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**BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING**

**DIPLOMA IN BUSINESS MANAGEMENT**

**SUBJECT: PRINCIPLES OF MARKETING**

**SUBJECT CODE: MK 101**

**SESSIONAL EXAMINATION**

**Marks – 100**

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**Instructions to candidates:**

1. Answer **all questions** from Section A and B
2. Answer any two questions from Section C.
3. Begin each answer to a new question on a new page.
4. Write legibly in grammatical English.
5. Use examples where possible to support your explanations.
6. Time Allowed: 3 hours



**SECTION A**

**Choose the best answer for each question**

1. Dividing the entire market into smaller markets of homogeneous characteristics is the process of \_\_\_\_\_.

- A. Market segmentation
- B. Market research
- C. Market development
- D Market targeting

2. Which of the following departments can be found in a retail shop?

- A. Transport and logistics
- B. Personnel department
- C. Production department
- D Research and development

3. Which of the following is not part of the organization's external marketing environment?

- A. Political factors ✓
- B Technological factors ✓
- C. Social factors ✓
- D. Employees



4. Which of the following is not a human need?
- A Food
  - B clothing
  - C Shelter
  - D. Distribution channels of the product
5. \_\_\_\_\_ is an example of a supermarket in Botswana.
- A Lobtrans
  - B Bocodol
  - C. Pick 'n' pay
  - D Vanilla knitting company
6. Chain stores means \_\_\_\_\_.
- A. Many stores in a line
  - B. One type of store in a number of locations
  - C. Different types of stores in a number of different locations
  - D. None of the above
7. The following are bases for segmenting consumer market except
- A. Psychographic ✓
  - B. Behavioral ✓
  - C Geographic ✓
  - D Price sensitivity



8. Satisfying customer's needs involves \_\_\_\_\_.
- A. Listening to customers and developing new products in line with the needs of the customers
  - B. Ignoring what customers say to serve company resources
  - C. Advising customers to switch on to competitors brands if they are not satisfied with ours
  - D. None of the above
9. Which of the following is a benefit derived from e-business and the use of Internet?
- A. Customers can do comparative shopping by browsing through mail categories or surfing websites
  - B. The Internet is not always available
  - C. Not everyone can afford a computer
  - D. The business cannot get feedback from customers easily
10. Planning is \_\_\_\_\_.
- A. A process of deciding how to destroy all your competitors
  - B. A process that involves deciding in the present what you want to do in the future
  - C. A process of dividing the total market into sub markets
  - D. A process of gathering information from the internal and external environment of the business



11. The SWOT analysis is a management tool used to assess an organization's \_\_\_\_\_.

- A. Weaknesses only
- B. Strengths and weaknesses
- C. Strengths weaknesses, opportunities and technological improvements
- D. Strengths, weaknesses, opportunities and threats

12. A competitive advantage created by a firm can be sustained by \_\_\_\_\_.

- A. Investing more resources in the company
- B. Continuous improvement of the product and the company's processes such as marketing strategies
- C. Allowing competitors to catch up before improving on the products
- D. Too much advertising

13. The Ansoff matrix is \_\_\_\_\_.

- A. No longer useful in marketing
- B. One of the models for formulating marketing strategies
- C. One of the best selling innovations in Europe
- D. A model for the strategic distribution of products from manufacturer to consumer



14. What the major advantage brought about by technology in the manufacturing of goods?

- A. It increases production and efficiency thereby lowering costs of production
- B. It is an expensive investment
- C. It becomes easy to compete with other firms
- D. It improves management styles

15 .Why is research and development important to marketing?

- A. It keeps workers engaged and this reduces routine work and idle time
- B. It informs the organization about the plans of competitors
- C. It helps the company to meet the needs of customers through continuous gathering of information pertaining to the market and developing innovative products
- D. It is just good to do research

16. A monopoly is a \_\_\_\_\_.

- A. Firm that is sole provider of a product that has no substitutes
- B. A firm that has more employees than others
- C. Firm that has dominance in all the products
- D. None of the above

17. \_\_\_\_\_ is an example of targeting strategy used in marketing.

- A. Product differentiation
- B. Customer satisfaction



C. Single market concentration

D. Globalization

18. \_\_\_\_\_ is an example of product positioning strategy.

A. Positioning by product attributes

B. Promotion

C. Targeting

D. Marketing research

19 Marketing intelligence is \_\_\_\_\_.

A. Market information about consumer needs

B Market information about industry competitiveness

C. A system of procedures and sources that managers use to obtain everyday information about developments in the marketing environment

D.A system by which ghost shoppers are deployed to obtain information from competitors

20. Which of the following are steps in the marketing research process?

A. Analysis of information, presenting findings, making the decision

B. Making the decision, development of research, collection of information

C. Problem definition, setting objectives, analysis of information, making a decision, presenting findings and collection of information

D. Problem definition, setting of objectives, development of research and collection of information, analysis of the information, presenting the information and making of decision



21 The following are elements of the marketing mix except \_\_\_\_\_.

- A Product
- B Customer relationship management
- C. Price
- D. Promotion

22. The product life cycle comprise of the following stages in their order \_\_\_\_\_.

- A. Maturity, decline, introduction, growth
- B introduction, growth, maturity and decline
- C Growth, maturity, decline and introduction
- D Decline, introduction, maturity and growth

23. The customers who buy the product as soon as it is launched on the market are called \_\_\_\_\_.

- A. Innovators
- B. Early adapters
- C. Late majority
- D. Deciders



24. Distribution \_\_\_\_\_ are the various ways that a product follows in order to reach the intended consumers.

- A logistics
- B Methods
- C. Channels
- D. Types

25 Advertising ethics involve \_\_\_\_\_.

- A. Making customers aware of new products
- B. Exaggerating the benefits of the product when communicating with customers
- C. Advertising products in a way that does not mislead customers
- D. Attracting as many customers as possible



## SECTION B

Answer True /False

1. According to Maslow's hierarchy of needs, food, shelter, and water are regarded as self-actualization needs.
2. The first step in consumer buying process is need identification.
3. The mission of a company is a statement that describes what the company is doing including the products or services that the company offers.
4. Planning that is carried out by top management of the company is known as functional planning.
5. According to the Ansoff's product -market expansion matrix. Selling more of current products in current markets is known as product development strategy. *market* *Product*
6. The rate at which prices of commodities rise in general is the interest rate.
7. Technology can improve efficiency in the manufacturing, selling and distribution process of a business.
8. When suppliers enjoy monopoly power, they can increase the prices of their products at their own will.
9. In pure competition market structure, there are no barriers to entry and exit.
10. Inadequate research into the needs of target markets can cause new product failure.
11. Innovators are those customers who buy the product as soon as it is introduced into the market.



12. Advertising, sales promotion, public relations and personal selling are all elements of the promotional/communication mix.
13. Product differentiation is the way in which a product is defined by its customers relative to competing products in the market.
14. Geographic market segmentation refers to division of the market according to social class, lifestyle and personality type.
15. A system consisting of people, equipment and procedures to gather, sort, analyse, evaluate and distribute needed timely and accurate information for marketing decision making is called marketing intelligence system.
16. Out of the four elements of the marketing mix. Price is the only that represent income to the business.
17. Retailers also serve the purpose of breaking down bulk products into smaller units convenient for individual purchase and consumption.
18. The retailer forms the interface between the manufacturer and the customer.
19. When costs are more than the revenue obtained by the business we say the business operating at break-even point.
20. Market targeting is when the firm chooses which segment(s) to focus on in its marketing efforts.
21. When a company is still small and does not have enough resources it can target small neglected (niche) markets.
22. Providing legal services is an example of service marketing.
23. The place element of the marketing mix represents how the business communicates with its customers.



24. Convenience products require customers to shop around asking for relevant information and comparing different brands.

25 .The macro –environmental factors of a business include customers, distributors, supplier and financial intermediaries.



### SECTION C

Choose any two questions from this section

#### QUESTION 1

Consider this line from the mission statement of a leading consumer goods company. "Our aim goes beyond satisfying the customer, our aim is to delight the customer.

- (a) Describe the term "customer care" by highlighting the three important relationship between marketers and customer; customer value, level of satisfaction and customer retention. (15 marks)
- (b) Analyse the role played by customer care in marketing. (10 marks)

#### QUESTION 2

List and explain, citing examples, all the steps that are involved in the development of a new product. (25marks)

#### QUESTION 3

A. Customers have begun switching from your brand to that of the competitors. On further investigation you discover that these customers have developed a negative attitude towards your brand. In what ways would advertising be of assistance to you in this scenario? (5x2 marks)

B. Despite the many benefits of practicing social responsibility some organizations are hesitant to adopt this concept. Examine the hurdles that may hinder firms from adopting societal marketing. (5x2 marks)

- C. (i) What is a channel conflict? (1 mark)
- (ii) List four sources of channel conflicts. (4 marks)

**END OF EXAM.**