

TEXAS A&M UNIVERSITY (TAMU) IDIS 340 MANUFACTURER DISTRIBUTOR RELATIONS EXAM 1 PRACTICE TEST (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Which step should be performed first when resolving a conflict?**
 - A. Managing feeling before discussing a conflict
 - B. Create Solutions
 - C. Describe the conflict
 - D. Understand Goals
- 2. Which statement best characterizes 'Business we have to do'?**
 - A. Core business strategy
 - B. Aggravation customers
 - C. Economies of scale
 - D. High cost to serve
- 3. Which of the following is a factor of the Customer Supplier Index?**
 - A. On-time index
 - B. Lead time variability
 - C. Completeness index
 - D. Lead time average
- 4. What is a distribution contract difference from a sales agreement?**
 - A. A distribution contract governs price terms only.
 - B. A sales agreement governs the relationship, exclusivity, and service obligations.
 - C. They are the same
 - D. A distribution contract governs the relationship, exclusivity, and service obligations; a sales agreement governs the sale of goods and price terms.
- 5. Manufacturers choose their markets and offerings based on what?**
 - A. Capabilities
 - B. Pricing
 - C. Offerings
 - D. Distribution

- 6. Which term represents reaching new customers?**
- A. Leverage
 - B. Penetrate
 - C. Add
 - D. Reach Out
- 7. The items 'Core customers', 'Strong products', 'Growth potential', and 'Low cost to serve' describe which category?**
- A. Business we want to do
 - B. Business we have to do
 - C. Business we don't want to do
 - D. Growth drivers
- 8. Which practice is identified as a key factor for building commitment in channel relationships?**
- A. One-way communication
 - B. Two-way communication
 - C. Formal annual review
 - D. Top-down mandates
- 9. In conflict resolution, which action creates a climate conducive to open discussion?**
- A. Managing feeling before discussing a conflict
 - B. Create a supportive Climate
 - C. Describe the conflict
 - D. Understand Goals
- 10. Define list price, distributor price, and net delivered price.**
- A. List price is the distributor's cost; distributor price is what the distributor pays; net delivered price includes only taxes.
 - B. List price is the manufacturer's suggested price; distributor price is what the distributor pays; net delivered price includes delivery charges and final costs to the customer.
 - C. List price is the price after discounts; distributor price is the price at which end customers buy; net delivered price is the price before shipping.
 - D. List price and net delivered price are the same; distributor price is unrelated.

Answers

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1. A
2. C
3. B
4. D
5. C
6. B
7. A
8. B
9. B
10. B

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Explanations

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1. Which step should be performed first when resolving a conflict?

A. Managing feeling before discussing a conflict

B. Create Solutions

C. Describe the conflict

D. Understand Goals

Managing your feelings before discussing a conflict is the first step because emotions shape how we perceive the issue and interact with others. When you acknowledge and regulate anger, frustration, or fear, defensiveness drops and the conversation stays calmer. That emotional footing makes it possible to describe the situation more objectively, listen to the other person, and understand what each side cares about. Once you're in that calmer state, you can move on to articulating the conflict clearly, exploring each side's goals, and then brainstorming solutions. Jumping straight into describing the conflict or proposing fixes while emotions are high often leads to blame, misinterpretation, or escalation, which makes finding a fair outcome much harder.

2. Which statement best characterizes 'Business we have to do'?

A. Core business strategy

B. Aggravation customers

C. Economies of scale

D. High cost to serve

The thing this item asks you to recognize is how volume drives cost in a distribution relationship. When there is "business we have to do," that baseline workload creates predictable, higher-order volume, which lets a supplier and distributor operate more efficiently. As output increases, fixed costs are spread over more units, production runs can be longer, transportation and handling costs can be optimized, and bulk purchasing or manufacturing discounts apply. This is the essence of economies of scale—the reason why maintaining that necessary level of business matters financially. Core business strategy is broader and about overall direction, not the specific, volume-driven efficiency you get from handling the required business. "Aggravation customers" isn't a standard business concept here, and "high cost to serve" describes a problem, not the efficiency gained from doing the required business.

3. Which of the following is a factor of the Customer Supplier Index?

A. On-time index

B. Lead time variability

C. Completeness index

D. Lead time average

The Customer-Supplier Index measures how dependable a supplier is from the customer's perspective, focusing on the predictability of delivery performance. Lead time variability is the key factor here because it directly captures how consistent delivery times are. If lead times swing a lot, planning becomes chaotic, safety stock must be higher, and reliability drops—exactly the kind of issue the CSI aims to reflect. A single average lead time doesn't tell you about consistency, and completeness or on-time aspects are related but don't gauge the predictability as directly as variability does. So, lead time variability best represents the reliability dimension the CSI is built to measure.

4. What is a distribution contract difference from a sales agreement?

- A. A distribution contract governs price terms only.
- B. A sales agreement governs the relationship, exclusivity, and service obligations.
- C. They are the same
- D. A distribution contract governs the relationship, exclusivity, and service obligations; a sales agreement governs the sale of goods and price terms.**

The key idea is distinguishing what each type of contract governs in a channel relationship. A distribution contract sets up how a distributor will work with a manufacturer over time: the ongoing relationship, whether the distributor has exclusive rights in a territory, and the service obligations the distributor must meet—like marketing support, training, after-sales service, and handling of inventory or warranties. It covers the framework for how the channel will operate, not just a single transaction. A sales agreement, on the other hand, centers on a specific sale of goods: what is being sold, the price terms, and how delivery and payment are handled. It's focused on the transactional details of a particular purchase rather than the broader, long-term relationship or service commitments. So the correct statement reflects that a distribution contract governs the relationship, exclusivity, and service obligations, while a sales agreement governs the sale of goods and price terms. The other choices misstate the scope—one narrows distribution contracts to price alone, one reverses the roles, and one incorrectly says they're the same.

5. Manufacturers choose their markets and offerings based on what?

- A. Capabilities
- B. Pricing
- C. Offerings**
- D. Distribution

The main idea is that what a manufacturer plans to offer drives where it competes. By defining the offerings—the products or services and the value they deliver—the company identifies markets where that package is valued and financially viable. In other words, the portfolio you intend to sell sets the demand you can satisfy, so the markets you pursue should align with that portfolio. For example, if you plan to offer high-precision, specialized components, you'll target markets that need that exact capability and are willing to pay for it. Other aspects like capabilities, pricing, or distribution matter for how you deliver and monetize those offerings, but they're downstream to the decision about which offerings you will provide and which markets fit them.

6. Which term represents reaching new customers?

- A. Leverage
- B. Penetrate**
- C. Add
- D. Reach Out

Penetrate is the term that captures the idea of entering a market and gaining new customers. In distribution and sales language, to penetrate a market means to reach and win over customers who haven't yet adopted the product or service, effectively expanding the customer base. The other options describe actions or general concepts rather than the outcome of acquiring new customers: leverage is about using existing strengths to gain advantage, add is too vague, and reach out refers to initiating contact rather than the result of securing new customers.

7. The items 'Core customers', 'Strong products', 'Growth potential', and 'Low cost to serve' describe which category?

- A. Business we want to do**
- B. Business we have to do
- C. Business we don't want to do
- D. Growth drivers

These four items point to opportunities you'd actively want to pursue because they signal value for customers, competitive strength, and profitable execution. Core customers mean you have a committed market with predictable demand. Strong products show your offerings meet needs better than alternatives, giving you a competitive edge. Growth potential indicates room to expand the business in the market or with customers. Low cost to serve implies you can deliver value efficiently, supporting healthy margins as you grow. Put together, they describe the kind of business you want to do—opportunities that are desirable, scalable, and profitable. In contrast, growth drivers refer to the forces that propel growth in general, not a category of business you're choosing to pursue; business you have to do covers mandatory activities, which may not be as appealing; and business you don't want to do lacks one or more of these favorable attributes.

8. Which practice is identified as a key factor for building commitment in channel relationships?

- A. One-way communication
- B. Two-way communication**
- C. Formal annual review
- D. Top-down mandates

Two-way communication is essential for building commitment in channel relationships because it creates ongoing dialogue where both sides share information, concerns, and feedback. This open exchange builds trust, shows that each party's needs are heard, and signals a willingness to collaborate on shared goals. When partners can discuss forecasts, promotions, performance issues, and changes as they arise, they can align incentives, adjust plans quickly, and support mutual value creation. This ongoing interaction makes commitments feel earned and stable, not imposed. By contrast, one-way communication tends to leave gaps and foster misunderstanding or resentment, since only information from one side is delivered and there's little opportunity for input or clarification. Relying on formal annual reviews can be infrequent and reactive rather than proactive and collaborative, limiting responsiveness. Top-down mandates focus on compliance rather than shared ownership, which can undermine trust and long-term dedication. Two-way communication, in contrast, maintains a continuous, reciprocal flow that reinforces commitment over time.

9. In conflict resolution, which action creates a climate conducive to open discussion?

- A. Managing feeling before discussing a conflict
- B. Create a supportive Climate**
- C. Describe the conflict
- D. Understand Goals

A climate where people feel safe, respected, and heard is what makes open discussion possible in conflict resolution. When the environment is supportive, individuals are more likely to share their true concerns, listen to others without immediately defending themselves, and collaborate toward solutions. This sense of psychological safety reduces defensiveness, encourages questions, and allows emotions to be expressed constructively, all of which keep the conversation productive. Managing feelings is important for preventing outbursts, but it focuses on control of emotions rather than creating an ongoing atmosphere that invites dialogue. Describing the conflict helps clarify what's at stake, yet without a supportive climate, people may withhold information or disengage. Understanding goals helps align outcomes, but openness during discussion still hinges on the environment being safe and respectful.

10. Define list price, distributor price, and net delivered price.

- A. List price is the distributor's cost; distributor price is what the distributor pays; net delivered price includes only taxes.
- B. List price is the manufacturer's suggested price; distributor price is what the distributor pays; net delivered price includes delivery charges and final costs to the customer.**
- C. List price is the price after discounts; distributor price is the price at which end customers buy; net delivered price is the price before shipping.
- D. List price and net delivered price are the same; distributor price is unrelated.

List price is the manufacturer's suggested price, the baseline amount manufacturers publish for their products. It's not necessarily what every buyer pays, since discounts and channel pricing can reduce it. Distributor price is the amount the distributor pays to obtain the product from the manufacturer, i.e., the wholesale price. Net delivered price is the total amount the end customer actually pays, including delivery charges and any final costs to deliver the goods (such as freight and other fees). This reflects the full cost to the customer for getting the product delivered. The other options mix up these roles (for example, treating list price as the distributor's cost or restricting net delivered price to just taxes), or incorrectly state that list price and net delivered price are the same.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://tamu-idis340exam1.examzify.com>

We wish you the very best on your exam journey. You've got this!

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