abbreviation "URL", stands for _____.
- A. Unique Resource Locator
 - B. Uniform Resource Locator
 - C. Universal Resource Locator
 - D. none of the above
- i. Which of the following combinations is least likely to increase traffic on a travel agency's website?
- A. E-mail marketing and display advertising on other websites
 - B. Search engine marketing and search engine optimization
 - C. Direct mailings, print and billboard advertising
 - D. Active participation in newsgroups and e-mail marketing
- What facilitates information finding and "surfing" on the Internet?
- A. GDS interface
 - B. The World Wide Web
 - C. Search engines
 - D. Networks
- The travel industry's distribution channels include _____.
- A. wholesalers
 - B. general sales agents
 - C. travel agents
 - D. all of the above
- Why do many customers still prefer to buy their airline tickets from a travel agency instead of an airline's Internet website?
- A. Guaranteed lowest prices in any market
 - B. Reduces the need to do any research
 - C. Fewer products and services available to choose from
 - D. Financial assistance if the trip goes wrong
- j. What network connects supplier computers to agents and their clients?
- A. A CRS
 - B. A GDS
 - C. An ATM
 - D. The Internet