

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

PRINCIPLES OF MARKETING – CBU 1209

FINAL EXAMINATIONS – MAY 2011

TIME ALLOWED: 3 HOURS

INSTRUCTIONS TO CANDIDATES

Answer **all** questions in Section A and any other **Three** questions from Section B.

INFORMATION TO CANDIDATES

- (i) Section A carries 25 marks
- (ii) Each question in Section B carries 25 marks.
- (iii) Questions may be answered in any order.
- (iv) Credit will be given **for the use of appropriate examples.**
- (v) This paper contains **seven** questions.

SECTION A (COMPLUSORY)

1. The use of marketing campaigns by government agencies to effect a change in behavior such as conservation of energy to discourage smoking is called:-
 - a) Government marketing
 - b) Social marketing
 - c) Thought control
 - d) Social control
 - e) Transactional marketing

2. In order to communicate and deliver the company`s desired position to the consumer successfully the company:-
 - a) Must emphasize advertising in support of its positioning strategy.
 - b) Must focus its promotional efforts on personal selling.
 - c) Must place its greater effort on producing the desired product efficiently.
 - d) Must focus the entire marketing program in support of the chosen positioning strategy.
 - e) None of the above.

3. Which of the following is not part of the microenvironment?
 - a) Suppliers
 - b) Marketing channel firms
 - c) Cultural forces
 - d) Customer markets
 - e) Competitors

4. Choosing a research instrument is part of which step in the marketing research process?
 - a) Defining the problem and the research objectives.
 - b) Developing the research plan.
 - c) Implementing the research plan.
 - d) Interpreting and reporting the finding.
 - e) Following up the results.

5. 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.

6. After the sale, marketing communications providing evidence and support to help consumers feel good about their brand choice is especially appropriate under which of the following situations?
 - a) Complex buying behaviour
 - b) Forced-choice buying behavior
 - c) Habitual buying behavior
 - d) Problem-solution buying behavior
 - e) Dissonance-reducing buying behavior

7. The business markets have more buyers involved in the purchase decision is evidence of which of the following characteristic differences between business and consumer markets?
 - a) Market structure and demand
 - b) Nature of the buying unit
 - c) Types of decisions
 - d) Type of decision processes
 - e) All of the above

8. Examples of forecast methods used by companies to forecast their sales based upon what people say include all of the following except:
 - a) Surveys on buyers' intentions
 - b) Composite sales force opinions
 - c) Expert opinion
 - d) Test markets
 - e) All of the above are forecast methods based upon what people say.

9. Market segmentation by quality, service, or economy would be an example of behavioural segmentation by:
 - a) Purchase occasion
 - b) Benefits sought
 - c) User status
 - d) User rate
 - e) Readiness stage

10. Decisions about product quality, features and design relate to which of the following:
- a) Product attributes
 - b) Branding
 - c) Packaging
 - d) Labelling
 - e) All of the above
11. The way consumers perceive an actual or potential product is called a:
- a) Product idea
 - b) Product perception
 - c) Product concept
 - d) Product image
 - e) Product feeling
12. Pricing to cover variable costs and some fixed costs, as in the case of automobile dealerships that sell below total costs, is typical of which of the following pricing objectives:
- a) Current profit maximization
 - b) Product-quality leadership
 - c) Market-share leaderships
 - d) Survival
 - e) Low-cost leadership
13. The setting of a price at \$29.95 rather than \$30.00 under the belief that consumers will perceive the first price as more affordable is part of the basis of :
- a) discount pricing
 - b) discriminatory pricing
 - c) psychological pricing
 - d) promotional pricing
 - e) geographical pricing

14. Regarding the key functions of marketing channels, all of the following statements are true except:
- a) that all functions use up scarce resources.
 - b) that many functions can be performed better through specialization.
 - c) that not all functions need to be performed for all products.
 - d) that they can be shifted among channel members.
 - e) all of the above are true.
15. A retail firm owned by its customers would be called a :
- a) voluntary chain
 - b) corporate chain
 - c) merchandising conglomerate
 - d) franchise
 - e) consumer cooperative
16. Of the nine elements in the communication process, the four major elements are:
- a) sender, receiver, media and noise.
 - b) message, media, noise and feedback.
 - c) encoding, decoding, response and feedback.
 - d) encoding, feedback, sender and receiver.
 - e) noise, feedback, message, receiver.

17. Which of the following factors should be considered when setting the advertising budget?
- a) advertising frequency
 - b) market share
 - c) product differentiation
 - d) stage in the product life cycle
 - e) all of the above
18. Recognizing that sales people must know how to produce customer satisfaction and company profit – not just sales – is an emerging part of which area of salesforce management decisions?
- a) Designing salesforce strategy
 - b) Training salespeople
 - c) Recruiting and selecting salespeople
 - d) establishing salesforce objectives
 - e) supervising salespeople
19. An evaluative comparison between a product's performance and the buyer's expectations is the basis for determining:
- a) total customer value
 - b) customer delivered value
 - c) customer satisfaction
 - d) customer loyalty
 - e) none of the above

- 20 Asking what does each competitor seek in the market place is part of which step in competitor analysis.
- a) Identifying competitors' strategies
 - b) Estimating competitors' reaction patterns
 - c) Determining competitors' objectives
 - d) selecting competitors to attack and to avoid
 - e) Assessing competitors' strengths and weaknesses.
- 21 Comparing the company's products and processes to those of the competitors or leading firms in other industries to find new ways to improve quality and performance is called:
- a) customer-value analysis
 - b) benchmarking
 - c) customer competitor matrix
 - d) value-added competition
 - e) standards- based evaluation
22. Biases against the bids of a particular country because of their national origin or restrictive standards against the product features of such companies are referred to as :
- a) exporting
 - b) product-origin indexing
 - c) dumping
 - d) subsidized competition
 - e) nontariff trade barriers

23. The simplest way to enter a foreign market is through:
- a) exporting
 - b) joint venturing
 - c) direct investment
 - d) licensing
 - e) contract manufacturing
24. The attempt to prove signs of service quality, such as designing a bank's physical setting to suggest efficient service is part of the marketer's response to a service's :
- a) intangibility
 - b) inseparability
 - c) variability
 - d) perishability
 - e) all of the above
25. Providing employee rewards for good service performance is part of a program characteristic of which of the shared virtues practiced by well-managed service companies?
- a) customer obsession
 - b) top management commitment to quality
 - c) setting appropriately high service quality standards
 - d) monitoring service performance closely
 - e) satisfying employees as well as customers

SECTION B

QUESTION 2

Describe any **five** marketing orientations, indicating the circumstances under which they are best employed. **[25Marks]**

QUESTION 3

Write brief notes on any five of the following terms/concepts:

- (a) Characteristics of Services; **[5 Marks]**
- (b) Sales Promotion; **[5 Marks]**
- (c) Positioning; **[5 Marks]**
- (d) Market Segmentation; **[5 Marks]**
- (e) Marketing Information Systems. **[5 Marks]**

QUESTION 4

Discuss the macro-environmental factors that affect businesses` ability to create and maintain profitable exchange relationships with their customers. **[25 Marks]**

QUESTION 5

Using a product of your choice, discuss the marketing strategies that are likely to be employed at each stage of the product life cycle. **[25 Marks]**

QUESTION 6

Discuss any **five** pricing strategies that can be employed by a marketing manager. **[25 Marks]**

QUESTION 7

Discuss the psychological variables, social influences and purchase situations that influence consumer buying decisions.

[25Marks]

END OF EXAMINATION