



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

QUALIFICATION: DIPLOMA IN BUSINESS PROCESS MANAGEMENT

QUALIFICATION CODE: 06DBPM

LEVEL: 6

**COURSE: INTRODUCTION TO MARKETING AND ITS
ENVIRONMENT**

COURSE CODE: IME511C

DATE: NOVEMBER 2018

SESSION: 1

DURATION: 3 HOURS

MARKS: 100

2ND OPPORTUNITY EXAMINATION QUESTION PAPER

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MODERATOR: MR. S. TJITAMUNISA

1. This examination paper consists of 7 pages (including this front page)
2. Instructions
3. Answer ALL questions.
4. Please write down your answers in the answer book provided.
5. Please answer **SECTION A** on the answer sheet provided at the back of this question paper, detach it and insert it inside your answer book

SECTION A: 50 MARKS: MULTIPLE CHOICE

1. Now that your employer has classified his SBUs, the next step to take in using the BCG approach is to determine _____.
 - a. what role each will play in the future
 - b. the tactical plan
 - c. the three-year budget
 - d. the profit centre
 - e. none of the above

2. Which of these is NOT one of the common strategies of the BCG approach?
 - a. build
 - b. hold
 - c. harvest
 - d. diversity
 - e. none of the above

3. While a valuable planning tool, a problem with using the BCG matrix centres is that it focuses on _____.
 - a. the future instead of now
 - b. now instead of the future
 - c. financial issues instead of the customer
 - d. the customer instead of suppliers
 - e. now instead of the market

4. In the BCG analysis, the matrix includes several circles. The circles represent _____.
 - a. the location of the firm's SBUs on the matrix
 - b. the rand sales of the firm's SBUs
 - c. the location of the firm's SBUs and their rand sales
 - d. cross-functional teams of managers
 - e. none of the above

5. A common practice among marketers is to increase sales to current customers without changing their products. What is this practice called?
 - a. market skimming
 - b. market penetration
 - c. market development
 - d. product extension
 - e. production extension

6. A common practice among marketers is to identify and develop new markets for their existing products. This practice is called _____.
- market development
 - product development
 - market penetration
 - market skimming
 - dual adaptation
7. Michael's Motors has decided to pursue a market development strategy whereby it will offer _____ products to _____ markets.
- new or modified; new
 - current; new
 - new or modified; current
 - current; current
 - consumer; business
8. Clarabelle's Clown Supplies has decided to pursue a diversification strategy whereby it will offer _____ products to _____ markets.
- new or modified; new
 - current; new
 - new or modified; current
 - current; current
 - consumer; business
9. Price Tags, a national clothing retailer, has recently begun selling and playing compilation CDs and is supporting its own satellite radio station. This represents which strategy for growth?
- product development
 - market development
 - market penetration
 - diversification
 - all of the above
10. Which of the following does NOT explain why a firm might want to abandon products?
- The market environment might have changed.
 - The products may have become less profitable.
 - The firm may have grown too fast.
 - The firm may wish to diversify.
 - All of the above

11. Marketing plays a key role in a firm's strategic planning. Which of the following does marketing provide?
- guiding philosophy
 - inputs
 - strategies
 - objectives
 - all of the above
12. What advantage(s) does test marketing offer the marketer?
- provides experience before full introductions
 - allows testing of the marketing programme
 - allows testing of positioning, advertising, distribution, and pricing
 - all of the above
 - none of the above
13. Afro Communications is concerned about test marketing and the possible related problems. Such problems might include all of the following EXCEPT _____.
- test marketing costs can be high
 - it can take much time to test market
 - it allows time for competition to spy and gain advantages
 - people who are surveyed tend to tell less than the truth
 - c and d
14. Under what circumstances might a firm do more than the average amount of test marketing?
- when a new product requires a major investment
 - when management is not sure of the product
 - when management is not sure of the marketing programme
 - when the product has no substitutes and is new in its category
 - all of the above
15. Although test-marketing costs can be high, they are often small when compared with _____.
- the final results
 - making a major mistake
 - management's approval and acceptance
 - stockholders' confidence
 - a and b

16. When using test marketing, consumer products firms usually choose one of three approaches: standard test markets, controlled test markets or _____.
- blind tests
 - random sample test markets
 - simulated test markets
 - non-standard test markets
 - multiple-city test markets
17. The Thuku Gallery has three admission prices for students, adults and seniors. All three groups are entitled to the same services. This form of pricing is called _____.
- time pricing
 - location pricing
 - customer-segmented pricing
 - revenue management pricing
 - generational pricing
18. When a firm varies its price by the season, month, day or even hour, it is using _____ pricing.
- revenue management
 - penetration
 - variable
 - time
 - value-added
19. In order to maximise revenues, airlines, hotels and restaurants practise segmented pricing, called _____.
- time pricing
 - yield management
 - location pricing
 - segmented
 - service pricing
20. Which of the following conditions should exist for segmented pricing to be an effective strategy?
- The market must be able to be segmented.
 - The segments must show different degrees of demand.
 - Competitors can't undersell in the segment being charged the higher price.
 - All of the above.
 - None of the above.

21. Which of the following conditions should exist for segmented pricing to be an effective strategy?
- It must be legal.
 - The costs of segmenting should not exceed the extra revenue obtained.
 - Prices should reflect real differences in customers' perceived value.
 - All of the above.
 - None of the above.
22. You manufacture and market pesticides and fertilisers. Which of the following natural environment trends mentioned in your text should you be concerned about?
- shortages of raw materials
 - increased pollution
 - increased government intervention
 - increased acid rain
 - all of the above
23. What movement has spawned the marketer's awareness of environmentally sustainable strategies?
- EPA
 - black market
 - green movement
 - deregulation
 - green intervention
24. Which of the following represents the most dramatic force shaping a marketer's destiny?
- technological environment
 - natural environment
 - legal-political environment
 - deregulation
 - partnership marketing
25. New technologies create new opportunities and new _____.
- products
 - services
 - markets
 - means of financing purchases
 - both a and c

SECTION B**20 Marks**

2.1 Firms bringing out a new product face the challenge of setting prices for the first time, these firms can choose between two broad strategies, namely market-skimming pricing and market-penetration pricing.

List **FOUR (4)** conditions that a firm should consider before deciding to use market-skimming pricing **10 Marks**

2.2 Given the rapid changes in consumer tastes, technology and competition, firms must develop a steady stream of new products and services as new products provide new ways of to connect with customers as they adapt their buying to changing economic times.

Given this background list 8 steps in developing a new product. **8 Marks**

2.3 Name 2 external sources from which a firm can obtain ideas to develop a new product from **2 Marks**

SECTION C**QUESTION ONE****15 Marks**

One of the tasks of a Marketing Manager is to analyse the business portfolios of his/her company. Using the Boston Consulting Group Matrix (BCG) approach, explain to the management of a company of your choice how the BCG analyses business portfolios as well as the problems of using this approach. Use examples to support your answer.

QUESTION TWO**15 Marks**

After launching the new product, management wants the product to enjoy a long and happy life. Although it does not expect the product to sell forever, the firm wants to earn a decent profit to cover all the effort and risk that went into launching it. Management is aware that each product will have a life cycle, although its exact shape and length is not known in advance. As a marketing consultant explain to management the stages of a product life cycle.

END OF PAPER

Please use this sheet to answer the section A

Detach this page and insert it inside your answer book

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