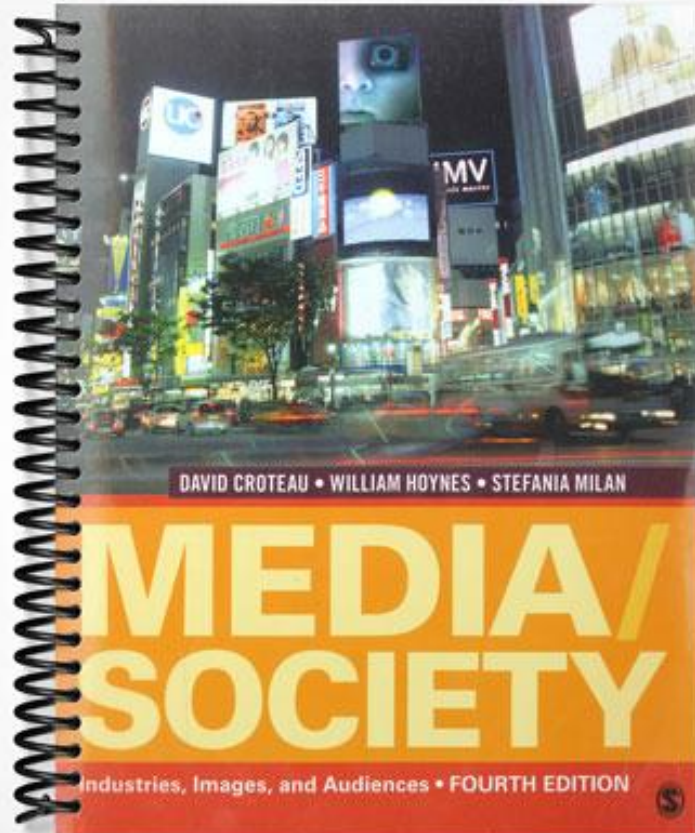


TEST BANK



Chapter 2: The Economics of the Media Industry Test Bank

Multiple Choice Questions

1. Which of the following correctly links a broadcaster and its parent company?
 - a) NBC—Viacom
 - b) ABC—Comcast
 - c) CBS—Walt Disney
 - d) Fox—News Corporation**
2. A company seeking to become vertically integrated in the book industry may want to purchase which of the following companies?
 - a) A record label
 - b) A paper mill**
 - c) A chain of movie theaters
 - d) None of the above
3. Conglomeration refers to the process in which:
 - a) Fewer corporations own the media
 - b) A larger number of corporations enter the media industry
 - c) Media companies become part of larger corporations**
 - d) Media companies begin to sell off their holdings
4. The notion of a “private ministry of information” refers to:
 - a) A small number of private firms dominating the media industry**
 - b) Government interference in the media industry
 - c) The rise of the computer Internet as a form of communication
 - d) High taxes on media companies
5. The “homogenization hypothesis” about media ownership and the diversity of media content proposes that concentrated ownership will:
 - a) Produce media that lack diversity**
 - b) Produce media that contain great diversity
 - c) Lead to the expression of new ideas
 - d) Have no effect
6. “Quasi-monopoly” local newspaper ownership means that:
 - a) There are a small number of local newspaper owners
 - b) Local newspapers are owned by national chains
 - c) Two companies jointly operate the two papers in a single town**
 - d) There are no daily papers available
7. Which of the following media conglomerations is **not** American?
 - a) Viacom

- b) **Bertelsmann**
 - c) Time-Warner
 - d) Walt Disney
8. When Warner Bros. released *Harry Potter and the Sorcerer's Stone* in 2001, corporate parent AOL Time Warner promoted the film using a variety of media. Which of the following media they did **not** use?
- a) AOL
 - b) MovieFone
 - c) *People* magazine
 - d) **HarperCollins Publishing**
9. The belief that “nothing succeeds like success” leads network television executives to:
- a) **Develop programs that copy key traits of current ratings leaders**
 - b) Develop programs about successful businesspeople
 - c) Move program time slots in search of a successful slot on the schedule
 - d) Look for new talent on a regular basis
10. News companies are taking various measures to keep costs down lately. Which of the following does **not** belong to such measures?
- a) Decrease the number of journalists on staff
 - b) Limit investigative reporting
 - c) Focus the news on preplanned official events
 - d) **Increase international news coverage**
11. When advertisers sponsor TV programs, they are especially interested in the:
- a) Name of the program's producer
 - b) Network executives they will be working with
 - c) Scripts for upcoming episodes
 - d) **Size and make-up of the audience**
12. The shift to advertising as a source of revenue for the 19th-century British press led to:
- a) **The decline of the national radical press**
 - b) The rise of a national radical press
 - c) An increase in the importance of the number of readers
 - d) A decrease in the importance of the number of readers
13. Which kind of news is particularly vulnerable to pressure from advertisers?
- a) Coverage of national sporting events
 - b) **Coverage of local real estate**
 - c) Coverage of the president
 - d) Coverage of foreign policy
14. The emergence of MTV (Music Television) was facilitated by the following reasons, **except** the:

- a) Music industry's desire to find new promotional opportunities
 - b) Growth of cable television
 - c) Virtual absence of production costs for the new channel
 - d) **Influence from European music**
15. Many argue that increased media concentration by a small number of conglomerations causes some effects on media contents. Which of the following does **not** belong to such effects?
- a) The diversity of media contents may be reduced.
 - b) News and other journalistic programs may be forced to become an "entertainment."
 - c) Media owners' specific political agenda may be promoted.
 - d) **Audience may become more active in interpreting media contents.**
16. If a media company integrates a talent agency, a film studio, and a movie theater, this is called _____ integration.
- a) **vertical**
 - b) horizontal
 - c) spiral
 - d) linear
17. "Advergaming" is an example of _____ marketing.
- a) **viral**
 - b) guerilla
 - c) preferential
 - d) mass
18. Advertisers' strategy to build their products into the storyline of a movie, television series, or video game by including these products in a seemingly natural and recurring way that may be hard to recognize is called _____.
- a) product placement
 - b) **product integration**
 - c) product sampling
 - d) product exhibition
19. Which of the following is **not** true about MTV?
- a) **It is owned by Walt Disney.**
 - b) It has presence in Latin America, Europe, and Asia.
 - c) Most of its programs are about American music and reality shows.
 - d) Its target audience is young people.
20. _____ refers to the ways reporters doubt themselves, tone down their work, omit small items, or drop entire stories to avoid pressure, eliminate any perception of bias, or advance their careers.
- a) Citizen journalism
 - b) Embedded journalism

- c) **Self-censorship**
- d) Agenda-setting

Essay Questions

21. From *American Idol* to *Survivors* to *Jersey Shore*, a recent trend in television is the proliferation of reality shows. Why do you think there is such proliferation of reality shows today? Try to incorporate media economics and production perspectives in your answer.
22. Many network television shows constantly imitate each other, creating copies and spin-offs. From the perspective of media economics, why do we see similar programs across the networks?
23. Define media “concentration” and “conglomeration.” Then discuss their potential effects on media contents and production.
24. Analysts often say that profit-driven logic has taken over news operations in many media firms these days. What would be the consequences of cost minimization and profit maximization on news media specifically?
25. It is often said that economic forces helped develop the norms of objectivity and neutrality in U.S. newspapers during the 19th century. Clarify this statement to your best ability.