

Name: _____ Date: _____

1. What is distribution in business terms?

- A. The process of manufacturing products
- B. The method of transferring products from production to consumers
- C. The selling of products to wholesalers only
- D. The storage of products in warehouses

2. Which business type produces goods using raw materials and components?

- A. Retailers
- B. Wholesalers
- C. Manufacturers
- D. Consumers

3. What is a key characteristic of wholesalers?

- A. They sell directly to consumers
- B. They manufacture products
- C. They buy in large quantities and sell in smaller amounts to retailers
- D. They only sell to manufacturers

4. What is the primary function of retailers in the distribution channel?

- A. Manufacturing products
- B. Buying in bulk from producers
- C. Selling directly to consumers
- D. supplying raw materials

5. In direct distribution (M2C), which channel is used?

- A. Manufacturer → Wholesaler → Consumer
- B. Manufacturer → Consumer
- C. Manufacturer → Retailer → Consumer
- D. Manufacturer → Agent → Consumer

6. Which is NOT an advantage of direct distribution?

- A. Fast response to feedback
- B. Control over customer relationships
- C. Lower operational costs
- D. Maximum profit margins

7. What is a major disadvantage of indirect distribution?

- A. Fast customer feedback
- B. High market reach
- C. Reduced profit due to sharing
- D. Complete control over distribution

8. Which distribution channel is the longest?

- A. Producer → Consumer
- B. Producer → Retailer → Consumer
- C. Producer → Wholesaler → Retailer → Consumer
- D. Producer → Agent → Wholesaler → Retailer → Consumer

9. What is an advantage of using wholesalers for retailers?

- A. Direct contact with manufacturers
- B. Higher prices for consumers
- C. Reduced storage costs
- D. Faster delivery of products

10. Which is a disadvantage of manufacturers selling directly to consumers?

- A. Low product costs
- B. Simple distribution channel
- C. High shipping expenses
- D. Direct customer feedback

11. What is an advantage of retailers buying from wholesalers?

- A. Immediate product delivery
- B. Ability to purchase fresh products in small quantities
- C. Lower consumer prices
- D. Direct manufacturer relationships

12. In indirect distribution, what is a benefit of working with agents?

- A. Complete control over distribution
- B. Access to localized market knowledge
- C. Higher profit margins
- D. Direct customer relationships

13. What is a disadvantage of using wholesalers in the distribution channel?

- A. Too much control over distribution
- B. Limited market reach
- C. Higher consumer prices due to multiple markups
- D. Direct manufacturer contact

14. Which distribution method typically offers the lowest consumer prices?

- A. Manufacturer to Consumer
- B. Manufacturer to Retailer to Consumer
- C. Manufacturer to Wholesaler to Retailer to Consumer
- D. Manufacturer to Agent to Wholesaler to Retailer to Consumer

