

**PAST  
EXAMINATION  
PAPERS  
PRINCIPLES OF  
MARKETING  
2009,2012  
(D – MK 01)**

# Botswana College of Distance And Open Learning

In Collaboration With

**Zimbabwe Open University**

**Diploma in Business Management**

**Principles of Marketing**

**Mock Examination, 2009**

**Time Allowed: 3 Hrs**

## **Instructions to Learners**

1. Write legibly.
2. Answer **all** questions in section A, B and C.
3. Answer any **two** questions in section D.
4. The paper carries 150 marks in total.
5. Marks will be awarded for using examples, diagrams and charts to aid explanations..

## Section A True or False

### Question 1

[25 marks]

Write the answer to the question only

e.g. 1. False

1. Shopping products are products, which require consumers to go around comparing different brands before purchase. \_\_\_\_\_
  2. The point of operation where costs equal to total revenue is called break-even point. \_\_\_\_\_
  3. One of the functions of retailers is to break down bulk goods into smaller units for individual purchase convenience. \_\_\_\_\_
  4. The marketing mix comprises the following variables advertising, personal selling, sales promotion, distribution and pricing. \_\_\_\_\_
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5. Employees, location of the business and the organisation's research and developments are components of an organisation's internal marketing environment. \_\_\_\_\_
  6. Cognitive dissonance arises when a consumer is not satisfied with the product purchased and it results in discomfort in the customer. \_\_\_\_\_
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7. The application of rules and regulations on the operation of the business, for example, the Liquor Act is an example of the physical environment of the business. \_\_\_\_\_
  8. The price of a product should be less than the costs incurred in producing the product. \_\_\_\_\_
  9. Advertising and personal selling are closely related with public relations. \_\_\_\_\_
  10. The promotional/budget can sometimes be set as a percentage of sales \_\_\_\_\_

- 11 Segmenting markets according to age, gender, income levels and life cycle stages of consumers is referred to as geographical segmentation.
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12. To compete effectively on the market, a small firm should target to serve a niche market.
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13. In a pure monopoly, the market consists of one seller.
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14. Political instability in the country can have an impact on the operations of the business.
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15. The products which consumers buy to use in production of other goods, which they will later sell to customers are called consumer products.
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16. Investment of insufficient funds in research and development of new products is one of the reasons why new products fail on the market.
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17. Food, clothing and shelter are examples of human wants.
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18. The difference between the value that the customer gains from owning and using a product and the cost of obtaining the product is referred to as customer value.
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19. Customer satisfaction is achieved when the product performance matches or exceeds the perceived expectations relative to the buyer's expectations.
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20. A Sales Assistant should be knowledgeable of company rules as well as the products that it offers.
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21. Small scale retailers are usually situated more conveniently for the majority of local shoppers.
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22. The price element of the marketing mix entails how the product is made available to the final customer.
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23. Packaging can also serve to decorate the product.
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24. A market segment can be evaluated for its worthiness basing on its measurability, accessibility, action ability and profitability.
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25. A system consisting of people, equipment and procedures to gather, sort, analyse evaluate and distribute needed timely and accurate information for marketing decisions is called marketing intelligence.
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## Section B Multiple Choice Questions

Choose the best answer from the alternatives given.

e.g. 1 . D

1. Which of the following is not a function of the marketing department of a firm?
- a. Setting the budget for the entire organisation
  - b. Researching for information concerning customer's needs
  - c. Communicating with customers concerning product features
  - d. Developing new products to cater for new customer needs
2. The macro-environment of a business comprises of
- a. economic, political, social, physical and technological factors
  - b. employees, the location of a business, research and development department, suppliers.
  - c. suppliers, customers, distributors, the media ✓
  - d. customers, products, marketing objectives
3. The systematic gathering, analysis and interpretation of information concerning a given marketing problem is called \_\_\_\_\_
- a. marketing.
  - b. market segmentation.
  - c. marketing research. ✓
  - d. marketing information systems.

4. The process by which a product is accepted by individuals is called the\_\_process
- acceptance. ✓
  - confirmation.
  - adoption/diffusion.
  - product development.
5. The steps in the personal selling process in the order are \_\_\_\_\_
- prospecting, qualifying, pre-approach, approaching presentation and demonstration, closing the scale
  - closing the scale, presentation and demonstration pre-approach, prospecting and qualifying.
  - prospecting, qualifying, closing the sale
  - Prospecting and qualifying, pre-approach.
6. The point of operation at which the business's total revenue is equal to total cost is called
- Profitability point
  - Break-even point ✓
  - Contribution point
  - Margin of safety
7. Through the \_\_\_\_\_ marketers can access information from around the world via networked computers.
- Intranet
  - Extranet
  - Internet ✓
  - Telecommunication

8. According to the Ansoff Matrix, developing a new product for a new market is regarded as \_\_\_\_\_ strategy
- Market penetration
  - Diversification ✓
  - Product development
  - Market development ✓
9. Which of the marketing mix variables represents communication with existing and potential customers.
- Place
  - Price
  - Product
  - Promotion ✓
10. A firm produces plastic chairs for resale. Each chair has a selling value of P100. If variable costs amounts to P60 per unit and fixed costs are P400 000 per year, how many chairs have to be produced if the firm has to break even?
- 100 - 1  
60 = variable  
400 000
- 4 000
  - 40 000
  - 10 000 ✓
  - 100 000
11. The stages in the product life-cycle in their order are
- Introduction, decline, maturity, growth
  - Introduction, growth, maturity, decline ✓
  - Introduction, maturity, growth, decline
  - Growth, maturity, decline, introduction
12. Conflicts between manufacturers and channel members may be because of \_\_\_\_\_
- Inadequacies in performance, differences in goals and multiple channel usage
  - Advertising policies; market segmentation strategies and management. ✓
  - Marketing philosophies
  - Production methods used by manufacturers.

13. When a bakery merges with a milling company which supplies it with flour, this form of expansion is known as \_\_\_\_\_
- Horizontal integration
  - Amalgamation
  - Backward vertical integration ✓
  - Conglomerate integration
14. The components of a physical distribution system are \_\_\_\_\_
- logistics management; warehousing and debt collection
  - intensive, selective and exclusive distribution.
  - warehousing, physical distribution and inventory control. ✓
  - customer service, order processing, inventory control, warehousing, transportation and material handling. ✓
15. A perfectly competitive market structure has got \_\_\_\_\_
- many sellers selling similar product and many buyers of the product. ✓
  - one seller selling a product or products with no substitutes.
  - few sellers dealing in different products.
  - none of the above.
16. When a producer charges different prices for the same product to various customers, this practice is known as \_\_\_\_\_
- pricing individually.
  - price discrimination. ✓
  - price determination.
  - segment pricing.
17. When a business chooses to serve the whole market with all relevant products, we say the business is using \_\_\_\_\_ targeting strategy.
- niche marketing
  - full market coverage ✓
  - single market
  - selective marketing

18. The way a product is defined by the consumers relative to competing products in the market is known as \_\_\_\_\_
- a. product development.
  - b. product position.
  - c. market share.
  - d. market segmentation. ✓
19. Which of the following does not fall under geographic segmentation?
- a. Cities
  - b. Districts
  - c. Level of consumer income ✓
  - d. Continents
20. Below are some features relevant to product differentiation except \_\_\_\_\_
- a. performance level.
  - b. customer consultancy.
  - c. durability.
  - d. style.
21. Which of the following is not a component of the physical distribution process?
- a. Advertising ✓
  - b. Warehousing
  - c. Order processing
  - d. Transportation
22. Consumer decision-making can be influenced by the factors below except \_\_\_\_\_
- a. level of income.
  - b. perception.
  - c. social class.
  - d. the organisational structure of the seller. ✓

23. Unethical behaviour in the field of promotion includes such behaviors as listed below except \_\_\_\_\_
- bribing of organisational buyers by our sales representatives. ✓
  - using misleading statements in advertising to induce purchase.
  - provision of all necessary information that the customer needs before purchasing the product. ✓
  - engaging in price wars with competitors to push them out of market.
24. The marketing mix comprises of 7Ps. The first four are product; price, promotion and place-identify the other three from the list below.
- People, potential, prospecting.
  - Pre-approach, physical evidence, processes.
  - ✓ People, processes, physical evidence. ✓
  - People, payments, participation ✓
25. The systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing the company is the marketing \_\_\_\_\_ process.
- segmentation
  - intelligence
  - information
  - research

## Section C

**Answer all questions giving brief explanations**

- Identify and briefly explain five elements of the marketing micro-environment of the business. (10)
- A business wishes to operate differently from all its competitors. This is referred to as competitive differentiation. Briefly explain any five forms of differentiation that a business can pursue in order to achieve competitive advantage over others. (10)
- As a sales assistant in a retail shop one should expect to meet customers with different characteristics. Briefly describe five different types of customers one should expect to meet. (10)

4. Briefly identify and explain the five targeting strategies that can be adopted by businesses. (10)
5. Identify and explain briefly the major sources of information for a modern marketing information system (10)

## Section D

Answer any two questions from this section

1. Companies are sometimes faced with the need to innovate and introduce new products to the market so that they keep abreast with the changing consumer needs, and they have to develop new products. Development of new products involves a series of stages that precede each other. Discuss the stages in the new product development process. Support your argument with typical examples from marketing. (25)
2. Consumers go through a series of stages in their decision making before they make a purchase. These logical stages are known as **the consumer decision-making process**. Discuss the stages in this process, showing how they relate to marketing. (25)
3. (a) In the process of coming up with marketing strategies, marketers should plan, In this respect, discuss briefly the marketing planning process highlighting the relevant steps. (15)  
  
(b) Use the Ansoff Matrix to explain the marketing strategies that a business can adopt. (10)
4. (a) Discuss the features of any five types of retail shops. (15)  
  
(b) Discuss some special qualities needed of an effective sales assistant. (10)

*End of Exam*