



FINAL EXAMINATION

COURSE NAME : FUNDAMENTALS OF MARKETING

COURSE CODE : PMK1213

DURATION : 02 HOURS

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **THREE (3)** parts :
 - : PART A (20 questions)
 - : PART B (20 questions)
 - : PART C (02 questions)
2. Answer ALL questions from PART A PART B and PART C.
 - i. Answer PART A in the Objective Answer Sheet.
 - ii. Answer PART B in the True or False Answer Sheet.
 - iii. Answer PART C in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of :
 - i. The Question Paper
 - ii. An Objective Answer Sheet
 - iii. A True or False Answer Sheet
 - iv. An Answer Booklet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

MYKAD NO. : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

OCT2024/C/PMK1213

PART A: MULTIPLE CHOICE*Choose the BEST ANSWER.***1.(1 point)**

What does new-product development involve?

- A. Acquiring patents and outsourcing production.
- B. Imitating existing products with slight modifications.
- C. Launching new brands under a competitor's license.
- D. Developing original products, product improvements, and new brands.

2.(1 point)

During _____ stage in the product life cycle, sales are zero and the company's investment costs mounts.

- A. growth
- B. decline
- C. introduction
- D. product development

3.(1 point)

The stage that involves in generating a systematic search for new product ideas refers to _____.

- A. idea screening
- B. idea generation
- C. concept development
- D. marketing strategy development

4.(1 point)

The profits _____ during the growth stage of the product life cycle.

- A. increase
- B. fluctuate
- C. decrease
- D. remain stable

5.(1 point)

What is the purpose of idea screening in the new product development process?

- A. To select feasible and profitable ideas.
- B. To generate as many ideas as possible.
- C. To test the final product concept with consumers.
- D. To develop the marketing strategy for the product.

6.(1 point)

What is the advertising strategy during the decline stage in product life cycle?

- A. Stress brand differences and benefits.
- B. Build awareness and interest in the mass market.
- C. Reduce to level needed to retain hard core loyalist.
- D. Build product awareness among early adopters and dealers.

7.(1 point)

A cost that does not vary with production or sales levels is called a _____ cost.

- A. fixed
- B. variable
- C. standard
- D. opportunity

8.(1 point)

Company's overall marketing strategy
Marketing objectives
Marketing mix strategies

The factors listed above are considerations of _____ factors that may affect company pricing decisions.

- A. internal
- B. external
- C. additional
- D. combination

9.(1 point)

What is skimming pricing?

- A. Setting prices based on the costs of producing, distributing, and selling the product plus a fair rate of return for effort and risk.
- B. Setting prices to break even the costs of making and marketing a product or setting prices to make a target return.
- C. Setting a low initial price in order to penetrate the market quickly in order to attract a large number of buyers and a large market share.
- D. Setting a high price for a product at first, then lowering the price over time to reap revenues layer by layer from the market.

10.(1 point)

The type of market that consists of one seller is called _____.

- A. pure monopoly
- B. pure competition
- C. oligopolistic competition
- D. monopolistic competition

11. (1 point)

_____ is one of the internal factors in setting prices and it has a strong impact on the firm's pricing strategies.

- A. Resellers
- B. Organizational consideration
- C. Economic condition
- D. Government

12.(1 point)

A product mix pricing strategy where producers price the main products low and set high markups on the supplies refers to _____.

- A. Product line pricing
- B. Optional product pricing
- C. Captive product pricing
- D. Product bundle pricing

13.(1 point)

Why does the company need to build relationship with key suppliers and resellers in the supply chain?

- A. To produce a product or service and make them available to buyers.
- B. Offering discounts and promotions to customers.
- C. Establishing a strong marketing campaign.
- D. Reducing production costs to a minimum level.

14.(1 point)

Who is the entity involved in transforming the assortment of products made by producers into the assortment consumers want?

- A. Producers
- B. Retailers
- C. Marketing intermediaries
- D. Final buyer

15.(1 point)

Which of the following is a key function of a marketing channel?

- A. Manufacturing
- B. Negotiation
- C. Production
- D. Directing

16. (1 point)

What is the function of a channel level in the distribution process?

- A. It designs the product for the market.
- B. It handles customer complaints after the sale.
- C. It manufactures the product from raw materials.
- D. It helps move the product and its ownership closer to the final buyer.

17. (1 point)

Which of the following arrangements refers to direct marketing at the channel level?

- A. Producer → Retailer → Consumer
- B. Producer → Consumer
- C. Wholesaler → Retailer → Consumer
- D. Producer → Wholesaler → Retailer → Consumer

18. (1 point)

What is an example of horizontal conflict in a marketing channel?

- A. Conflict between a factory and a retailer
- B. Conflict between a wholesaler and a retailer
- C. Conflict between one factory and another factory
- D. Conflict between a factory and a distributor

19. (1 point)

The _____ brings buyers and sellers together and assists in negotiations.

- A. agent
- B. broker
- C. retailer
- D. wholesaler

20. (1 point)

_____ advertising is used heavily when introducing a new product category.

- A. Reminder
- B. Persuasive
- C. Comparative
- D. Informative

PART B: TRUE OR FALSE

Indicate whether the statement is TRUE or FALSE.

1.(1 point)

In the growth stage, new competitors will enter the market, introduce new product features, and the market will expand.

2.(1 point)

The new product development process starts with idea generation and ends with the test marketing of the product.

3.(1 point)

In the introduction stage of the product life cycle, profits are low due to low sales and high costs related to distribution and promotion.

4.(1 point)

During the product development stage, developing a successful prototype can take days, weeks, months, or even years.

5.(1 point)

In the introduction stage, the company should recognize that the initial strategy is the last step in a larger marketing plan for the product's entire life cycle.

6.(1 point)

The business analysis of the new product development process focuses on the responsibilities of the research and development (R&D) department.

7.(1 point)

In a pure monopoly market, many companies will offer essentially the same types of products, such as clothing, shoes, and accessories, at relatively similar price ranges.

8.(1 point)

Government is one of the internal considerations affecting price decisions when they decide on price control for a product or service.

9.(1 point)

Raw materials and packaging are examples of variable costs that vary directly with the level of production.

10.(1 point)

Xiaomi and Oppo are examples of smartphone companies that use a skimming pricing strategy by setting a low price for a new product when entering the market.

11.(1 point)

AirAsia is an example of a low-cost airline company that uses a cost-based pricing strategy by setting lower prices that result in smaller margins but greater sales and profits.

12.(1 point)

A company might use price bundling to encourage customers to buy products they would not usually purchase, but the total price needs to be low enough to make the bundle appealing.

13.(1 point)

A conventional distribution channel is a channel structure where producers, wholesalers and retailers operate as a unified system.

14.(1 point)

In a corporate vertical marketing system, firms at different stages of production and distribution join forces through contracts to work better together and improve their sales impact.

15.(1 point)

Selective distribution involves a company strategically selecting a limited number of intermediaries to distribute its products to their buyers.

16.(1 point)

Distribution centers are designed to store goods for moderate to long periods, whereas storage warehouses are intended to facilitate the movement of goods rather than simply storing them.

17.(1 point)

The main goals of a logistics system are to deliver high-quality customer service at low costs and to prioritize profit maximization over simply increasing sales.

18.(1 point)

Piggyback transportation refers to the combination of rail and truck modes, while fishyback transportation involves using water transport in conjunction with trucks.

19. (1 point)

Chain stores are located near residential areas and are open long hours, seven days a week; they carry a limited line of high-turnover goods.

20. (1 point)

Noise in communication refers to the unplanned static or distortion that results in the receiver getting a different message than the one the sender sent.

PART C: ESSAY

Answer ALL questions.

1. (10 points)

Retail stores come in all shapes and sizes, from your local hairstyling salon or family- owned restaurant to national specialty chain retailers such as JD Sports to supermarkets such as Lotus's.

They can be classified in terms of several characteristics, including the *amount of service* they offer, the breadth and depth of their *product lines*, the *relative prices* they charge and how they are *organized*.

Define retailing and explain **THREE (3)** level of services based on amount of service they offered.

2. (10 points)

Imagine you are the Marketing Manager at "Beryl's Chocolate," a premium chocolate brand. Your company has recently launched a new line of artisanal dark chocolates. As the Marketing Manager, you need to plan a promotional campaign to create awareness and drive demand for this exquisite chocolate collection.

Considering the launch of the new artisanal dark chocolate collection, discuss **FIVE (5)** components of the promotion mix (promotion tools) that you would recommend using to effectively promote 'Beryl's Chocolate.

END OF QUESTION PAPER