

Reading Comprehension Passage 19

This sample text has been prepared for the Master of Electrical Engineering entrance exam by Alpha Consulting Group.

Music is an experience good, that is, one whose quality is difficult to determine before the purchase. This means that a consumer faces an inherent uncertainty about its true value in advance of buying it. Since the judgment on quality comes after purchase, the buying decision relies heavily on information advertising, word-of-mouth, or sampling. The music industry has traditionally combined sampling and bundling of its products to draw users to music without giving away the goods. Listeners could assess the quality of music for free by listening to songs on the radio, but, after the demise of the single 45rpm record in which the consumer still paid for the obscure B-side, they had to buy collection of songs.

Buyers hoped the quality of the collection matched that of the song or songs they had sampled. This model relied a great deal on intermediaries, such as record companies and radio stations, to bridge the gap between musician and consumer. These intermediaries served as quality filters that reduced the uncertainty over whether a musical offering was consistent with consumers' tastes and thus worth purchasing.

Questions

1. The author claims that music could be categorized as an item which is:
 - 1) a consumer face.
 - 2) an experience good.
 - 3) a practical good
 - 4) a quality good.

2. The author argues that the true value of a music in advance of buying it:

- 1) is a built in uncertainty that a consumer faces.
- 2) is a random practice that a consumer faces.
- 3) is a built in intelligence that a consumer faces.
- 4) is a built in certainty that a consumer faces

3. According to the text, which of the following could NOT be the fact about music?

- 1) the buying decision relies heavily on word-of-mouth.
- 2) listeners could evaluate the quality of music for free by not listening to the radio.
- 3) buyers hoped the quality of the collection matched that of the song.
- 4) intermediaries serve as quality filters.

4. The word "bundling" as used by the text means:

- 1) packing 2) allocating 3) attributing 4) supplying

5. The term "These" as used by the text refers to which of the following:

- 1) record companies
2) radio stations
3) both 1 & 2
4) single 45rpm record

Answers

1 ==> 2

2 ==> 1

3 ==> 2

4 ==> 1

5 ==> 3