



**NAMIBIA UNIVERSITY**  
**OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION**

**DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT**

<b>QUALIFICATION: BACHELOR OF MARKETING</b>	
<b>QUALIFICATION CODE: 07BMAK</b>	<b>LEVEL: 6</b>
<b>COURSE CODE: SOT612S</b>	<b>COURSE NAME: SALES AND OPERATIONS MANAGEMENT</b>
<b>SESSION: JANUARY 2025</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>
<b>SECOND OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
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<b>MODERATOR:</b>	PROF. M. CHUFAMA
<b>INSTRUCTIONS</b>	
<ol style="list-style-type: none"><li>1. Answer ALL the questions.</li><li>2. Write clearly and neatly.</li><li>3. Use the tables provided on [page 9 and 10] to answer Section A, Question One (1) AND Question Two (2) respectively: Detach and insert it into your answer booklet.</li></ol>	

**THIS QUESTION PAPER CONSISTS OF 10 PAGES** (Including this front page)

## **SECTION A**

### **Question 1**

#### **Multiple choice questions**

Choose the correct answer and use the table provided on [page 9] by ticking the correct option [X or √] to answer these questions, detach and insert it into your answer booklet. 1 mark will be awarded for each correct answer. **[20 x 1 = 20 Marks]**

1.1 Planning territorial coverage includes:

- A. Determining which products to sell to which accounts.
- B. Determining which promotions to offer to which accounts.
- C. Determining what margins should be offered.
- D. Determining how frequently the rep should call on each account.
- E. All of these.

1.2 Which of the following is the best example of a missionary salesperson?

- A. Person whose main job is to contact customers by telephone, fax machine, or computer.
- B. Pharmaceutical rep calling on doctors.
- C. Rep for a sporting goods wholesaler who calls on sporting goods stores.
- D. Travel agent that arranges and conducts tours, including driving the tour bus.
- E. Rep who delivers cases of Coca-Cola from bottler to local stores.

1.3 Which of the following is an accurate generalization regarding the concept of objectives in strategic sales force planning?

- A. Sales force objectives should guide strategic marketing planning.
- B. The objectives should be specific, and be stated in written form.
- C. After sales-management strategies are determined, then the objectives for sales management will follow.
- D. Objectives are not necessary if you have good administrators.
- E. None of these are correct.

1.4 The number of customers located within a geographical area and assigned to a salesperson is a:

- A. Sales quota.
- B. Sales potential.
- C. Sales territory.
- D. Territory budget.
- E. Metropolitan Statistical Area.

1.5 The best tactic for meeting hidden objections is:

- A. Use of corporate espionage to anticipate these objections.
- B. Keep the prospect talking.
- C. Use the objections from other sales presentations and include this information in the presentation, dispelling the objections before the client can raise them.
- D. More pre-call planning.
- E. If they are hidden, you cannot meet them.

1.6 In the management process, which of the following is both the last stage *and* the basis for some planning in future situations is:

- A. Setting goals.
- B. Organizing.
- C. Staffing.
- D. Evaluating results.
- E. Operating.

1.7 Which of the following is an incorrect statement regarding the new dimensions of sales management and personal selling?

- A. There is a significant increase in the number of women going into industrial selling.
- B. Customers are becoming increasingly demanding.
- C. Territorial profit responsibility is moving from the salesperson to top management.
- D. Computer technology has a considerable impact on many areas of sales force management.
- E. All of these are correct.

1.8 Among the following, sales performance evaluation is most closely related to:

- A. Sales control.
- B. Staffing the sales force.
- C. Sales operation.
- D. Marketing.
- E. The marketing concept.

1.9. According to Maslow's hierarchy of needs, the needs for food, drink, and shelter:

- A. Are high-level needs.
- B. Rank above safety needs, but below the need for love and belonging.
- C. Are social (or psychological) needs.
- D. Are not part of Maslow's theory of motivation.
- E. None of these are correct.

1.10 A total evaluation program in marketing is best described as:

- A. The marketing concept.
- B. A marketing audit.
- C. The management process.
- D. Marketing.
- E. Management of the sales force.

1.11 A recently promoted district sales manager was nominated by her company to attend an executive development program conducted by a well-known university. In Maslow's hierarchy of needs, this program is most closely related to the rep's need for:

- A. Love and acceptance.
- B. Self-actualization.
- C. Safety.
- D. Physiological support.
- E. Belonging to a group.

- 1.12 Regarding the question of who should participate in the evaluation of a sales rep's performance:
- A. The salesperson's immediate boss is the only sales executive that should be involved.
  - B. The company's personnel department should do most of the job.
  - C. The rep's immediate supervisor and this supervisor's boss are the key executives to be involved.
  - D. Self-evaluation by the rep is of virtually no value.
  - E. None of these are correct.
- 1.13 An unlimited payment plan for controlling sales force expenses:
- A. Is flexible so management can allow for cost differentials arising from variations in jobs or territories.
  - B. Is not used very widely.
  - C. Eliminates the need for salespeople to itemize their expenses.
  - D. Eliminates expense account padding.
  - E. Does None of these.
- 1.14 An accurate generalization about evaluating sales force performance is that:
- A. Management should use as many bases as possible when appraising performance.
  - B. Qualitative bases for evaluation should not be used because they involve subjective judgement and personal biases.
  - C. In the evaluation process, salespeople should not be allowed to rate themselves.
  - D. The most useful bases for evaluating all salespeople are gross margin and net profit.
  - E. None of these is correct.
- 1.15 In which of the following managerial activities is a sales manager's job likely to be different from other management jobs?
- A. Training the salespeople.
  - B. Motivating the sales force.
  - C. Monitoring a sales rep's ethical behavior.
  - D. Communicating with salespeople.
  - E. All of these are likely to be different.
- 1.16 A firm with a small sales force is selling expensive textile machinery to large textile mills. This seller is most likely to use the \_\_\_\_\_ method of sales forecasting.
- A. Sales force composite.
  - B. Correlation analysis.
  - C. Trend analysis.
  - D. Test marketing.
  - E. Direct derivation/origin.

1.17 Sales managers in a behavior-based control system are expected to actively engage in:

- A. transactional leadership.
- B. transformational leadership.
- C. situational leadership.
- D. All of these.
- E. None of these.

1.18 With respect to the importance of sales force management:

- A. It is unnecessary if a company has truly adopted the marketing concept.
- B. The cost of maintaining a sales force is much lower than advertising expenses.
- C. It is important because in most firms the sales force and their bosses are critical to the success of carrying out marketing plans.
- D. Students typically are not involved in sales management activities until they have been out of school for many years.
- E. It is more important than marketing management.

1.19 Regarding the management of an increasingly diverse sales force, sales executives should recognize that:

- A. Female sales reps are rarely successful.
- B. To remain competitive, sales managers need to capitalize on the strengths of everyone in our diverse population.
- C. Sales forces are becoming younger and younger.
- D. Recruiting minority salespeople has always been easy – yet sales managers have been reluctant to do it.
- E. Women represent only a small percentage of sales workers.

1.20 A quantitative factor which is useful for measuring output (results) in a sales rep's performance is:

- A. Direct selling expense.
- B. Gross margin.
- C. Days worked.
- D. Advertising displays set up.
- E. Meeting held with dealers.

## **Question 2**

### **True or False Questions**

Use the table provided on [page 10] by ticking the correct option [X or √] to answer these questions, detach and insert it into your answer booklet. 1 mark will be awarded for each correct answer.

**[20 x 1 = 20 Marks]**

2.1. In the buildup method for determining basic territories, the first step is to determine the number of accounts to assign to each salesperson.

2.2 Because of the emphasis on product quality in today's business environment, the public ordinarily judges a company by its factory or office workers.

- 2.3 Regardless of whether a company uses the buildup method or breakdown method for determining sales territories, all territories should be equal in size.
- 2.4 All firms today do not embrace the marketing concept.
- 2.5 Some companies intentionally design small territories for beginners or sales trainees.
- 2.6 A marketing audit is a detailed analysis of current marketing situations and organization; this audit does not deal with future situations.
- 2.7 Selling to major accounts often requires skills not possessed by the typical field sales representatives.
- 2.8 A marketing audit is not one part of a sales management audit.
- 2.9 The evaluation process in marketing is a two-stage operation – find out what happened and why it happened.
- 2.10 Probably the major contributor to role ambiguity in salespeople is their lack of training.
- 2.11 When a sales force is organized by product line, a major drawback is that sometimes more than one salesperson from a company calls on the same customer.
- 2.12 A high rate of cancellation of orders in a territory might indicate that the rep was using high-pressure selling tactics.
- 2.13 Some expense plans may discourage a sales rep from performing beneficial activities.
- 2.14 There are not really objective ways for measuring the sales rep's skills at opening new accounts.
- 2.15 Competitive developments need not be considered in developing your sales forecast.
- 2.16 A line and staff sales organization ordinarily does not provide any executive specialization.
- 2.17 A situation in which a large percentage of the customers' accounts for a small percentage of the total volume is an example of the 80-20 principle.
- 2.18 Transformational leadership behaviors are associated with charismatic leaders.
- 2.19 An organizational structure which makes extensive use of teams is an example of a line and staff organization.
- 2.20 An evaluation system which measures both inputs and outputs leads to higher profits.

## SECTION B

[Total 60 Marks]

### Question 3



Figure 1

3.1 The Objectives of a good compensation plan, which are shown in Figure 1 above, may be viewed from the perspective of the company as well as from the perspective of the individual salesperson. All, however, are valuable guidelines for a sales executive to recognize and follow.

Discuss Ten (10) of these Objectives with specific Business examples to support your statements.

(20 marks)

3.2 Most sales organizations can be classified mainly into one of four basic categories:

- a. line organization
- b. line-and-staff organization
- c. functional organization
- d. horizontal organization

With specific B2B examples, discuss the:

- 1. Nature (5 marks)
  - 2. When used (5 marks)
  - 3. Relative advantages (5 marks)
  - 4. Relative disadvantages (5 marks)
- of each category. (20 marks)

## **Question 4 - Case Study**

### **Declining Performance of Good Sales Rep**

"Johnny's been one of our outstanding reps for the past 10 years. I can't believe what I've just learned," Tom Grant, sales manager, said to Jackie Kapfer, partner and co-manager of the Kapfer Equipment Company of Lincoln, Nebraska in central USA. "And what is that?" Jackie asked. "He's been moonlighting on us for the past six months. He's a partner in an apartment construction project over in Sioux City (about 250 kilometres from Lincoln) with an old buddy of his. That's why his sales have been so bad these past few months. He's not working full-time for us anymore."

Kapfer Equipment distributed heavy-duty equipment, machines, and tools to various industries, including construction trades, governments, mining companies, and the oil industry. The company had a long and good relationship with 15 manufacturers it represented, including crawler tractors, excavator-shovels, motor graders, cranes, backhoes, off-highway trucks, loaders, rollers, compactors, conveyors, pavers, and asphalt equipment.

Kapfer Equipment was founded by Otto Kapfer in 1920 and passed to his son, Max, in 1945. Max's two children, Dirk and Jacklyn, took over the enterprise in 1985 upon Max's retirement. Dirk worked with the suppliers and service side of the business, while Jacklyn, who was called Jackie by everyone but her mother, ran daily operations. Each person on the 22-member sales force sold the entire line of products and services to every type of customer in their assigned territory.

John "Johnny" Knight joined the company in 1990 after five years as a salesperson for Caterpillar. He had worked as an engineer in heavy construction, mostly building the interstate highway system. After graduating from Iowa State University in 1976 with a degree in civil engineering, he was assigned that territory (Omaha, which is about 200 kilometres from Nebraska) and met his quotas the first year and exceeded them by 23 percent the second. He became the company's second most productive sales rep, consistently exceeding his sales quotas.

Tom Grant considered him managerial timber, and it was thought that he might become sales manager if Tom ever left the company or was promoted to a higher position in the company. Jacklyn asked about John's apartment project and how he found out about it. Six months ago, his sales fell 30 percent below quota. He blamed the economy but said that things would pick up soon.

Tom went to his house unannounced and found him red-handed working on the roof with his partner. Tom was so mad that he wanted to fire him on the spot. John's story was that he got caught in the apartment project by the real estate recession. He initially was only an investor in the deal his friend had put together, but they ran into trouble when their permanent financing collapsed when the bank got into trouble with government officials.

John and his partner had been working to complete the project to save themselves. He pleaded for his job and said he would continue to do an outstanding job for the company if given a little room right now. Jackie told him how he felt about how he had treated them and that he thought he had used very bad judgment in handling his problem.



Tom decided to talk it over with Jackie and Dirk first, as he had been one of the company's valuable earning assets. Jackie agreed to give him his two cents' worth if he felt like it.

Questions:

1. Should John Knight be fired? Discuss five (5) reasons why. (10 marks)

2. If not, what should Tom Grant do about the situation? Discuss five (5) reasons why. (10 marks)

**Grand Total = 100 marks**

**THE END**

### **SECTION A: ANSWER SHEET**

#### **Question 1**

**[Total 20 Marks]**

	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>
<b>1.1</b>					
<b>1.2</b>					
<b>1.3</b>					
<b>1.4</b>					
<b>1.5</b>					
<b>1.6</b>					
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<b>1.16</b>					
<b>1.17</b>					
<b>1.18</b>					
<b>1.19</b>					
<b>1.20</b>					

## Question 2

[Total 20 Marks]

	<u>True</u>	<u>False</u>
2.1		
2.2		
2.3		
2.4		
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Student Name, Surname & Student Number

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