Answer Key:

1. If a product is in the decline phase of the product life cycle:
   b. It might have been replaced by an improved product from a competitor

2. Resources needed for production such as wages, fuel, and raw materials are:
   b. Variable costs

3. Jeff is foreman for an automobile factory. If his factory can produce a maximum of 1600 cars per month and is most efficient when producing at 80 percent of factory capacity, what is the best rate of production?
   c. 1280 cars/month

4. What strategy is likely to result in a short-term effect on profit?
   a. Lowering price below competition

5. In a product life cycle, the product sells the most at the __________ phase.
   c. Maturity

6. The Four P’s of marketing include:
   c. Product, price, place, and promotion