

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION
DECEMBER 2010 SESSION

PM101: PRINCIPLES OF MARKETING

DATE : 21 APRIL 2011 (THURSDAY)
DURATION : 2 HOURS (8.30am – 10.30am)

This is a paper consists of **EIGHT (8)** pages including the front page.
Section A : Objective (25 questions - Answer **All**)
Section B : Essay (3 questions. Answer **All**)

CONFIDENTIAL UNTIL 21 APRIL 2011
DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED BY THE
CHIEF INVIGILATOR

SECTION A

OBJECTIVE. (25 marks)

Instructions: This section consists of 25 objective questions. Answer **ALL** questions in the answer booklet.

1. _____ is how a business or organization creates and exchanges products and value with others.
 - A. Marketing
 - B. Marketing Mix
 - C. Marketing Tools
 - D. Marketing Strategy

2. *"The difference between a product's perceived performance in delivering value relative to a buyer's expectation before a product is purchased"*. This statement refers to
 - A. Value
 - B. Needs
 - C. Satisfaction
 - D. Transaction

3. Which concept explains that Achieving organizational goals depends on knowing the needs as well as wants of target markets and delivering the desired satisfactions which are better than the competitors do? These statements refer to _____ concept.
 - A. Product
 - B. Production
 - C. Selling
 - D. Marketing

4. Major trends and forces that change marketing landscape are
 - i. Digitalization
 - ii. The internet explosion
 - iii. Fax machine
 - iv. New types of intermediaries.
 - A. i, ii and iv
 - B. i and ii
 - C. i, iii and iv
 - D. All of the above

5. Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched on?
- A. Demographic
 - B. Psychographic
 - C. Economic
 - D. Geographic
6. Marketers can take a(n) _____ by taking aggressive action to affect the public's and forces in their marketing environments.
- A. Environmental stance
 - B. Proactive stance
 - C. Natural perspective
 - D. Natural-management perspective
7. The consumer market is made up of which of the following?
- A. Individuals who acquire goods or services for personal consumption
 - B. Households that purchase goods or services for personal consumption
 - C. Businesses that purchase goods and services
 - D. Answer A and B
8. Business market is defined as all organizations that buy goods and services for use in the production of other products and services that are _____ to others
- i. sold
 - ii. rented
 - iii. supplied
 - iv. given
- A. i, ii and iii
 - B. ii, iii and iv
 - C. i, iii and iv
 - D. All of the above
9. Which of the following is **NOT** the differences between business and consumer markets?
- A. Market structure and demand
 - B. Nature of the buying unit
 - C. Satisfaction of needs through purchases
 - D. Types of decisions

Dividing a market into groups based on consumer's knowledge, attitude, use or response to a product

10. The definition of segmentation above refers to :
- A. Geographic Segmentation
 - B. Demographic Segmentation
 - C. Psychographic Segmentation
 - D. Behavioral Segmentation
11. A _____ consists of a set of buyers who share common needs or characteristics that the company decides to serve.
- A. mass market
 - B. target market
 - C. market target
 - D. differentiated market
12. The task of arranging for a product to occupy a place in the mind of the customer, relative to the competitors' offers, is called _____.
- A. Targeting
 - B. Marketing
 - C. Positioning
 - D. Segmentation
13. Which of the following is **NOT** a market positioning strategy?
- A. Price
 - B. Profit
 - C. Competitors
 - D. Product Class
14. _____ product is the problem-solving service or benefit that customers are really buying when they obtain a product.
- A. A core
 - B. An actual
 - C. An augmented
 - D. A convenience

15. A product that the consumer, during the process of selection and purchase, compares on such bases as suitability, quality, price, and style is called a(n) _____ product.
- A. specialty
 - B. shopping
 - C. unsought
 - D. convenience
16. The attributes of a product are _____.
- A. quality, features, style, design
 - B. design, brand, core, augmented
 - C. actual, core, augmented, design
 - D. quality, features, advertising, brand
17. Which of the following statement is refers to the maturity stage of the product life cycle?
- A. Product's sales fall
 - B. Firm reduces marketing
 - C. Firm revives a product or ends it.
 - D. Firm works hard to sustain differential advantage
18. "Amount of money charged for a product or service. Sum of all the values that consumers exchange for the benefits of having or using the product". This refers to
- A. Place
 - B. Price
 - C. Product
 - D. Promotion
19. The following factors refers to the internal factors that affect the price decision **EXCEPT**
- A. Costs
 - B. Competitors
 - C. Marketing Objectives
 - D. Organizational Consideration
20. Two strategies for setting a price on new goods or services are skimming pricing and penetration pricing. Which of the following describes the definition of skimming pricing?
- A. Strategy demands for a lower introductory price for a new product.
 - B. Strategy demands for a higher introductory price for a new product.
 - C. Sets a relatively higher price in the growth stage of product life cycle.
 - D. Sets a relatively lower price in the introduction stage of product life cycle.

21. Mom's Cookies is launching a new cookie, called the "Hola-hola chocolate cookies" in the market, and the product manager has suggested a _____ pricing strategy because the company's goal is to attract a large number of customers quickly and win the market share.
- A. value based
 - B. market oriented
 - C. market skimming
 - D. market penetration
22. Which of the following is NOT the function of a wholesaler?
- A. Provide a trained sales force
 - B. Gather assortments for service providers
 - C. Distribute manufacturer's and service provider's product
 - D. Purchase large quantities and reduce total distribution costs
23. _____ consists of the specific blend of advertising, sales promotion, public relations, personal selling and direct-marketing tools that the company uses to pursue its advertising and marketing objectives.
- A. Direct selling
 - B. Sales discount
 - C. Marketing mix
 - D. Promotion mix
24. Mass-promotion tools include all of the following except _____.
- A. advertising
 - B. sales promotion
 - C. public relations
 - D. personal selling
25. If the _____ is effective, consumers will then demand the product from the channel members who will in turn demand it from the producers.
- A. pull strategy
 - B. push strategy
 - C. direct marketing
 - D. word-of-mouth influence

SECTION B**STRUCTURES / ESSAY (75 marks)**

Instructions: This section consists of 3 essay questions. Answer **ALL** questions.

QUESTION 1

(a) Define marketing.

(2 marks)

(b) Describe the market offers in satisfying a need or want.

(6 marks)

(c) Describe any **THREE (3)** marketing concepts in designing customer-driven strategies.

(12 marks)

(d) Discuss the new connected world of marketing.

(5 marks)

QUESTION 2

(a) Define segmentation

(2 marks)

(b) There are many ways to segment a market. Briefly explain **FOUR (4)** basic ways for a company to segment its market.

(8 marks)

- (c) Product is anything that can be offered to a market for attention, acquisition use or consumption that might satisfy a want or need. Briefly explain levels of product and provide an example for each level.

(15 marks)

QUESTION 3

- (a) Illustrate a product life-cycle stages chart and briefly explain the following product life-cycle stages:

(5 marks)

i. Introduction stage

(3 marks)

ii. Decline stage

(4 marks)

- (b) Elaborate the internal factors that influenced prices under the marketing objective of product-quality leadership.

(2 marks)

- (c) Define Market-Skimming Pricing

(1 mark)

- (d) Members of marketing channel perform many key functions. One of the functions is 'matching'. Define the function of 'matching' in distribution channel

(2 marks)

- (e) Sales Promotion is a short-term incentive to encourage the purchase or sale of a product or service. Briefly explain **TWO (2)** of the consumer promotion tools below that are commonly used by marketers to increase the sales of their product.

i. Sample

ii. Coupon

(8 marks)