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**UNIVERSITI TUN HUSSEIN ONN
MALAYSIA**

**FINAL EXAMINATION
SEMESTER I
SESSION 2011/2012**

COURSE	:	PRINCIPLES OF MARKETING
COURSE CODE	:	BPA 11603
PROGRAMME	:	1 BPA
EXAMINATION DATE	:	JANUARY 2012
DURATION	:	2 HOURS 30 MINUTES
INSTRUCTION	:	ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF 6 PAGES

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PART A (85 marks)

Q1 (a) Differentiate between National Brands and Store Brands with appropriate example.

(4 marks)

(b) Describe the differences between product life cycle (PLC) shown in “B”, “C” and “D” in figure Q1 (b) with appropriate examples.

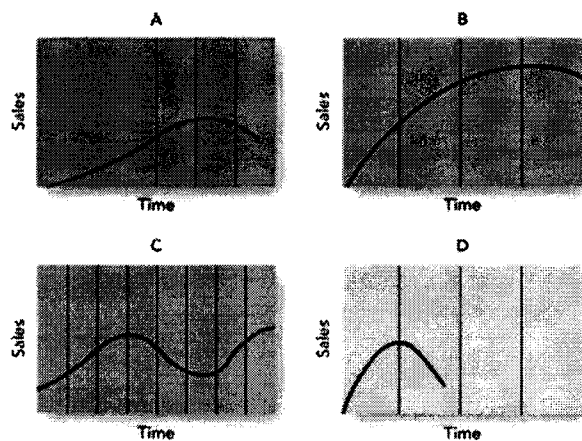


Figure Q1 (b)

(9 marks)

(c) Explain why successful new-product development requires a customer-centered, team-based, and systematic effort.

(12 marks)

Q2 (a) Describe **FIVE (5)** added value functions done by wholesalers in the channel of distribution.

(10 marks)

(b) Discuss the different organizational approaches for retailers and provide an example of each.

(15 marks)

Q3 (a) List the **FIVE (5)** product mix pricing decisions.

(5 marks)

(b) List **FIVE (5)** factors that influence the price a company charges in different countries.

(5 marks)

(c) Describe **FIVE (5)** geographic pricing strategies companies use for customers located in different parts of the country or world.

(15 marks)

Q4 Sanborn, a manufacturer of electric roof vents, realizes a cost of RM55 for every unit it produces. Its total fixed costs equal RM2 million. If the company manufactures 500,000 units, compute;

(a) Unit cost

(1 mark)

(b) Markup price if the company desires a 10% return on sales

(2 marks)

(c) ROI price if the company desires a 25% return on an investment of RM1 million

(2 marks)

Q5 An interior decorator purchases items to sell in her store. She purchases a lamp for RM125 and sells it for RM225. Calculate;

(a) Markup in RM (1 mark)

(b) Markup percentage on cost (2 marks)

(c) Markup percentage on selling price (2 marks)

PART B (15 marks)

Refer to the scenario below to answer question Q6 to Q8.

Most of the clientele at Second Avenue have learned about the store through word-of-mouth communication. This small retailer of quality second-hand children's clothing thrives on the sale of a vast inventory of children's clothing placed there on consignment. "Because small children grow so quickly," Second Avenue's owner commented, "they often outgrow many of their clothes before they've hardly been worn!" Second Avenue provides a way for people to sell their children's clothing, earn a few dollars, and buy the next larger size. "We're extremely picky about the condition of the clothing we stock," the owner stated, "but we sell most items at a 60 percent discount."

Q6 Which of the following media options would MOST benefit Second Avenue's promotional efforts given the store's limited budget?

- (a) periodic advertising in a local newspaper
- (b) daily advertisements on a local radio station
- (c) weekly commercials during the local evening news
- (d) a billboard placed on the interstate
- (e) a link on the city's Chamber of Commerce Web site

(2 marks)

Q7 Second Avenue wants to create a postcard to be sent to local families with young children. The postcard will include information about the store's typical inventory, store hours, and directions. Which of the following format elements can make the biggest difference in the success or failure of the direct mailing?

- (a) copy
- (b) headline
- (c) illustration
- (d) font
- (e) color

(2 marks)

Q8 The owner of Second Avenue wants to establish a community clothing drive to collect clothes for a local children's shelter. The owner will set up collection barrels outside Second Avenue. Which of the following public relations tools is the owner using?

- (a) press relations
- (b) product publicity
- (c) lobbying
- (d) development
- (e) public affairs

(2 marks)

Q9 Identify when does a marketer use informative and comparative ads?

(5 marks)

Refer to the scenario below to answer question Q10 to Q11

John Mayes opened Sparkle Janitorial in 1999. John began by acquiring two contracts for office cleaning services from two local manufacturing facilities. For two years, John and his wife, Barb, performed the cleaning services alone. After acquiring three additional cleaning contracts in 2001, John hired two employees.

"Up to that point, we had room to grow but we really had no advertising plan," John stated. "We were relying mostly on word-of-mouth."

By 2003, Barb hired another two full-time employees to begin Sparkle's new endeavor: carpet cleaning in homes and offices. "Competition was getting tough for both of our services at that point," Barb added. "We ran a local radio spot three times each week. Then we had an advertiser print coupons on placemats. That gave us a little more exposure."

John and Barb Mayes admit that they never realized the value of a sound promotional plan before now. "We wish we would have put together something catchy with a jingle way before now," they said.

Q10 Which of the following would be the LEAST effective way for John and Barb to reach new potential customers?

- (a) word-of-mouth influence
- (b) buzz marketing
- (c) public relations
- (d) network television advertising
- (e) direct marketing

(2 marks)

Q11 In a recent radio spot, John and Barb gave a quick explanation of Sparkle's cleaning process and a description of the value consumers receive for their money. This is an example of a(n) _____.

- (a) emotional appeal
- (b) standard appeal
- (c) rational appeal
- (d) moral appeal
- (e) social appeal

(2 marks)

END OF QUESTION PAPER