

SIR ARTHUR LEWIS COMMUNITY COLLEGE

DIVISION OF TECHNICAL EDUCATION AND MANAGEMENT STUDIES

EXAMINATION SESSION : May 2001 Final Exams

TUTOR(S) : F. Ephraim

PROGRAMME TITLE(S) : Business Studies (AD)

#M12

PROGRAMME CODE(S) : 316

COURSE TITLE : Marketing I

COURSE CODE : MKT 311

CLASS(ES) : BS 1 - (AD)

DATE : Tuesday May 15, 2001

COMMENCEMENT TIME: 9:30 a.m.

DURATION : 1^{1/2} HOURS

INVIGILATOR(S) : F. Ephraim



INSTRUCTIONS : Please read the instructions carefully. All answers must be clearly marked and labelled.

: This paper consists of **THREE** Sections.

: Answer **ALL** questions

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EXAMINATION SESSION

(THEORY)

PROGRAMME TITLE(S)

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EXAMINATOR(S)



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INSTRUCTIONS

SECTION 1 - (1 mark each)

Respond by Circling the letter A, B, C, D or E to correctly answer each question

1. Which of the following statements best illustrates the role of marketing?
- I provides information on consumer preferences and location of prospective buyers.
 - ii it provides information on the relative strengths and weaknesses of competitors' products.
 - iii it tells prospective consumers about the product.
 - iv it makes products available where consumers can buy them conveniently.
 - v it provides recommendations on prices that will sell the products and yield satisfactory profit.

Of all the statements,

- A Numbers i and ii only are correct
- B Numbers i, iii, v only are correct
- C Numbers iii and iv only are correct
- D Numbers i, ii, iii, iv, and v are all correct

- 2 To classify individuals as part of a market, they must:

- A Need the product
- B Have the money or access to credit for buying
- C Be willing to exchange money for the product
- D All of the above.

- 3 Brand loyalty is more likely to occur when the brand is:

- A well known
- B a private brand
- C a durable good
- D a low-involvement purchase
- E Not seen as risky.

- 4 Stimuli are more likely to be perceived when they:

- A conform to cultural norms
- B are complex
- C deal with information about existing brands
- D contradicts the consumer's beliefs and experiences
- E relate to consumer needs.

- 5 Every company adheres to some policy, either explicitly or implicitly, regarding the prices of its products relative to those of competitors. If competition is mainly on a price basis,

- A Buyers relate the product's price to its quality
- B Management needs some policy to guide shortrun pricing
- C Greater price reductions on large purchases is common
- D Each company generally prices at the same level as its competitors

- 6 Profit, market share, target annual rate of growth, keeping out competition, are what most companies see as their:

- A Distribution Objectives
- B Promotion Objectives
- C Pricing Objectives
- D All of the above

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- 7 "I'll walk miles to get it," is an expression typically associated with
- A Convenience goods
 - B Specialty goods
 - C Shopping goods
 - D All of the above
- 8 At which stage in the Product Life Cycle would a differential product strategy be suitable?
- i. introduction
 - ii. growth
 - iii. maturity
 - iv. decline
- A i and ii
 - B i and iii
 - C ii and iii
 - D ii and iv
 - E iii and iv
- 9 Installations, minor equipment, plants and buildings production materials and supplies are all classified as
- A Marketing systems
 - B Industrial goods
 - C Consumer goods
 - D Marketing controllables
- 11 Occupation, Income, Age, Education, Social Class, Religion and Race are all a basis for:
- A Geographic Segmentation
 - B Demographic Segmentation
 - C Psychographic Segmentation
 - D None of the above
- 12 Which one does not belong in Geographic Segmentation?
- A Region
 - B Climate
 - C City size
 - D Life style
- 13 Studies of learning have furnished marketers with several keys to understanding consumer behavior. The basic factors influencing learning does not include,
- A Repetition
 - B Motivation
 - C Conditioning
 - D Relationships
 - E Indoctrination

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- 14 Those people enjoy high status and wealth within their own social groups, and they are usually the youngest
- A innovators
 - B laggards
 - C early majority
 - D early adopters
- 15 The studies of sociological influences on consumer behaviours have emphasized
- A The significance of reference groups
 - B The individual's concept of social role
 - C The diffusion process
 - D Social class
 - E All of the above
- 16 The family with money left over after buying such necessities as food, clothing, shelter, and transportation, has
- A disposable Income
 - B Discretionary Income
 - C Personal Income
 - D Consumer Income
- 17 If your monthly Income is \$1200.00 and your deductions are Tax \$200.00, saving \$200.00, and necessities \$600.00, then your disposable Income is
- | | |
|------------|-------------|
| A \$200.00 | C \$1000.00 |
| B \$800.00 | D \$400.00 |
- 18 Which is not an environmental influence on Buying behavior?
- A Family Influence
 - B Social Influence
 - C Economic Influence
 - D Psychological Influence
- 19 A company operating under the marketing concept
- A Takes its principal direction from the market place
 - B Becomes the main basis for organising operations
 - C Forms an operating plan
 - D provides relevant decision - making information
- 20 A product-oriented company expects marketing to serve
- A The Buyers interest alone
 - B The sellers interest alone
 - C Top-management interest alone
 - D All of he above

SECTION II - (One mark each)

Respond by writing the word True or False to correctly answer each statement on the lines provided.

- 1 _____ Economists regard price as the strongest motivational influence on buyer behavior. They view consumers as rational buyers who compare all competing offerings and, since all are alike in every respect, they buy the one with the lowest price.
- 2 _____ The market pioneering stage is one of heavy promotion, of securing initial distribution, and of identifying and eliminating product weaknesses.
- 3 _____ The two cost concepts most relevant to pricing decisions are fixed costs and variable costs.
- 4 _____ The concept of Market Segmentation is based on the fact that Markets, rather than being heterogeneous, are really homogeneous.
- 5 _____ The Sales forecast is an estimate of sales tied to a particular marketing programme and assuming a particular set of economic conditions.
- 6 _____ Any firm that has something to sell, sells services as part of that something.
- 7 _____ The market maturity stage is characterized by the product's gradual displacement by some new product or by an evolving change in consumer buying behavior.
- 8 _____ Because the interrelationship of costs and sales volume determines the amount of profit (or loss) breakeven analysis helps in estimating the effects of different prices on profits.
- 9 _____ Firms price under the competition either because they have lower costs or their products are of lower quality.
- 10 _____ Habitual Behavior makes it easy for the consumer to reach buying decisions.
- 11 _____ Branding is much less important for Shopping Goods than for Convenience Goods.
- 12 _____ Typically, consumers devote considerable time and effort to the buying of convenience goods.
- 13 _____ "It isn't worth shopping around for" expresses the typical consumer's attitude towards specialty goods.
- 14 _____ When a customer buys a suit from a clothing store, the Clerk's assistance is optional.
- 15 _____ The evaluation of alternative solutions also includes the prediction of their consequences.
- 16 _____ Personality affects the consumption of items consumed publicly.
- 17 _____ The consumer decision process comes to an end when the purchase decision has been made.

18 _____ Every individual acts in the same way in the effort to fulfill certain needs because not all Human behavior is directed toward satisfying certain needs.

19 _____ Expansions in discretionary income permit consumers to spend more in their attempts to satisfy the desire for fashion change.

20 _____ The most pervasive and traditionally the most influential primary group is the peer group.

SECTION III

Question One -- (One Mark each)

Match the statements in column A with those of column B by writing the number from column A on the line next to the letter from Column B.

Column A	Column B
1 Marketing	___A Provides information about potential Buyers and the kinds of goods/services they need and want.
2 Market Research	
3 Marketing Activities	___B Environmental factors beyond the control of the producer or the consumer
4 Competition, Science & Technology, Psychology	___C An orderly process whereby the individual interacts with his/her environment for the purpose of making market place decisions on products and services.
5 Market Orientation	
6 Buyer Behaviour	___D Relating the needs and desires of people for products or services to the objectives of producers to achieve ownership transfers.
7 Industrial Market	
8 Shopping Goods	___E interlock and interact with one another as components of the total system.
9 Market Maturity	
10 Diffusion	___F Management focuses on the customers wants and desires primarily and on the product incidentally.
11 Production Orientation	
12 Marketing Mix	___G The social process of spreading information about new products or services to persuade consumers to accept them.
13 Product-life-cycle	
14 Merchandising	___H Includes individuals who buy with the intention of using the product to turn a profit.
15 Influentials	___I Those that consumers habitually make comparisons before they select and buy.
	___J The stage at which stiffening competition forces profits down.

