Student name:\_\_\_\_\_\_\_\_\_\_

**1)** The service package consists of five features. Which one of the features listed below is not included in the package?

A) Explicit services.   
 B) Supporting facility.  
 C) Information.  
 D) Cost of service.

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**2)** The major input into a large public hospital from a service point of view would be \_\_\_\_\_\_.

A) physicians' services   
 B) patients  
 C) nursing services  
 D) federal reimbursement (Medicare/Medicaid)

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**3)** Which of the following is not true of services?

A) The customer is the input.   
 B) The customer takes an active part in the service.  
 C) A service can be inventoried.  
 D) Production and consumption occur simultaneously.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-05 Explain the essential features of the service-dominant logic.  
Topic : Service-Dominant Logic  
Accessibility : Keyboard Navigation

**4)** Which of the following is not a type of service in the non-ownership classification?

A) Goods rental.   
 B) Information.  
 C) Labor and expertise.  
 D) Network usage.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**5)** The service process matrix classification consists of four categories of services. Which one of the four features listed below is not included in this classification?

A) Service factory.   
 B) Service shop.  
 C) Public service.  
 D) Professional service.

**Question Details**Bloom's : Remember  
AACSB : Communication  
Learning Objective : 01-08 Use the service process matrix to classify a service.  
Topic : Grouping Services by Delivery Process  
Difficulty : 1 Easy  
Accessibility : Keyboard Navigation

**6)** Which service offering is best described by the following service mix: a high degree of customer interaction and a high degree of labor intensity?

A) Public university.   
 B) Cruise ship.  
 C) Plumbing repair.  
 D) Chiropractor.

**Question Details**Bloom's : Remember  
AACSB : Communication  
Learning Objective : 01-08 Use the service process matrix to classify a service.  
Topic : Grouping Services by Delivery Process  
Difficulty : 1 Easy  
Accessibility : Keyboard Navigation

**7)** Division of labor is the central concept of \_\_\_\_\_\_.

A) industrial societies   
 B) preindustrial societies  
 C) agrarian societies  
 D) postindustrial societies

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-03 Describe the features of preindustrial, industrial, and postindustrial so  
Topic : Stages of Economic Development  
Accessibility : Keyboard Navigation

**8)** An empty airline seat or hotel room not occupied best illustrates the characteristic of a service's \_\_\_\_\_\_.

A) time perishability   
 B) labor intensity  
 C) intangibility  
 D) simultaneous production and consumption

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**9)** Which type of service falls under the category of "high labor intensity/low interaction and customization?"

A) Service factory.   
 B) Service shop.  
 C) Mass service.  
 D) Professional service.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-08 Use the service process matrix to classify a service.  
Topic : Grouping Services by Delivery Process  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**10)** Which one of the following is not a value-added service provided by a manufacturer to increase profits?

A) Financing or leasing.   
 B) Customer-support call center.  
 C) After-sales maintenance.  
 D) Network and communication services.

**Question Details**Learning Objective : 01-01 Describe the central role of services in an economy.  
Topic : Facilitating Role of Services in an Economy  
AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**11)** Which of the following is not a feature of the new experience economy?

A) The experience is memorable.   
 B) The experience is customized.  
 C) The customer is treated as a guest.  
 D) The experience is staged.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**12)** The key technology of a postindustrial society is \_\_\_\_\_\_.

A) machines   
 B) energy  
 C) information  
 D) intellectual capital of the workers

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-03 Describe the features of preindustrial, industrial, and postindustrial so  
Topic : Stages of Economic Development  
Accessibility : Keyboard Navigation

**13)** Capital decisions, technological advances, and managing demand are some managerial challenges for a \_\_\_\_\_\_.

A) service factory   
 B) service shop  
 C) mass service  
 D) professional service

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**14)** Which among the following strategies is used by fast-food restaurants to reduce costs?

A) Increase advertising via the Internet.   
 B) Allowing the customer to play an active part in the service process.  
 C) Increase prices.  
 D) Increasing menu items to cater to varying tastes.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**15)** Which one of the following reasons best explains the recession-resistant nature of services?

A) Services cannot be inventoried.   
 B) Many services, such as healthcare, are essential.  
 C) Many service employees, such as those who work on commission, do not need to be laid off during recessions.  
 D) The number of jobs in maintenance and repair services increases during recessions.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**16)** The concept of economies of scale is best described as \_\_\_\_\_\_.

A) the replacement of fixed costs with variable costs   
 B) selling a wider range of products  
 C) a synonym for economies of scope  
 D) the replacement of variable costs with fixed costs

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**17)** The presence of a friendly desk clerk in a budget hotel is an example of which of the four features of a service package?

A) Supporting facility.   
 B) Facilitating goods.  
 C) Explicit services.  
 D) Implicit services.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**18)** The concept of economies of scope is best described as \_\_\_\_\_\_.

A) a synonym for economics of scale   
 B) the use of brand extensions  
 C) using existing channels of distribution to introduce a new product  
 D) extending existing distribution channels to reach new customers

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**19)** Which of the following is not a principle on which service experience design is based?

A) Theme the experience.   
 B) Eliminate negative cues.  
 C) Mix in memorabilia.  
 D) Encourage customer feedback.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**20)** \_\_\_\_\_\_ is a foundation premise of Service-Dominant Logic

A) The customer is always right   
 B) Only post-industrial economies are service economies  
 C) Goods are distribution mechanisms for service provision  
 D) Money is the fundamental basis of exchange

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-05 Explain the essential features of the service-dominant logic.  
Topic : Service-Dominant Logic  
Accessibility : Keyboard Navigation

**21)** Which of the following does not describe a business service experience?

A) Themed.   
 B) Co-creation.  
 C) Collaboration.  
 D) Problem solving.

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**22)** The realms of an experience include all but one of the following.

A) Entertainment.   
 B) Education.  
 C) Estheticism.  
 D) Elation.

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**23)** Which one of the following is not a dimension of a business service experience?

A) Co-creation of value.   
 B) Problem solving.  
 C) Relationships.  
 D) Service capability.

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**24)** Which of the following is an example of a business service (B2B)?

A) Communications.   
 B) Auditing.  
 C) Retailing.  
 D) Leasing.

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**25)** In an experience economy the method of supply is \_\_\_\_\_\_.

A) revealed over time   
 B) stored in bulk  
 C) delivered on demand  
 D) inventoried

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**26)** Services are deeds, processes, and performances.

⊚ true  
 ⊚ false

**Question Details**Learning Objective : 01-01 Describe the central role of services in an economy.  
Topic : Facilitating Role of Services in an Economy  
Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Accessibility : Keyboard Navigation

**27)** The Clark-Fisher hypothesis notes the shift of employment from one sector of the economy to another.

⊚ true  
 ⊚ false

**Question Details**Bloom's : Remember  
AACSB : Communication  
Learning Objective : 01-02 Identify and differentiate the five stages of economic activity.  
Topic : Economic Evolution  
Difficulty : 1 Easy  
Accessibility : Keyboard Navigation

**28)** The fall in employment in the agricultural sector is the primary reason for the increase in service sector employment.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Learning Objective : 01-02 Identify and differentiate the five stages of economic activity.  
Topic : Economic Evolution  
Bloom's : Understand  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**29)** The consumer participates in the service process, which is not the case in manufacturing.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Learning Objective : 01-02 Identify and differentiate the five stages of economic activity.  
Topic : Economic Evolution  
Bloom's : Understand  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**30)** The classification of service systems using the "service process matrix" is based on two considerations: degree of labor intensity, and the degree of service customization.

⊚ true  
 ⊚ false

**Question Details**Bloom's : Remember  
AACSB : Communication  
Learning Objective : 01-08 Use the service process matrix to classify a service.  
Topic : Grouping Services by Delivery Process  
Difficulty : 1 Easy  
Accessibility : Keyboard Navigation

**31)** From an open-systems view, the output of a service system consists of satisfied customers.

⊚ true  
 ⊚ false

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Accessibility : Keyboard Navigation

**32)** The service experience defined as escapism requires the most commitment from the customer.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**33)** A study of service systems must begin with the fundamental idea that the basic inputs are supporting facility, facilitating goods, labor, and capital. The output is the service offered.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-05 Explain the essential features of the service-dominant logic.  
Topic : Service-Dominant Logic  
Accessibility : Keyboard Navigation

**34)** In contrast to manufacturing, the aesthetics of the environment play a major role in the customer's perception of the service.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-05 Explain the essential features of the service-dominant logic.  
Topic : Service-Dominant Logic  
Accessibility : Keyboard Navigation

**35)** The fact that services can be inventoried is an important characteristic, which distinguishes them from manufacturing.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-05 Explain the essential features of the service-dominant logic.  
Topic : Service-Dominant Logic  
Accessibility : Keyboard Navigation

**36)** Reduction of the role played by the consumer is an effective way of improving productivity and decreasing the cost of the service.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**37)** Services are time-perishable. An opportunity to provide a service, if forgone, is lost forever.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**38)** Both manufacturing and services can suffer from technological obsolescence.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**39)** Retail and wholesale trade had the greatest percentage of U.S. employment by industry in 2014.

⊚ true  
 ⊚ false

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Accessibility : Keyboard Navigation

**40)** From a marketing perspective, services, unlike goods, involve transfer of ownership.

⊚ true  
 ⊚ false

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Accessibility : Keyboard Navigation

**41)** It is convenient and often necessary to combine the operations and marketing functions for service organizations.

⊚ true  
 ⊚ false

**Question Details**Bloom's : Remember  
AACSB : Communication  
Difficulty : 1 Easy  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Accessibility : Keyboard Navigation

**42)** Sharing service resources among customers presents a challenge for managers.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**43)** Little or no interaction between customer and service provider is required when the service is customized.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-06 Identify and critique the six distinctive characteristics of a service op  
Topic : Distinctive Characteristics of Service Operations  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**44)** Personnel training is a criterion for evaluating the explicit services feature of the service package.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-07 Describe a service using the five dimensions of the service package.  
Topic : The Service Package  
Accessibility : Keyboard Navigation

**45)** The decrease in the proportion of income spent on the basic necessities of life has encouraged the demand for more services and accelerated the transition to post-industrial society.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-03 Describe the features of preindustrial, industrial, and postindustrial so  
Topic : Stages of Economic Development  
Accessibility : Keyboard Navigation

**46)** Marketing helps smooth demand to match capacity in service operations.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**47)** Service-dominant logic is the foundation of "service science."

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Difficulty : 2 Medium  
Learning Objective : 01-05 Explain the essential features of the service-dominant logic.  
Topic : Service-Dominant Logic  
Accessibility : Keyboard Navigation

**48)** Value for the "business service experience" is derived from co-creation.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**49)** A standardized experience is a feature of the new experience economy.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**50)** A business service experience (B2B) has three dimensions: co-creation of value, relationships, and sustainability.

⊚ true  
 ⊚ false

**Question Details**AACSB : Communication  
Bloom's : Understand  
Learning Objective : 01-04 Describe the features of the experience economy contrasting the consumer  
Topic : The Experience Economy  
Difficulty : 2 Medium  
Accessibility : Keyboard Navigation

**Answer Key**Test name: Chapter 01 Test Bank

1) D

2) B

3) C

4) B

5) C

6) D

7) A

8) A

9) C

10) B

11) B

12) C

13) A

14) B

15) A

16) D

17) D

18) C

19) D

20) C

21) A

22) D

23) B

24) B

25) A

26) TRUE

27) TRUE

28) FALSE

29) TRUE

30) TRUE

31) TRUE

32) TRUE

33) FALSE

34) TRUE

35) FALSE

36) FALSE

37) TRUE

38) TRUE

39) TRUE

40) FALSE

41) TRUE

42) TRUE

43) FALSE

44) TRUE

45) TRUE

46) TRUE

47) TRUE

48) TRUE

49) FALSE

50) FALSE