

Class 12 Business Studies Marketing Management Most Important Previous Year Questions

1 Mark Questions

1. 'Roma Ltd'. identified the needs of the customers for the successful marketing of their products. This was important for making an analysis of the available opportunities, threats, weaknesses and strengths of the organisation and help in deciding what opportunities can best be pursued by it.

By doing so, which of the following functions of marketing is being performed by 'Roma Ltd.?

- (a) Standardisation and grading
- (b) Product designing and development
- (c) Marketing planning
- (d) Gathering and analysing market information

S1. Ans. (d)

2. Rajeev, a leading rice seller, always ensures that rice conforms to the predetermined standards of quality, price and packaging which reduces the need for inspection and testing. He also classified the rice into regular choice basmati, mogra basmati, dabar basmati and super basmati according to the quality of rice and has fixed the prices accordingly.

Which function of marketing is being discussed here?

- (a) Gathering and analysing market information
- (b) Product designing and development
- (c) Market planning
- (d) Standardisation and Grading

S2. Ans. (d)

3. What is meant by 'Marketing Management'?

S3.

Sol. Marketing management is defined as 'the process of planning and executing the concept, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational goals'.

4. Give the meaning of 'Physical Distribution' as an element of Marketing Mix.

S4.

Sol. Physical distribution refers to the process of making the goods and services available at the right place and at the right time so that the consumers can easily purchase the goods without any delay. It involves deciding the channels of distribution through which the products would be moved from the place of production to the place of consumption.

5. The process of classification of products into different groups on the basis of their important characteristics refers to which of the following marketing functions?

- (a) Grading
- (b) Standardisation
- (c) Product designing
- (d) Marketing planning

S5. Ans. (a)

3 Marks/4 Marks Questions

6. JTM Ltd. launched 'Buddyline', an exercise book and comprehensive stationery brand name comprising of ball pens, gel pens and geometry boxes after identifying the target market and understanding the needs and wants of the consumers of that market. All their products were of good quality and eco-friendly but expensive. They wanted to distinguish their products from that of their competitors. They spent lot of efforts, time and money in creating the brand name, as they knew that without a brand name, they can only create awareness for the generic products and can never be sure of the sale of their products.

S6.

Sol. (i) The marketing management philosophy that is being followed by JTM Ltd. is 'Societal Marketing Concept'. This is because, it not only identified the needs and wants of the consumers but also delivered a good quality and eco-friendly product.

(ii) The following advantages of branding are being discussed:

- (a) Branding enables a firm to clearly distinguish its product from the product of other firms.
- (b) Branding enables consumers to clearly distinguish the product from various other available products. Consumers see a good brand as a mark of authenticity and genuinity.
- (c) Good branding helps in creating loyalty and habituality for product among the customers. The firm can take advantage of this and charge a different price (generally a higher price) for its product. Also, a good brand name helps in providing an initial boost to the demand of the new product.
- (d) Established and famous brands act as status symbols for the consumers, thereby providing them psychological and social benefits

7. There are some characteristics that should be kept in mind while choosing a brand name. Explain any two such characteristics that a good brand name should have.

S7. Two characteristics of a good brand name are as follows:

- (a) The brand name should be short, easy to pronounce, spell and remember, e.g., VIP, Lux, Rin, Ponds, Vim, etc.
- (b) The brand name should suggest the qualities and benefits of the product, e.g., Frooti, Promise, Boost, Revital, Rasna.

8. Your company has setup a food processing unit in Kashmir with a production capacity of 10,000 litres of apple juice per day. The company plans to market the apple juice in tetra pack of 100ml. Design a label for the same.

S8. Kashmir Apple Juice

Nutrition facts

Serving Size: 1 Pack (100 ml)

Amount per serving calories 100 ml

	% content
Total Fat	0%
Sodium	1%
Potassium	7%
Total carbohydrates 25g	8%

Sugars 22 g

Protein 0 g

Ingredients: Organic Apple Juice

Best before 3 months from the date of manufacturing.

MRP ` 20 (inclusive of all taxes)

Batch No.: Jan 0.343

Date of Mfg.: 23, sept. 2016

9. Explain how the 'product related factors' affect the choice of channels of distribution?

S9. Product related factors which affect the choice of channels of distribution:

- (a) Industrial products: Industrial products are technical made to order, expensive and purchased by few buyers. They require a shorter, direct channel involving few middlemen.
- (b) Consumer products: Consumer products are standardised, less expensive, less bulky, non-technical and frequently bought. So, they can be better distributed by a number of middlemen.
- (c) Perishable products: Perishable products like fruits, vegetables require short channel of distribution as it must reach the customer soon. Non-perishable products such as soaps, oils can use a longer channel of distribution.
- (d) Degree of complexity: Technically complex products require expert advice and counselling at the point of sale and so the direct channel is preferred.

10. Mudit Gupta set up 'Healthy Biscuits',: a company manufacturing various kinds of biscuits like oat biscuits, soya biscuits, ragi biscuits and whole wheat biscuits. He knew that a customer would only pick up a small quantity of the product, so he did not want to invest in starting his own retail outlets. He planned to market the product at the 'In and out' stores at various petrol pumps in the city though the other biscuit manufacturers were using other channels of distribution.

- (a) Give the meaning of 'Channels of Distribution.
- (b) Name the factors that affected the determination of choice of channels and state how they will affect the choice of channel of distribution in the above case.

S10. (a) Channels of distribution refer to the individuals, institutions or agents who facilitate the process of distribution of the product.

(b) The factors which affect the determination of choice of channels are:

- (i) Product type - Products are checked on the basis of whether they are perishable or non-perishable, industrial or consumer product, whether their unit value is high or low and the degree of complexity of the product. Since, Biscuits are perishable goods, the channel of distribution followed by Mudit Gupta should be short.
- (ii) Market Factors- Factors such as size of the market, geographical concentration of buyers, quantity demanded, etc. also affect the choice between the channels. Since, Mr Gupta knows that a customer would only pick up a small quantity of the product, so he does not want to invest in starting his own retail outlets. So, he should follow a short channel of distribution.
- (iii) Competitive factors- The degree of competition and the channels opted by other competitors affect the choice of a channel of distribution. Depending on its policies, a company may adopt a similar channel as chosen by its competitors or opt for a different channel. In this case, the firm has decided to follow the channel which was different from those opted by the other firms.

5 Mark/6 Marks

11. After acquiring the necessary knowledge and skills on starting an Aloe vera Farm, Ashok wanted to be the leading manufacturer of Aloe vera products worldwide. He observed that the products were expensive as the demand of the products was more than the supply. He was also keen to promote methods and practices that were economically viable, environmentally sound and at the same time protecting public health.

Ashok's main consideration was about the amount of money paid by the consumers in consideration of the purchase of Aloe vera products. He also thought that competitors prices and their anticipated reactions must also be considered for this. After gathering and analysing information and doing correct marketing planning, he came to know that the consumers compare the value of a product to the value of money which they are required to pay. The consumers will be ready to buy a product when they perceived that the value of the product is at least equal to the value of money which they would pay. Since he was entering into a new market, he felt that he may not be able to cover all costs. He knew that in the long run the business will not be able to survive unless all costs are covered in addition to a minimum profit.'

He examined the quality and features of the products of the competitors and the anticipated reactions of the consumers. Considering the same, he decided to add some unique features to the packaging and also decided to provide free home delivery of the products.

The above case relates to a concept which is considered to be an effective competitive marketing weapon. In conditions of perfect competition, most of the firms compete with each other on this concept in the marketing of goods and services.

- (a) Identify the concept.

(b) Explain briefly any four factors discussed in the above case related to the concept so identified.

S11. (a) Marketing concept

(b) (i) Identification of Aloevera products market and their consumers. He found that demand remained unfulfilled due to lesser supply.

(ii) Understanding need of the Aloevera Customers: Aloevera consumers were ready to buy a product when value of the product would be equal to value of money they would pay.

(iii) Developing product quality and features of free home delivery to satisfy needs of the customer that too better than competitors.

(iv) His all activities were directed towards earning a profit as they knew that in long run to survive, he needed to cover cost and earn a minimum profit. The firms adopting marketing concept give importance to two important market forces. These are customer needs and activity of competitors. Firms keep a close eye on the needs and wants of customers and try to satisfy better than their competitors.

12. Radhika was a student of Business studies of Class XII. Her father was a farmer who grew different varieties of rice and was well-versed about various aspects of rice cultivation. He was also selected by the government for a pilot-project on rice cultivation of good quality rice at a reasonable price. Her father suggested her to use internet to gather customers views and opinions. She found that there was a huge demand for packaged organic rice. She knew that there were no pre-determined specifications in case of rice because of which it would be difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of 'Malabari Organic Rice' and classified it into three different varieties namely - Popular, Classic and Supreme, based on the quality. She felt that these names would help her in product differentiation.

Explain the three functions of marketing, with reference to the above paragraph.

S12. Function of marketing with reference to the above paragraph are:

(i) Gathering and analysing market information: Use of internet to gather customers views and options. A marketer has to gather information about the needs of the customers and take decisions for the marketing of the products and services.

(ii) Standardisation and Grading: '...classified it into three different varieties namely - Popular, Classic and Supreme, based on the quality'.

Standardisation refers to the process of setting certain standards for a commodity on the basis of certain features. It conveys the idea of conformity with the required quality of the product itself.

Grading refers to the process of dividing the products into classes, lots or grades in accordance with the pre-determined standards.

(iii) Branding: Branding may be defined as the process of assigning a brand name to the product so that, it can be easily identified and distinguished from competitors and remembered. 'To differentiate the product from its competitors, she gave it the name of 'Malabari Organic Rice'.

13. 'Hayaram' is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has five of its own retail shops. It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales.

The above para describes the combination of variables used by Hayaram to prepare its market offering. Identify and explain the variables.

S13. The combination of variables used by Hayaram to prepare its market offerings are:

(i) Product: It refers to various aspects relating to the products to be offered for sale. It relates to decision regarding planning, designing and developing the right type or products for the consumers. It includes branding, labelling and packaging. "Their products include chips, biscuits, sweets and squashes."

(ii) Price: Price is the amount of money customers have to pay to obtain the product. Price element includes price of product, margins, pricing policy and strategy. "It charges a comparatively higher price than its competitors."

(iii) Place: It refers to the activities involved in making the product available to the target customers. Selection of distribution channel and physical distribution are the main activities involved in it. "It has five retail shops that are its own."

(iv) Promotion: This element includes activities such as, advertising, personal selling, sales promotion and publicity. 'It regularly uses different communication tools to increase its sales.

14. State any five characteristics of a good brand name.

S14. Characteristics of good brand name are:

(a) Simple and easily pronounceable: Brand name should be simple short and easy to pronounce, remember and should not have any negative meaning in any major language. For example, Surf, Lux, VIP. etc.

(b) Suggestive: Brand name should suggest the benefits, quality or purpose of the product. For Example, Lijjat Papad suggests taste of papad.

(c) Distinctive: Brand name should be unique and distinctive so that the product is easily differentiated. For example, Liril, Sprite, etc.

(d) Adaptable: Brand name should be adaptable to packing or labeling requirements, to different advertising media and to different languages.

(e) Versatile: Brand name should be versatile so that it can accommodate any new product added to the line. For example, name like Maggi or Colgate has this characteristic.

15. There are number of factors which affect the fixation of the price of a product. Explain any four such factors.

S15. Price: Price refers to the amount of money, which a customer has to pay to buy a product. Factors that affect the fixation of price of a product are:

(a) Product cost: It includes cost of producing, selling and distributing the product. This sets the minimum price at which the product may be sold. In the long run, price should be able to recover all the costs and a fair return on investment. Cost is of three types: fixed cost, variable cost and semi variable cost.

(b) Utility and demand of the product: The utility provided by the product and the intensity of demand of product sets and upper limit of price, which the customers would be ready to pay. Price is also affected by the elasticity of demand of the product. When a small change in price leads to major change in demand, price is said to be elastic. When a change in price leads to no change in demand it is said to be inelastic. In such cases prices can be safely raised without a drop in demand.

(c) Degree of Competition: The firm has to consider the price, quality and features of the competitor's products available in the market.

(d) Government and legal regulations: Government may regulate the price of a product in the public interest. The Indian Government controls the prices of essential consumer items like, kerosene oil, LPG and certain food items.