



BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING

In collaboration with

ZIMBABWE OPEN UNIVERSITY

DIPLOMA IN BUSINESS MANAGEMENT

SUBJECT NAME: PRINCIPLES OF MARKETING

SUBJECT CODE: D-MK01

SESSIONAL EXAMINATION

Marks – 100

Instructions to candidates:

- a. Answer **all** questions in Section A and any ^{three}~~two~~ questions in Section B
- b. Begin each answer to a new question on a new page.
- c. Write legibly in grammatical English.
- d. Use examples where possible to support your explanations.

**Section A Multiple Choice Questions****QUESTION 1****[15 MARKS]**

Choose the best answer from the alternatives given.

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 _____.

- 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 _____.



- A. Acceptance.
 - B. Confirmation.
 - C. Adoption/diffusion.
 - D. Product development.
5. The steps in the personal selling process in the order are _____.
- A. Prospecting, qualifying, pre-approach, approaching presentation and Demonstration, closing the scale
 - B. Closing the scale, presentation and demonstration pre-approach, Prospecting and qualifying.
 - C. Prospecting, qualifying, closing the sale
 - D. Prospecting and qualifying, pre-approach.
6. The point of operation at which the business's total revenue is equal to total cost is called _____.
- A. Profitability point
 - B. Break-even point
 - C. Contribution point
 - D. Margin of safety
7. Through the _____ marketers can access information from around the world via Networked computers.
- A. Intranet
 - B. Extranet
 - C. Internet
 - D. Telecommunication



8. According to the Ansoff Matrix, developing a new product for a new market is regarded as _____ strategy.

- A. Market penetration
- B. Diversification
- C. Product development
- D. Market development

9. Which of the marketing mix variables represents communication with existing and potential customers?

- A. Place
- B. Price
- C. Product
- D. Promotion

10. A firm produces plastic chairs for resale. Each chair has a selling value of P100. If variable costs amount 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?

- A. 4 000
- B. 40 000
- C. 10 000
- D. 100 000

$$\begin{array}{r}
 400000 \text{ FC} \\
 + \text{VC} \\
 \hline
 400000 \text{ TC}
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 \begin{array}{r}
 400000 \\
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 \begin{array}{l}
 x = \text{no. of chairs} \\
 \text{VC} = 60x
 \end{array}$$

$$\begin{array}{l}
 400000 + 60x = 100x \\
 40x = 400000 \\
 x = 10000
 \end{array}
 \qquad
 \begin{array}{r}
 10000 \\
 4 \overline{) 40000} \\
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11. The stages in the product life-cycle in their order are _____.

- A. Introduction, decline, maturity, growth
- B. Introduction, growth, maturity, decline
- C. Introduction, maturity, growth, decline
- D. Growth, maturity, decline, introduction



12. Conflicts between manufacturers and channel members may be because of _____.
- A. Inadequacies in performance, differences in goals and multiple channel usage.
 - B. Advertising policies, market segmentation strategies and management.
 - C. Marketing philosophies
 - D. 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 _____.
- A. Horizontal integration
 - B. Amalgamation
 - C. Backward vertical integration
 - D. Conglomerate integration
14. The components of a physical distribution system are _____.
- A. Logistics management; warehousing and debt collection.
 - B. Intensive, selective and exclusive distribution.
 - C. Warehousing, physical distribution and inventory control.
 - D. Customer service, order processing, inventory control, warehousing, Transportation and material handling. ✓
15. A perfectly competitive market structure has got _____.
- A. Many sellers selling similar product and many buyers of the product.
 - B. One seller selling a product or products with no substitutes.
 - C. Few sellers dealing in different products.
 - D. None of the above.



Question 2

[10 marks]

State whether each the following statements is True or 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.
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.
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.



SECTION B

[75 MARKS]

Answer any three questions from this section

QUESTION 1

(25 marks)

Companies are sometimes faced with the need to innovate and introduce new products to the market so that they keep abreast of 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 marks)

- + Establishing a problem/gap
- * Do research
 - gathering data
 - analysing data
- * Implementation
- * Evaluating

(25 marks)

QUESTION 2

- Establishing what product
- Gathering information about it
- Analyse information
- Decision making
- Evaluate/Implement

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.

QUESTION 3

(25 marks)

(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 marks)

(b) Use the Ansoff Matrix to explain the marketing strategies that a business can adopt.

different
segments

(10 marks)



QUESTION 4

(a) Discuss the features of any five types of retail shops. **(15 marks)**

(b) Explain any two special qualities needed of an effective sales assistant. **(10 marks)**