



STAMFORD COLLEGE
SCHOOL OF HUMAN RESOURCE MANAGEMENT
DIPLOMA IN HUMAN RESOURCE MANAGEMENT
SEMESTER 5

DHRM 501: FUNDAMENTALS OF MARKETING

Date : 20 February 2008 (Wednesday)

Time : 2.00 pm – 5.00 pm

Duration: 3 hours



Instructions to Candidates

Answer ALL questions in SECTION A, SECTION B and SECTION C.

Please ensure that this examination paper contains TWENTY multiple-choice questions, TEN true-or-false questions and TWO subjective questions on FIVE printed pages before you start the examination.

Books, papers and other written materials are not allowed to be brought into the examination hall. A candidate who violates the examination rules of Stamford College or commits a malpractice will be disqualified from the examination.

Write your Examination Index Number on each page of your answer booklet.

Section A

Answer ALL questions by selecting A, B, C, D or E for each question and enter your answers in the examination booklet provided. Each question carries 2.5 marks.

1. Identify the Four Ps of marketing.
 - A. Product, price, profit, and promotion.
 - B. Planning, programming, performing, and producing.
 - C. Promise to produce, promise to promote, price, and performance.
 - D. Price, place, product and promotion.
 - E. Pricing, performance, purchase order entries, and profit margins.

2. Why do companies use customer relationship management?
 - A. To completely satisfy customers.
 - B. To retain current customers and build profitable long-term relationships.
 - C. To build long-term relationships and financial stability.
 - D. To maintain friendship with important customers.
 - E. To emphasize the importance of strategic marketing.

3. Identify the trend that has created the SOHO (small office/home office) market.
 - A. Increase in e-mail capabilities.
 - B. Decrease in childcare facilities.
 - C. Increase in gas prices.
 - D. Availability of telecommuting facilities.
 - E. Layoffs.

4. What are industrial economies?
 - A. Rich markets.
 - B. Original product markets.
 - C. Income distribution markets.
 - D. Financially squeezed consumers.
 - E. Rich markets for many different kinds of goods.

5. What is marketing intelligence?
 - A. Intelligence reports.
 - B. Statistical data on new marketing developments.
 - C. Raw data.
 - D. Primary research.
 - E. The systematic collection and analysis of publicly available information about competitors and developments in the marketing environment.

6. How can companies obtain important intelligence information?
 - A. From primary research.
 - B. By conducting a survey of competitors.
 - C. By gathering responses from supplies, resellers, and key customers.
 - D. By conducting market analysis.
 - E. By attending trade shows.

7. Identify the major American social classes.
 - A. Upper class, middle class and lower class.
 - B. Upper class, lower upper class, middle class, and lower class.
 - C. Upper class, middle class, lower middle class and working class.
 - D. Upper class, upper middle class, and lower class.
 - E. Upper class, middle class, working class, and lower class.

8. When economic indicators point to a recession, and what actions can marketers take?
 - A. Redesign their marketing strategy.
 - B. Redesign, repackage, and reprice their products.
 - C. Conduct a consumer poll of all popular products.
 - D. Redesign, reposition, and reprice their products closely.
 - E. Identify new product markets.

9. When buying a product or service for the first time, what type of situation will the buyer encounter?
 - A. Mistakes.
 - B. New task.
 - C. Modified rebuy.
 - D. System selling .
 - E. New procurement.

10. What does problem recognition result from?
 - A. Business buying.
 - B. Potential problems.
 - C. External stimuli.
 - D. Internal recognition.
 - E. Buying process.

11. Identify the type of marketing that is highly profitable.
 - A. Micro-marketing.
 - B. Concentrated.
 - C. Local.
 - D. Individual.
 - E. Customizations.

12. Identify the variables used to divide markets into groups in demographic segmentation.
 - A. Age, gender, family life cycle, self marketing groups, income, occupation, and education.
 - B. Age, gender, family life cycle, income, occupation, education, religion, race, generation, and nationality.
 - C. Buying teams, education, religion, race, generation, and nationality.
 - D. Age, gender, family life cycle, income, occupation, education, and nationality.
 - E. Age, gender, and income.

13. The concept of "product" may be broadened to include which of the following?
- A. Organizations, places, times, and ideas.
 - B. Organizations and places.
 - C. Corporations, persons, and places.
 - D. Organizations, persons, places, and ideas.
 - E. Corporations, ideas, places, and persons.
14. What does person marketing consist of?
- A. Activities undertaken to maintain a customer base.
 - B. Activities undertaken to change customer opinion.
 - C. Identifying international markets to target new products and services.
 - D. Activities used to attract and retain new customers.
 - E. Activities undertaken to create, maintain, or change attitudes or behavior toward particular people.
15. Identify the curve that shows the number of units the market will buy in a given time period at different prices.
- A. De-marketing.
 - B. Pricing.
 - C. Demand.
 - D. Market.
 - E. Estimate.
16. What is the measure of the sensitivity of demand to change in price called?
- A. Quantity demand.
 - B. Price curve.
 - C. Demand curve.
 - D. Price elasticity.
 - E. Inelastic.
17. What does a vertical marketing system (VMS) consist of?
- A. Producers and marketers.
 - B. Producers, wholesalers, and buyers.
 - C. Producers and retailers.
 - D. Wholesalers and buyers.
 - E. Producers, wholesalers, and retailers acting as a unified system.

18. Describe a contractual VMS.
- A. A contractual VMS is a vertical marketing channel.
 - B. A contractual VMS is a vertical marketing system in which independent firms join together at different levels of production and distribution to obtain more economies or sales impact than they could achieve alone.
 - C. A contractual VMS is a vertical marketing system in which dependent firms join together at different levels of production to obtain more economies or sales impact than they could achieve alone.
 - D. A contractual VMS is a vertical channel in which independent firms join together at different levels of production to obtain more economies or sales impact than they could achieve alone.
 - E. A contractual VMS is a vertical marketing system in which dependent firms sell their new products to international markets.
19. Identify a positive emotion a communicator would use.
- A. Anger.
 - B. Humor.
 - C. Shame.
 - D. Stress.
 - E. Family closeness.
20. What involves "pushing" the product through distribution channels to the final consumers?
- A. Push and adopt marketing.
 - B. Direct marketing.
 - C. Promotion strategy.
 - D. Personal selling.
 - E. Push strategy.

SECTION B

Answer ALL questions in this Section by selecting T(True) or F(False) for each question and enter the answers in the examination answer booklet provided. Each question carries ONE mark.

21. (T/F) The five core customer and marketplace concepts are needs, competitive edge, demands, marketing offers, and business ethics.
22. (T/F) Companies that are successful adapt to changing environments.
23. (T/F) The MIS monitor the marketing environment and provide whatever information required by the company decision maker.
24. (T/F) "Social class" is one of the important variables used by marketers in segmentation.
25. (T/F) Business markets typically have elastic demand.

26. (T/F) Dividing the market into groups according to the different benefits that consumers seek from the product is called occasion segmentation.
27. (T/F) A company's market offering only includes either tangible goods or services.
28. (T/F) Many companies use environmental factors as their pricing goals.
29. (T/F) Vertical conflict often exists among retailers competing for the market in the same geographical location.
30. (T/F) Advertising promotions are short-term incentives to encourage the purchase or sale of a product or service.

SECTION C

Answer all questions. Each question carries 20 marks.

Question 1

Identify and discuss the various participants in the Business Buying Process.

(20 marks)

Question 2

Product planners need to think about products and services on three levels. Briefly elaborate on these three levels. Cite appropriate examples for each level.

(20 marks)

-END OF PAPER-