

COMPOSED BY SADIA ALI SADI (MBA)

FINAL TERM EXAMINATION

Spring 2010

MGT301- Principles of Marketing (Session - 3)

Time: 90 min

Marks: 69

Question No: 1 (Marks: 1) - Please choose one

Which one the following option is related with this statement "Rapid imitation of leader or challenger with moderate country market coverage and emphasis on price sensitive markets. The result is overall moderate share with high shares in selected country markets."

- ▶ Global leader strategy
- ▶ Global challenger strategy
- ▶ **Global follower strategy**
- ▶ Global niche strategy

Question No: 2 (Marks: 1) - Please choose one

If a local company wants to adopt the marketing concept. To be consistent with this move, it should adopt which of the following philosophies?

- ▶ Focusing on today is important for us
- ▶ Making money is our business
- ▶ **The customer is always right**
- ▶ Keeping prices low is our objective

Question No: 3 (Marks: 1) - Please choose one

Which one of the following factor influences the consumer buying decision process?

- ▶ Person-specific
- ▶ **Social**
- ▶ Demographic
- ▶ Situational

Question No: 4 (Marks: 1) - Please choose one

ABC Company divides the pet market according to the owners' race, occupation, income and family life cycle. Which of the following types of segmentation is being used by the Company?

- ▶ Occasion
- ▶ Age and life cycle
- ▶ **Demographic**

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▶ Psychographic

Question No: 5 (Marks: 1) - Please choose one

If BATA Company Ltd. has slow sales growth, profits are nonexistence and there are heavy expenses incurred. Which of the following stage is being faced by the BATA?

▶ Introduction

▶ Growth

▶ **Maturity**

▶ Decline

Question No: 6 (Marks: 1) - Please choose one

A penetration-pricing policy is particularly appropriate when demand is:

▶ Increasing

▶ **Highly elastic**

▶ Highly inelastic

▶ Decreasing

Question No: 7 (Marks: 1) - Please choose one

If Pepsi sets the price of its six packs to match exactly the price of Coca-Cola's, Pepsi is using which of the following pricing method?

▶ Demand-oriented

▶ Cost-oriented

▶ Experience curve

▶ **Competition-oriented**

Question No: 8 (Marks: 1) - Please choose one

Which might be the effect of a successful price increase on profits?

▶ Profit can decrease

▶ No change observed in profits

▶ Infinite change in profits

▶ **Profit can increase**

Question No: 9 (Marks: 1) - Please choose one

The channel that includes both a manufacturers' agent and an industrial distributor may be appropriate under which of the following circumstances?

▶ When the firm wants specialized personnel to follow up the work of the sales force

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▶ When the marketer wishes to enter a new geographic market but does not wish to expand the existing sales force

▶ When only one or two channels of distribution are available for products

▶ When the sales force is large and the marketer is thinking of cutting it down

Question No: 10 (Marks: 1) - Please choose one

If a retailer needed help with store design and training sales personnel, it would most likely use the services of which of the following wholesalers?

▶ Full-service wholesaler

▶ Full-price wholesaler

▶ Rack jobber

▶ Cash-and-carry wholesaler

Question No: 11 (Marks: 1) - Please choose one

An organization is issuing a circular regarding the new credit term to all the employees. In this statement, organization is representing what?

▶ Media

▶ Source

▶ Decoder

▶ Sender

Question No: 12 (Marks: 1) - Please choose one

The process of putting one's thoughts (meaning) into signs (symbols) reflects which one of the following concepts?

▶ Decoding

▶ Noise

▶ Interference

▶ Encoding

Question No: 13 (Marks: 1) - Please choose one

Which of the following advertising is used heavily for creating a primary demand when introducing a new product in the market?

▶ Persuasive advertising

▶ Informative advertising

▶ Comparative advertising

▶ Institutional advertising

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Question No: 14 (Marks: 1) - Please choose one

Mr. Nabeel works for a cosmetics manufacturer and is responsible for ensuring that resellers have adequate quantities of products when and where they need them. Mr. Nabeel is also devoting much of his time towards helping retailers promote these products. Mr. Nabeel is performing the role of which one of the following salesperson?

- ☐ A technical salesperson
- ☐ An advisory salesperson
- ☐ A promotional salesperson
- ☒ [A trade salesperson](#)

Question No: 15 (Marks: 1) - Please choose one

Personal selling can be defined as which of the following communication?

- ☐ People communication
- ☒ [Direct communication](#)
- ☐ Interpersonal communication
- ☐ Local communication

Question No: 16 (Marks: 1) - Please choose one

In contrast to vending machines which dispense only products, there are other systems that dispense information and take orders without direct human aid. This system refers to which one of the following options?

- ☒ [Kiosks](#)
- ☐ TV monitors
- ☐ The internet
- ☐ Cell phones

Question No: 17 (Marks: 1) - Please choose one

The retailer is usually in an excellent position to:

- ☐ Make the most profits in the channel
- ☐ Become the channel leader
- ☒ [Gain feedback from consumers](#)
- ☐ Co-ordinate the production strategy

Question No: 18 (Marks: 1) - Please choose one

E-marketing refers to which one of the following?

- ☐ Email marketing
- ☒ [Electronic marketing](#)
- ☐ Electric marketing
- ☐ Elastic marketing

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Question No: 19 (Marks: 1) - Please choose one

All of the following are the questions that arise when a competitor changes the price **EXCEPT**:

- ☒ ► **What are the competitor's products?**
- ☐ ► Why did the competitor change the price?
- ☐ ► Is the price change temporary or permanent?
- ☐ ► Are other companies going to respond?

Question No: 20 (Marks: 1) - Please choose one

When a company cannot supply all its customers' needs; what would be an effect on price?

- ☒ ► **Price will increase**
- ☐ ► Price will remain same
- ☐ ► Price will decrease
- ☐ ► Price will decrease up to a certain limit

Question No: 21 (Marks: 1) - Please choose one

Through sales management supervision, what does the company do for sales force to do a better job?

- ☐ ► Coaches
- ☒ ► **Motivates**
- ☐ ► Influences
- ☐ ► Forces

Question No: 22 (Marks: 1) - Please choose one

Which one of the following steps is **NOT** a part of marketing process?

- ☐ ► Analyzing marketing opportunities
- ☐ ► Selecting target market
- ☒ ► **Designing the business portfolio**
- ☐ ► Develop marketing mix

Question No: 23 (Marks: 1) - Please choose one

The type of salesperson that usually requires training in physical science or engineering refers to which one of the following:

- ☐ ► Trade salesperson
 - ☐ ► Missionary salesperson
 - ☒ ► **Technical salesperson**
 - ☐ ► Sales assistant
-

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Question No: 24 (Marks: 1) - Please choose one

Which of the following is **NOT** a public relations tool?

- ☐ Image management
- ☐ Annual reports
- ☐ Publicity
- ☒ **Personal selling**

Question No: 25 (Marks: 1) - Please choose one

Product → cost → price → value → customer

This is related to which of the following pricing?

- ☐ Value based pricing
- ☒ **Cost based pricing**
- ☐ Competition-based Pricing
- ☐ Going-rate pricing

Question No: 26 (Marks: 1) - Please choose one

To increase the market share a company organizes Point of Purchase (POP) Displays. It is an example of:

- ☐ Trade promotion
- ☐ Consumer promotion
- ☒ **Sales promotion**
- ☐ Brand promotion

Question No: 27 (Marks: 1) - Please choose one

Which one of the following is used during the post purchase stage of the consumer's purchase decision to reduce post purchase anxiety?

- ☐ Sales promotion and advertising
- ☐ Personal selling and advertising
- ☐ Publicity and advertising
- ☒ **Public relation and sales promotion**

Question No: 28 (Marks: 1) - Please choose one

HSY gives only a limited number of dealers the right to distribute its products in their territories. Which of the following distribution it is using?

- ☒ **Exclusive distribution**
- ☐ Intensive distribution
- ☐ Selective distribution
- ☐ None of the given options

Question No: 29 (Marks: 1) - Please choose one

Moving products and materials from suppliers to the factory is related to which of the following?

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► Inbound distribution

► Inventory distribution

► Outbound distribution

► All of the given options

Question No: 30 (Marks: 1) - Please choose one

Which of the following is NOT one of the levels of service offered by retailers?

► Self-service

► Operating service

► Full service

► Limited service

Question No: 31 (Marks: 1) - Please choose one

Which of the following is not the disadvantage of competitor-centered company?

► The company becomes too reactive

► A fighter orientation

► Strategy is built on what others do

► Lessens innovation

Question No: 32 (Marks: 1) - Please choose one

"The controversial trade practice of selling a product in a foreign market at a price lower than its domestic market" is related to which of the following?

► Import quota

► Tariff

► Exchange rate

► Dumping

Question No: 33 (Marks: 1) - Please choose one

Which of the following is true?

► GATT succeeds WTO

► WTO succeeds NAFTA

► WTO succeeds GATT

► NAFTA succeeds GATT

Question No: 34 (Marks: 1) - Please choose one

Offering Pepsi at a lower price during the month of Ramadan is related to which of the following?

► Odd-Even Pricing

► Special-Event Pricing

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- ☐ ▶ Segmented Pricing
- ☐ ▶ Skimming Pricing

Question No: 35 (Marks: 1) - Please choose one

Internet was used for the first time in which of the following year?

- ☒ ▶ 1982
- ☐ ▶ 1984
- ☐ ▶ 1988
- ☐ ▶ 1987

Question No: 36 (Marks: 1) - Please choose one

Which of the following claim that certain marketing practices hurt individual consumers, society as a whole, and other business firms?

- ☒ ▶ Social critics
- ☐ ▶ Marketing ethics
- ☐ ▶ Environmentalism
- ☐ ▶ Public policy

Question No: 37 (Marks: 1) - Please choose one

Greedy intermediaries who mark up prices beyond the value of their services, comes under which of the following factors of harming consumers through high prices?

- ☒ ▶ High cost of distribution
- ☐ ▶ High advertising and promotion cost
- ☐ ▶ Excessive markup
- ☐ ▶ High pressure selling

Question No: 38 (Marks: 1) - Please choose one

If your competitor has cut the price of its product and it is affecting the sale of your product and profit margin of your company, then you might decide to take some action. Which of the following action will your company take in this situation?

- ☐ ▶ Hold the same price
- ☐ ▶ Close your business
- ☒ ▶ Launch low-price "Fighting Brand"
- ☐ ▶ With draw your product

Question No: 39 (Marks: 1) - Please choose one

Companies are refraining to use poisonous gases in the manufacturing of their products to prevent damage to the environment. The companies are trying to follow:

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- ☐ ▶ Production Concept
- ☐ ▶ Product Concept
- ☐ ▶ Marketing Concept
- ☒ ▶ [Societal Marketing Concept](#)

Question No: 40 (Marks: 1) - Please choose one

Which of the following is NOT one of the alternative concepts under which organizations design and carry out their marketing strategies?

- ☒ ▶ [Distribution Concept](#)
- ☐ ▶ Production Concept
- ☐ ▶ Marketing Concept
- ☐ ▶ Selling Concept

Question No: 41 (Marks: 1) - Please choose one

A(n) _____ is a segment of the population selected to represent the population as a whole.

- ☐ ▶ Survey
- ☒ ▶ [Sample](#)
- ☐ ▶ Experiment
- ☐ ▶ Market

Question No: 42 (Marks: 1) - Please choose one

Identify the contact methods used to collect data.

- ☒ ▶ [Mail, personal interviews and telephone](#)
- ☐ ▶ Focus groups and online questioners
- ☐ ▶ Mail, catalogues and personal interviews
- ☐ ▶ Telephone and video conferencing

Question No: 43 (Marks: 1) - Please choose one

Reference group, family and status all play a major role in shaping the buying behavior of individuals. All these factors are grouped into which of the following?

- ☐ ▶ Cultural
- ☒ ▶ [Social](#)
- ☐ ▶ Personal
- ☐ ▶ Business

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Question No: 44 (Marks: 1) - Please choose one

There has been a decline in sales of ABC company. The decline in sales was caused due of financial crisis and the loss of purchasing power of the consumers. The factor which is affecting consumer purchase in this case is:

▶ **Economic**

▶ Social

▶ Occupational

▶ Lifestyle

Question No: 45 (Marks: 1) - Please choose one

Identify the term used when buyers buy without modifications.

▶ New task

▶ Same order

▶ **Straight rebuy**

▶ Reorder

Question No: 46 (Marks: 1) - Please choose one

The positive differential effect that knowing the brand name has on customer response to the product or service is known as _____

▶ **Brand Equity**

▶ Brand Positioning

▶ Brand Loyalty

▶ None of the given

Question No: 47 (Marks: 1) - Please choose one

How long does the product maturity stage last?

▶ **Longer than previous stages**

▶ 2 months

▶ 1 month

▶ 3 months

Question No: 48 (Marks: 1) - Please choose one

Sales Force Personnel must be _____.

▶ Calculating

▶ **Enthusiastic**

▶ Angry Youngman

▶ None of the above

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Question No: 49 (Marks: 3)

Briefly explain planned obsolescence? Give example where it exists.

Question No: 50 (Marks: 3)

Why publicity is so much powerful than advertising or sales promotion or even other form of public relation?

Question No: 51 (Marks: 5)

What do you know about advertising campaign? What are the benefits associated with it?

Question No: 52 (Marks: 5)

Your company is going to launch a new product in the market. As a marketing manager, you have selected the advertising media i.e. Newspaper. Do you think that this media is the **BEST** for your company' product? Justify your argument.

Question No: 53 (Marks: 5)

How has E-Commerce benefited the sellers?