

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS MANAGEMENT**

**PRINCIPLES OF MARKETING - CBU 1209**

**FINAL EXAMINATION – JUNE 2010**

**TIME ALLOWED: 3 HOURS**

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**INSTRUCTIONS TO CANDIDATES**

Answer question **one** and any other **three** questions from section B

**INFORMATION TO CANDIDATES**

- i) Answer section **A** and any **three** others from section B.
- ii) Questions can be answered in any order.
- iii) All questions carry 25 marks.
- iv) As much as possible, use examples.

**SECTION A**

**QUESTION 1**

1) The core concept of marketing is

- a) sales
- b) advertising
- c) lost cost
- d) exchange
- e) transaction

2) The ... holds that consumers will favour products that are available and highly affordable

- a) production concept
- b) product concept
- c) selling concept
- d) marketing concept
- e) societal marketing concept

3) Which business philosophy takes an “outside-in” perspective?

- a) the marketing concept
- b) the product concept
- c) the societal marketing concept

- d) the production concept
  - e) the selling concept
- 4) Company missions are best when guided by:
- a) profits
  - b) revenues
  - c) market share
  - d) social forces
  - e) vision
- 5) Under the product / market expansion grid (Ansoff matrix), the strategy of finding new markets for existing products is called:
- a) market penetration
  - b) market development
  - c) product development
  - d) diversification
  - e) none of the above
- 6) Under the BCG matrix, the market growth rate provides:
- a) a measure of the company's strength in the market
  - b) the primary information for investment / divestiture decisions
  - c) a measure of market attractiveness
  - d) a measure of profitability
  - e) all of the above
- 7) Under the BCG matrix, low growth share businesses or products are called:
- a) stars
  - b) cash cows
  - c) question marks
  - d) dogs
  - e) goldfish
- 8) Which of the following is not part of the microenvironment?
- a) suppliers
  - b) competitors
  - c) cultural factors
  - d) customer markets
  - e) marketing channel firms

**9)** The ...consists of the forces close to the company that affect its ability to serve its customers

- a) marketing environment
- b) micro-environment
- c) demographic environment
- d) macro environment
- e) legal environment.

**10)** Marketing research is used to:

- a) identify and define marketing opportunities
- b) generate, refine and evaluate marketing actions
- c) monitor marketing performance
- d) improve understanding
- e) all of the above

**11)** Problems associated with secondary data include :

- a) relevance
- b) accuracy
- c) currency
- d) impartiality
- e) all of the above

**12)** ...refers to the buying behaviour of final consumers.

- a) consumer buying behaviour
- b) target marketing behaviour
- c) market segment buying
- d) reseller buying behaviour
- e) middleman buying behaviour

**13)** In studying consumers, the central question for marketers is:

- a) how do consumers get their money?
- b) how do consumers set their budgets for disposable income?
- c) how do consumers respond to various marketing stimuli the company might use?
- d) how do consumers perceive their role in developing brand loyalty?
- e) all of the above

- 14) The buying process starts with:**
- a) attitude
  - b) need recognition
  - c) belief awareness
  - d) demand formulation
  - e) want expression

**15) Evaluating each market segment's attractiveness and selecting one or more of the segments to enter is called:**

- a) market segmentation
- b) market targeting
- c) market positioning
- d) market mixing
- e) market promotion

**16) Dividing the market into groups based upon such variables as age, gender, income and occupation is called:**

- a) geographic segmentation
- b) demographic segmentation
- c) psychographic segmentation
- d) behavioural segmentation
- e) census-track segmentation

**17) Symbols used to provide strong brand recognition are a typical strategy used in which of the following types of differential?**

- a) product
- b) service
- c) personnel
- d) image
- e) all the above

**18) Consumer goods that consumers do not know about or do not normally think about buying are called:**

- a) convenience goods
- b) available goods
- c) speciality goods
- d) shopping goods
- e) unsought goods

**19)** Original products, product improvements, product modifications and new brands that the firm develops through its own research and development efforts are called:

- a) new products
- b) newer products
- c) altered products
- d) supplemental products
- e) augmented products

**20)** Reasons for new product failure include all of the following except.

- a) That the market size may have been overestimated
- b) That the product may have been incorrectly positioned
- c) That the high-level executive might have pushed a favourite idea.
- d) That the cost of product development were higher than expected.
- e) All of the above are reasons for new products failure.

**21)** A physician charging a patient for a missed appointment because the service value existed only at that point in time is an example of which characteristic of services?

- a) intangibility
- b) inseparability
- c) variability
- d) perishability
- e) all of the above.

**22)** The use of price points for reference to different levels of quality for a company's related products is typical of which product-mix pricing strategy?

- a) optimal-product pricing
- b) captive-product pricing
- c) product-line pricing
- d) product-bundle pricing
- e) by-product pricing

**23)** Designing the distribution channel starts with which of the following?

- a) setting the channel objectives
- b) determining the channel constraints
- c) analysing consumer-service needs
- d) evaluating the major channel alternatives
- e) identifying the major channel alternatives.

- 24) When an importing country totally bans some kinds of imports it is called a (n)
- a) restriction
  - b) quota
  - c) tariff
  - d) embargo
  - e) net import

25) Which of the following is a factor of the political-legal environment to consider when doing business in a foreign country?

- a) attitudes towards international buying
- b) political stability
- c) monetary regulations
- d) government beaurocracy
- e) all of the above.

## **SECTION B**

Answer any Three (3) questions

### **QUESTION 2**

Write short notes on any **five** of the following concepts/terms.

- a) consumerism [5Marks]
- b) niche marketing [5 Marks]
- c) production orientation [5 Marks]
- d) branding [5 Marks]
- e) industrial marketing [5 Marks]
- f) marketing concept [5 Marks]
- g) product differentiation [5 Marks]

### **QUESTION 3**

Discuss the relationship between market segmentation, target marketing and product positioning. [25 Marks]

### **QUESTION 4**

Discuss the consumer's problem solving process to select particular products and services. [25 Marks]

**QUESTION 5**

Pricing can have various objectives during a marketing programme. Discuss any **five** pricing objectives a company might consider. **[25 Marks]**

**QUESTION 6**

Identify the different stages in the Product Life Cycle (PLC) and show how the promotion mix vary in the role they play during each of the stages. **[25 Marks]**

**QUESTION 7**

Discuss the way research and New Product Development (NPD) can be used for innovative marketing. **[25 Marks]**

**END OF EXAMINATION**