



DIPLOMA
January-June

Sessional Examination
Mk 122-Principles Of Marketing

BOTSWANA OPEN UNIVERSITY

DIPLOMA IN BUSINESS MANAGEMENT

PRINCIPLES OF MARKETING

MK 122

SESSIONAL EXAMINATION

TIME ALLOWED: 3 HOURS

Marks – 100

Instructions to candidates:

1. This examination is based on material covered in the course module.
2. The examination consists of **Four** Sections: A, B, C and D.
3. Answer ALL questions according to instructions given in each section.
4. Write answers in the answer booklet provided
5. Write in grammatical English.



SECTION A MULTIPLE CHOICE QUESTIONS

[10 MARKS]

Answer ALL questions. Each question carries ONE (1) mark.

Choose the best answer from the given alternatives.

1. Needs are _____.
 - A. Shaped by culture and individuals
 - B. A state of felt deprivation
 - C. Wants that are backed by buying power
 - D. A set of potential customers

2. Which one of the following is not part marketing evolution?
 - A. Product concept
 - B. Selling concept
 - C. Purchasing concept
 - D. Societal marketing concept

3. CRM is _____.
 - A. Customer Relationship Movement
 - B. Customer Return Movement
 - C. Customer Relationship Management
 - D. Consumer Referral Management

4. The customer's evaluation of the difference between product benefits and costs is referred to as _____.
 - A. Customer assessment
 - B. Customer perceived value
 - C. Customer satisfaction
 - D. Customer perception



5. The process of developing and maintaining a strategic fit between the organisation's goals and capabilities and its changing marketing opportunities is called
- A. Market targeting
 - B. Market selection
 - C. Strategic planning
 - D. Positioning
6. A company's business portfolio is _____.
- A. An assortment of products that a company offers for sale to its customers
 - 4 B. A collection of business units that a company operates
 - C. Dogs and cash cows
 - D. Its competitors and suppliers
7. Committing more resources into an SBU in order to increase its market share is called _____.
- A. Divesting
 - B. Holding
 - C. Harvesting
 - D. Building
8. In the product/market expansion grid, market penetration refers to _____.
- A. Selling more of existing products in their current markets
 - B. Introducing new products into a company's current markets
 - C. Introducing new products in new markets
 - D. Introducing the company's old products in new markets



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9. One of the psychological factors affecting consumer behavior is _____.

- A. Lifestyle
- B. Perception
- C. Roles and status
- D. Sub-culture

10. Aspirational groups are _____.

- A. Groups that are build around a particular celebrity person
- B. Groups that consumers were once members of
- C. Groups that are market segments for a particular product
- D. Groups that consumers want or wish to belong



SECTION B -TRUE /FALSE QUESTIONS [15 MARKS]

Answer ALL questions. Each question carries ONE (1) mark

State whether each of the following is True or False

1. Marketing offers include products, services, information and experiences.
2. The argumentative buyer has some knowledge about the product they want and can also challenge the sales person even when they are wrong.
3. A want is a state of feeling reprieved of something that one cannot live without.
4. The cultural factor includes people's perception of themselves in consumer behaviour.
5. An objective is defined as a goal, which has a long life span, but with specific measurable outcome.
6. Monopolistic competition involves selling of same products with little differentiation and prices are also the same.
7. Corporate goals are not designed to meet organizations' objectives and are set by middle management.
8. Marketing is about managing profitable customer relationships.
9. The purpose of the marketing plan is to turn marketing strategy into action.
10. Globalization has increased geographical and cultural distances.
11. Product attribute is the firm's strategy that addresses features of product which differentiate it from its competitors' products
12. Demographic variable relates to the composition of the population which the business is serving



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13. Michael Porters competitive five forces model determines the nature of consumer behavoiur in the market
14. Marketing information system gathers information from various sources and this involves expenditure
15. Core products can be described in terms of technical and physical qualities that enables a product to perform its function



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SECTION C - SHORT ANSWER QUESTIONS

[25 Marks]

Answer all questions from this section

Question 1

Briefly explain the following concepts:

(4x3 marks)

- a) The production concept
- b) The sales concept
- c) The marketing concept
- d) The societal marketing concept

Question 2

Give three (3) reasons why is it important for a company to retain and attract customers

(3x1 marks)

Question 3

Explain the following terms;

(2x2 marks)

- a) Market targeting
- b) Positioning.

Question 4

Explain the difference and connection between market planning and the marketing strategy.

(2x3 marks)



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SECTION D -ESSAY-TYPE QUESTIONS

[50 MARKS]

Question 1

[25 marks]

Read the following extract and then answer the questions below.

Etec

Creating and keeping customers in an e-commerce world, Southwestern, Cincinnati. Etec was founded by an inventor and a former police officer. The company markets Auto Cite, which is short for Automatic Citation Issuance System. Using this handheld computer and printing device, a police officer can write and record traffic violations much more efficiently. Today, Auto Cite is used by police departments in more than 350 cities, municipalities, and college campuses.

However, Etec sold only three units in its first two years of operation. Auto Cite is durable and works in all types of weather. A police officer who gives multiple tickets in a given location does not have to reprogram location information into the Auto Cite. This allows the officer to produce more tickets in a given time period. Etec believes that the product would prove equally beneficial to law enforcement agencies in Australia, New Zealand, Canada, Mexico, and many other countries around the world.

C HOUSE AND TWO

- a) What do you understand by the total product concept of Auto Cite in terms of the total product concept? **(5 Marks)**

- b) Evaluate the stages of the product life cycle and state at what stage of the product life cycle is Auto Cite? **(10 marks)**

- c) Suggest appropriate strategies for Auto Cite given its current product life cycle stage. **(10 marks)**



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Question 2

[25 marks]

Read the following extract and then answer the questions below.

Assume you are the marketing manager at Game Discount Store in Gaborone; recently the store has been experiencing the drastic decline in sales of one of its expensive cameras. You are therefore required to conduct a marketing research to investigate and establish the cause of the decline in the sales.

- a) Evaluate stages of the Marketing Research Process that Game store has to go through in order to establish the cause in the decline; **(20 Marks)**

- b) Recommend at least two appropriate research instruments that Game store has to use to collect the primary data. **(5 marks)**



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Question 3

[25 Marks]

Read the following extract and then answer the questions below.

Anele Koosan is 26 years old Business Development Advisor just joined an international investment firm that recently relocated to Botswana to explore the vast investments opportunities in the country.

The company is located in the Central Business District (CBD) and Anele responsibilities entail meetings with the country's most elite and prominent business people, she also has to attend as well as host corporate and social events to expand the company's clientele. However, Anele has been driving an old Mercedes Benz E500 1995 model that she inherited from her father and of recent the car has started giving her some mechanical problems. She is now considering buying a new car that will not only be reliable and efficient; she also needs a car that will match her new status and the image. She is caught between a BMW and Mercedes Benz new models however, there are number of things that she needs to consider before making a final decision

- a) Briefly explain the four factors that influence consumer behavior **(12 marks)**
- b) Discuss the various stages of the consumer buying decision-making process. **(13 marks)**

END OF EXAMINATION