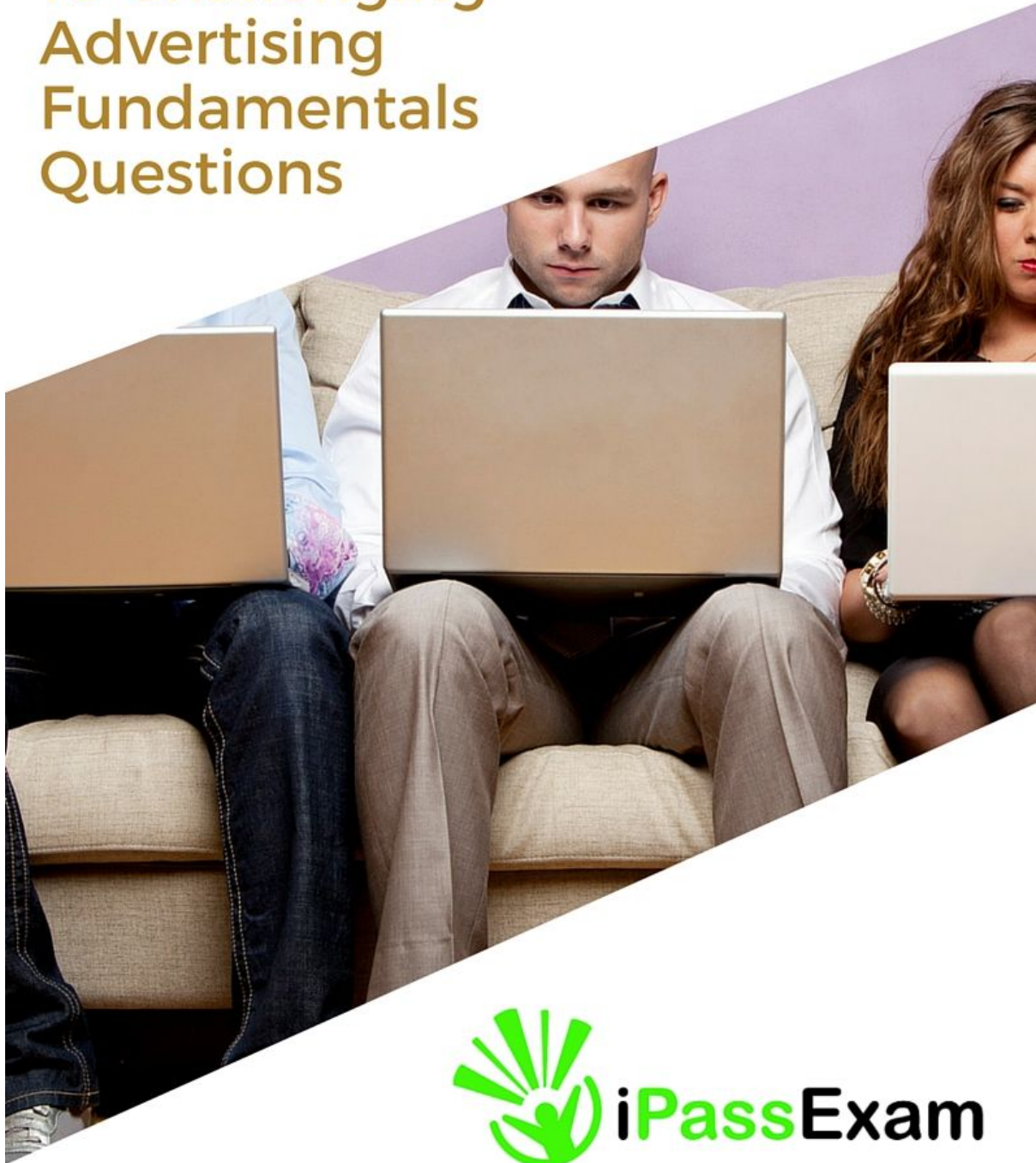


10 Challenging Advertising Fundamentals Questions



10 Challenging Exam Style Questions to give you a taste of whats in the Fundamentals Exam.

Introduction

If you are reading this, then you're probably preparing to take the Advertising Fundamentals exam and are not quite sure of what's in store for you? ... or you feel a little under confident about how well you have prepared for the exam maybe?

Whilst I firmly believe that thorough study and preparation are key to success in AdWords exam and, it can also be useful to gain a little insight into the style of the exam too. I'm regularly asked by many exam aspirants "Exactly how tricky are the Fundamentals questions to answer?". With this in mind, I've created a list of 10 exam style questions and answers, with explanations noting why you should be careful when analysing, and choosing what you think is correct.

If you are curious of what to expect, then read on ...

Questions discussed are from the iPassExam Fundamentals question bank and have been written to match the the topics covered in the Google AdWords Fundamentals study guide and the real Advertising Fundamentals exam.

Question 1

Kath plans to create a new 'Search Network with Display Select' campaign. Upon choosing this campaign type she will be able to:

- A. **advertise on the Google Search and Display Networks with a single budget**
- B. use a mix of image and video ad formats that will appear across the Google Search and Display Networks
- C. gain preferential positioning for her ads on the Google Search Network
- D. guarantee placement on specific sites on the Google Display Network

Explanation

This question type tests whether you understand the different campaign types that are available to you when advertising with AdWords, and also what goals can be achieved from selecting a specific type of campaign. There are quite a few questions in the exam that are about campaign types, so it's important to really understand this topic.

In this case, the correct answer to the question is "advertise on the Google Search and Display Networks with a single budget". A 'Search network with Display Select' campaign will allow an advertiser to target ads to both the Search and Display Networks within a single campaign, and because daily budget is set at the campaign level, the advertiser will set a single budget which will allow the ads to run.

Choosing a campaign type such as a 'Search Network with Display Select' doesn't however afford you preferential positioning in the ad auction for the Google Search Network, as stated in the incorrect answer option "gain preferential positioning for her ads on the Google Search Network". Ads on the Google Search Network are strictly ranked according to the ad rank formula which is calculated via Quality score, Maximum CPC bid and expected impact of ad extensions and other ad formats.

Choosing a campaign type such as a 'Search Network with Display Select' will also never "guarantee placement on specific sites on the Google Display Network". Google never guarantees that an advertiser's ad will appear on a specific placement on the Display Network, it can however show if it is successful after competing against other ads in the Display Network ad auction.

When you choose the 'Search network with Display Select' campaign type, you cannot "use a mix of image and video ad formats that will appear across the Google Search and Display Networks". Image and Video ad formats cannot be used on the Google Search Network. When using 'Search network with Display Select' campaign, you can however create text ads to appear on the Google Search network, and a mix of text, image and video ads to appear on the Google Display Network.

Question 2

Julian would like to better understand the relationship between his paid ads and organic results and whether they are attracting Google Search users to his fashion website. He reviews the paid and organic report and finds that the organic clicks/query rate is high for the search term “printed shirts”. This means that:

- A. the paid ad does not appear in the search results in response to the search query
- B. the organic result is appearing higher in the search results than other organic listings from competitors
- C. many users who have viewed the organic listing have clicked it and visited Julian’s site**
- D. the paid ad is showing at the bottom of the page and the organic result shows higher on the page

Explanation

I’ve featured this question within this article because I wanted to draw attention to the fact that the updated exam does ask reporting style questions, whereas the previous Fundamentals exams did not feature questions of this type.

There is a lot that can be learned from the Paid and Organic Report and it is possible to see statistics listed in individual columns for ads and organic listings separately, as well as for ads and organic statistics combined, too. The key to this question is being familiar with the different types of statistics available within the report, in this case the question discusses the ‘organic clicks/query rate’, which is an organic metric.

The only answer option that is accurate/relevant to the ‘organic clicks/query rate’ statistic is “many users who have viewed the organic listing have clicked it and visited Julian’s site”.

You will not discover that “the paid ad does not appear in the search results in response to the search query” or “the organic result is appearing higher in the search results than other organic listings from competitors” or “the paid ad is showing at the bottom of the page and the organic result shows higher on the page” from reviewing the ‘organic clicks/query rate’ statistic.

Question 3

Which of these options accurately describes how conversion rate is calculated?

- A. Number of ad impressions divided by the number of ad clicks
- B. Number of conversions divided by the number of ad impressions
- C. Number of conversions divided by the number of ad clicks**
- D. Number of clicks divided by the number of conversions

Explanation

There are a number of questions featuring in the exam that test your understanding of what conversions are and conversion metrics, and this question could be considered difficult as you may know the specific statistics required to calculate a conversion rate, but you may not specifically recall the order in which the figures should be calculated when faced with the real exam and the clock counting down.

Don't let the distractor options fluster you. Remember, conversion rate provides a percentage statistic of how many of the people who actually clicked your ad to visit your site; then converted. Many users click your ad to visit your site, but not every ad click will result in a conversion being completed. Conversion rate is calculated by dividing the number of conversions by the number of ad clicks.

Calculating the number of ad impressions divided by the number of ad clicks will not provide a conversion rate. Neither will dividing the number of conversions by the number of ad impressions, or dividing the number of clicks by the number of conversions.

Question 4

Your client is new to AdWords and is feeling rather anxious about his advertising budget. Which of the following options would you explain to your client with regard to how the AdWords system helps advertisers maintain control of their budget?

- A. The AdWords system will adjust your maximum cost-per-click bids by up to 20% more than your budget allows
- B. The AdWords system will charge an extra 20% of your specified daily budget to keep ads running for longer if the system determines that your campaign is restricted by budget
- C. The AdWords system allows 20% more clicks to occur on busy traffic days, but you will never be charged more than 30.4 multiplied by your specified daily budget amount per billing period**
- D. The AdWords system will allow your ads to receive an extra 30.4 clicks per day on average over a given billing period when an advertiser sets a daily budget increase of at least 20%

Explanation

I've included this question in this article as it tries to distract you from the correct answer by using the relevant figures that are key to the correct answer, only with false information.

The correct answer is "The AdWords system allows 20% more clicks to occur on busy traffic days, but you will never be charged more than 30.4 multiplied by your specified daily budget amount per billing period".

Google AdWords advise that you should decide on a monetary amount per month that you are comfortable spending, and then divide that amount by 30.4 to calculate your daily budget amount.

For example, if I decided that I was comfortable spending around \$500 per month on AdWords: $\$500 / 30.4 \text{ days} = \16.45 per day .

But, say that my campaign didn't reach its daily budget cap of \$16.45 on some days because the traffic for my keywords was quieter, but on other days traffic for my keywords was busy?

This is where the 20% figure comes into play. As stated in the correct answer, "The AdWords system allows 20% more clicks to occur on busy traffic days, but you will never be charged more than 30.4 multiplied by your specified daily budget amount per billing period". This basically means that the system will allow the unused budget from quieter traffic days to be used on busier traffic days for up to 20% more clicks to happen. But, you will never pay more than your daily budget x 30.4.

The AdWords system will never “adjust your maximum cost-per-click bids by up to 20% more than your budget allows” unless you specifically set up a bidding option or bid adjustment for it to do so.

It also would never “charge an extra 20% of your specified daily budget to keep ads running for longer if the system determines that your campaign is restricted by budget”. You are in control of your budget with AdWords, and you never pay more than you have stated you will pay in a billing cycle.

Finally, the option “the AdWords system will allow your ads to receive an extra 30.4 clicks per day on average over a given billing period when an advertiser sets a daily budget increase of at least 20%” is complete nonsense! The AdWords system does not ever make such guarantees.

Question 5

You have been advertising your product line on the Google Search Network for some time, but you would like to get an understanding of how your ads are performing in comparison to other advertisers' ads that take part in the same auctions. What should you do?

- A. Use the Segment drop down and select the Top vs. other metric
- B. Create an Auction insights report to see how often your ads are ranking higher in the search results than your competitors**
- C. Run a Top Movers report to see which ads have been achieving the top position in the Search results
- D. View the Search Terms report to see which advertisers ads have been appearing in response to particular search terms

Explanation

This is another question type based on reporting and it is the Auction Insights report that will allow you to determine your performance against other advertisers competing in the auction.

For a Search Network campaign, it will provide insights on impression share, average position, overlap rate, outranking share, position above rate and top of page rate.

The top movers report has nothing to do with determining your performance against other advertisers competing in the auction. It is a report that provides information about click, cost and conversion changes for your own campaigns and ad groups, not your competitors.

The Search terms report does not show "which advertisers' ads have been appearing in response to particular search terms". It shows a list of search terms that searchers used before being presented with your ad and clicking on it.

The 'Top vs. Other' metric within segments will show you how your own ads (not other advertisers') have performed by providing data on whether your ad appeared at the top of Google Search results or Shopping, other whether it appeared at the side or at the bottom of search results. There is also a row that shows if your ad has appeared on the Google Display Network.

Question 6

An advertiser who would like to understand the specific days of the week in which users are actively searching for his business should:

- A. choose the 'time' option from the segments drop down**
- B. run a paid and organic report
- C. check the customer engagement report
- D. choose 'reach and frequency' from the filter drop down

Explanation

The only option that would get you the mark in this question is “choose the ‘time’ option from the segments drop down”. The time drop down will allow you to display your statistics according to hours of the day, a specific day, by the seven days of the week, and per week, month, quarter, or year.

The paid and organic report will not provide the days of the week in which users are actively searching. It's not possible to “choose ‘reach and frequency’ from the filter drop down” as it's not an available option, nor does reach and frequency data have anything to do with determining specific days of the week in which users are actively searching. There is no such report as the ‘customer engagement’ report.

Question 7

In a Display Network ad auction, how can ads using the cost-per-click pricing model compete against ads using the cost-per-thousand impressions pricing model?

- A. CPM bids are effectively changed into enhanced CPC bids
- B. CPC bids are effectively changed into CPM bids**
- C. It's not possible for CPC bids to compete with CPM bids
- D. The CPC bidding option cannot be used on the Google Display Network

Explanation

I've chosen this question to include in the article as it has existed in the exam for years but with a slightly edited version since the latest refresh. The previous Advertising Fundamentals exams have always specifically referred to eCPM in the correct answer, which meant effective cost per thousand impressions. There is not really much of a mention of this topic in the Fundamentals exam study guide.

First of all, the answer option "The CPC bidding option cannot be used on the Google Display Network" is nonsense. You absolutely can use the CPC bidding in a Google Display Network campaign if you wish to do so (you can't however use CPM bidding to run a campaign on the Google Search Network, don't let the two confuse you).

The answer option "It's not possible for CPC bids to compete with CPM bids" is also an incorrect statement, as CPC and CPM bids can and do compete with each other in a Display Network auction.

"CPM bids are effectively changed into enhanced CPC bids" is just a false answer; remember, it's a Display Network auction where the CPM bidding option really 'comes into it's own'.

In today's updated version of the exam, the answer would be stated along the lines of "CPC bids are effectively changed into CPM bids". To get an 'effective CPM' bid, the AdWords system looks at the CPC bid and gives an estimate of how many clicks the ad may receive if it were to receive 1000 impressions. This is then compared to the CPM bid which is set to state how much the advertiser is prepared to pay for every 1000 views of an ad.

Question 8

Doug notices that some of the ads in his ad group are showing on the bottom of the first page of results. In order to increase visibility of his ads by achieving a higher position, Doug should use the ___ flexible bid strategy.

- A. Target search page location
- B. Target outranking share
- C. Target return on ad spend
- D. Target cost-per-acquisition

Explanation

There are many different bidding options and flexible bidding strategy choices with AdWords, and the exam is crammed full of questions that test your understanding of what they are, how they work and when they should be used. This question specifically asks about increasing visibility of the ads by achieving a higher position in the first page of search results. The most appropriate flexible bidding strategy in this case would be “Target search page location”, as this bid strategy type is designed to make automatic bid adjustments that will aid in getting your ad to the top of the page (or to the first page if it wasn’t already showing there).

The distractor option in this question is “target outranking share”. This bid strategy will automatically raise or lower bids so it’s possible that your ads can outrank other ads from another domain. Remember, the question specifically asked about increasing visibility and achieving a higher position, not about outranking ads from another domain.

“Target return on ad spend” and “target cost-per-acquisition” are bid strategies both related to conversions rather than achieving a higher position.

Question 9

John owns a chain of health clubs and he is aware that people who have previously visited his website also browse specific diet and nutrition sites. Which of these targeting methods would be appropriate for John to gain the attention of these users?

- A. Topic
- B. Remarketing**
- C. Demographic
- D. Placement

Explanation

Whilst Topic targeting could be considered the correct answer to this question because of the “browse specific diet and nutrition sites” section of the question, I’m including this question to demonstrate that you must fully read and digest all of the question before answering. The question states that John already knows “that people who have previously visited his website also browse specific diet and nutrition sites”. The key to this question answer is that people have previously visited his site **and** they browse specific diet and nutrition sites. In this case, John would be best to use remarketing.

Here’s an example:

John wants to increase the number of gym membership subscriptions his business is receiving, and he already has a page that discusses the advantages and cost of a monthly membership fee.

If John added a remarketing tag to his membership sign up page and created a remarketing list to collect the cookie ID’s of each user who visited his membership page but did not proceed to complete the payment process for a membership, site visitors who fitted this criteria would be added to it. He can then create a remarketing campaign and target those visitors when they visit specific diet and nutrition sites, so he can display a tailor made message to them (such as sign up today and save 20% off your first month) and attempt to regain their attention.

Question 10

Bob is a mobile mechanic who would like to increase his business by offering a 24-hour emergency roadside assistance service. He wants people who need his services to phone him after searching for roadside assistance providers. Which of these is the right choice for Bob's campaign in this case?

- A. Use call-only campaigns**
- B. Add the phone number to the description text of a text ad and view the 'top vs. other' segment to see performance data
- C. Add the phone number to the headline of a text ad and use the device segment to analyse performance
- D. Implement mobile app extensions and use the 'click type' segment to view clicks to call data

Explanation

The correct answer to this question is "Use call-only campaigns".

Call-only campaigns let you run ads which only give people the option to call you. A click on the ad initiates the call, which is Bob's goal.

With regard to the options "Add the phone number to the description text of a text ad and view the 'top vs. other' segment to see performance data" and "Add the phone number to the headline of a text ad and use the device segment to analyse performance", it is against AdWords policy to include a phone number in the text ad whether in the headline or the description text (unless the business name is an actual phone number, in which case you must request a review) and the question does not state that Bob's business name is a phone number. Call-only ads are the exception to this rule.

Implementation of mobile app extensions would not be appropriate in this scenario to achieve the required result, as the question does not mention that Bob wants to link users to a mobile app.

Conclusion

I hope that this article has provided you with some insight into what is ahead, and has prepared you for answering those tricky questions. Remember:

- Read each question and answer option fully before making your selection, there's no going back once you have clicked to submit your answer.
- Distractor options are very tricky! This type of option mixes a little bit of fact with false statements which can be very misleading.
- Don't overlook any areas of the study material, if there's a link to more information or a video available, click it. Take it all in.
- Don't be hasty to fall for the answer option that you may think is obvious! It's really not always the case.

Good luck!



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