

MGT301 Principles of Marketing

Final Term Examination - February 2005

Time Allowed: 150 Minutes

Instructions

Please read the following instructions carefully before attempting any of the questions:

1. Attempt all questions. Marks are written adjacent to each question.
2. Do not ask any questions about the contents of this examination from anyone.
 - a. If you think that there is something wrong with any of the questions, attempt it to the best of your understanding.
 - b. If you believe that some essential piece of information is missing, make an appropriate assumption and use it to solve the problem.
 - c. Write all steps, missing steps may lead to deduction of marks.

****WARNING: Please note that Virtual University takes serious note of unfair means. Anyone found involved in cheating will get an 'F' grade in this course. Every paper has four subjective questions while 10 objective questions**

Total Marks: 60

Total

Questions: 14

Question No. 1

Marks : 1

The stage in the product life cycle in which the marketing objective is to maximize profit while defending market share is the _____ stage.

- 1 Introduction
- 2 Growth
- 3 Rejuvenation
- 4 Maturity (moderate)
- 5 Decline

Question No. 2

Marks : 1

A common mistake in pricing is _____.

- 1 Setting prices according to demand

- 2 Revising prices too often
- 3 Considering price and price competition as a key problem in marketing
- 4 Ignoring costs when setting prices
- 5 Setting prices independently of the rest of the marketing mix (difficult)

Question No. 3**Marks : 1**

Which of the following is not a function of wholesalers?

- 1 Bulk-breaking
- 2 Selling and promoting
- 3 Transportation
- 4 Transportation
- 5 Risk bearing
- 6 Final customer segment selection (moderate)

Question No. 4**Marks : 1**

Culture is the most fundamental determinant of a person's wants and behavior.

- 1 True
- 2 False

Question No. 5**Marks : 10**

List and briefly describe the steps involved in the personal selling process. Which step do you think is most difficult for the average salesperson? Which step is the most critical to successful selling? Which step do you think is usually done most correctly? Explain each of your choices

Question No. 6**Marks : 1**

Post-purchase satisfaction is a function of the consumer's product expectations and the product's perceived performance

- 3 True
- 4 False

Question No. 7**Marks : 10**

- a) List and describe each of the channel functions that have been traditionally assigned to wholesalers. How will wholesalers have to change in order to meet the threat of increasing competition from larger retailers? From direct marketers?
- b) Write short note on wheel of retailing?

Question No. 8**Marks : 10**

Select a familiar company and assume that you are an idea manager responsible for

generating new-product ideas. How would you structure your new-product development process? What sources of new ideas would be most valuable?

Question No. 9

Marks : 1

Characteristics of business markets include that there are more buyers and larger buyers

- 5 True
- 6 False

Question No. 10 Marks

: 1

Target marketing requires marketers to take three major steps:

- 1) Identify and profile distinct groups,
- 2) Select one or more segments to enter, and predict the consumer behavior of the segments.

- 7 True
- 8 False

Question No. 11 Marks

: 1

A product is anything that can be offered to a market to satisfy a want or need

- 9 True
- 10 False

Question No. 12 Marks

: 1

The first step in the buying process is the _____.

- 1 Information search
- 2 Evaluation of alternatives
- 3 Purchase decision
- 4 Location of alternatives
- 5 Recognition of the need or problem (moderate)

Question No. 13 Marks

: 1

When compared to the consumer market, the demand for goods and services in the business market is _____.

- 1 Far more elastic
- 2 Significantly more constant

- 3 Derived (moderate)
- 4 More likely to be affected by changes in price
- 5 All of the mention

Question No. 14	Marks : 10
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Discuss the three general pricing approaches and select an example to illustrate the primary characteristics unique to each general approach?