

Application-based Questions

[1 mark]

Q.1 Zoom Udyog, a car manufacturing Co., has started its business with Zoom 800 and slowly launched Zoom1000, Wagon-Z, Swy-fy etc. and offered various services like after sale service, availability of spare parts etc.

Identify the element of marketing mix referred here. [CBSE Sample Paper 2015]

Ans. It is product.

Q.2. 'Introducing a scheme of 50% + 40% less by the KOUTONS' is the example of which sales promotion technique?

Ans. The name of this sales promotion scheme is 'Discount'.

Q.3. Name the sales promotion technique in which 'Scratch Cards' are used?

Ans. 'Instant draw and assigned gift' is the name of it.

Q.4. Beauty Products Ltd' is a natural and ethical beauty brand famous for offering organic beauty products for men and women. The company uses plant based materials for its products and is the No. 1 beauty brand in the country. It not only satisfies its customers but also believes in overall protection of the planet.

Identify the marketing management philosophy being followed by 'Beauty Products Ltd.

[CBSE 2015]

Ans. It is societal marketing concept.

Q.5. Maruti Vega Ltd.' entered into the market with coloured television and have now introduced products like audio systems, air-conditioners washing machines, etc. The company is not only offering the products but also handling complaints and offering after-sales services.

Identify the element of marketing-mix discussed here. [CBSE 2015]

Ans. It is product mix.

[3 marks]

Q.1. Ajay was appointed as marketing head of 'Alfa Enterprise' manufacturers of toothpaste and toothbrushes. His target sale was 2000 units a month. Apart from thinking about various channels of distribution to achieve the target he himself started visiting schools in backward areas. He found that even after taking various steps and

counselling, some school children had not started brushing their teeth. He investigated and found that they could not afford to buy toothbrush and toothpaste. So with due permission he started donating 200 toothbrushes and toothpastes every month to the school. [CBSE 2013]

Q. Identify the channel of distribution 'Ajay' would adopt for distribution of toothpaste and toothbrushes and justify it by giving one reason.

Ans. Ajay would adopt 'Direct Channel of Distribution'. Because he is distributing goods as charity.

Q. State any two values which Ajay wants to communicate to the society.

Ans. Concern for the underprivileged. Sensitivity towards health.

Q.2. Mansi, a shoe manufacturer for school students, decided to maximise her profit by producing and distributing at large scale and thereby reducing the average cost of production.

[CBSE 2012]

Q. Identify the Marketing Management philosophy adopted by Mansi.

Ans. It is production philosophy.

Q. Explain this philosophy on the basis of

- a. Main Focus
- b. Means and Ends

Ans.

- a. **Main Focus:** Quantity of Production
- b. **Means:** Balanced prices and easy availability. **Ends:** Profit through maximum production.

Q.3. Nisha a school bag manufacturer decided to improve the product for profit maximisation and thus added a water bottle holder to the existing design.

[CBSE 2012]

Q. Identify the Marketing Management philosophy adopted by Nisha and

Ans. It is product philosophy.

Q. Explain this philosophy on the basis of

- a. Main Focus
- b. Means and Ends

Ans.

- a. **Main Focus:** Quantity of product.
- b. **Means:** Product improvement. **Ends:** Profit through providing better quality products.

Q.4. *Crackers Ltd., a fire cracker manufacturing company launched some new products on eve of Diwali which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings for use were not mentioned on the packets that led to many accidents.*

[CBSE 2014]

Q. Identify and explain the important product related decision that was not taken into consideration by the company.

Ans. The important product related decision that was not taken into consideration by the company is Labelling.

Labelling: It refers to the process of preparing a label.

Q. Also, identify any two values which were violated by the company.

Ans. Values violated by the company are the following:

- i. Concern for safety of human beings.
- ii. Respect for law.

Q.5. *ABC Crackers Ltd., a fire-cracker manufacturing company launched some new products on the eve of Diwali in the market, which attracted many buyers. To meet the increased demand the company employed people from nearby villages where there is a lot of unemployment. Because of the good behaviour of the management with the employees, more and more people wanted to join the company. As the products were in great demand in the market, a competitor imitated the products. The products of the competitor were not accepted by the consumers as it was a status symbol to buy the products of ABC Crackers Ltd. because of their quality.*

[CBSE 2014]

Q. Identify and explain the product-related decision because of which consumers preferred the products of ABC Crackers Ltd.

Ans. The product-related decision because of which consumers preferred the products of ABC Crackers Ltd. is 'branding'. Branding refers to that process through which a special identification of the product is established.

Q. Also identify any two values which ABC Crackers Ltd. wanted to communicate to the society.

Ans. Values:

- i. Providing employment opportunities.
- ii. Development of rural areas.

Q.6. What can manufacturers, consumers and government do to remove the evils of advertising?

Ans.

- i. Manufacturers should not incur unnecessary expenditure on advertising and avoid indecent advertising which is likely to cause decay of social value.
- ii. Consumers should not be misguided by advertising nor should they discard consumer goods before the expiry of their utility period. They should also ignore such advertising as is likely to give birth to bad habits. Besides, they should not encourage monopolistic tendencies by purchasing a particular brand repeatedly.
- iii. Government should take stern action against those who indulge in false propaganda by using advertising media.

Q.7. 'Various tools of promotion are used by the marketer to promote their products.'

Name and explain any one most commonly used sales promotion tool of promotion by the marketer.

Ans. Product Combination: Under this method, alongwith the main product some other product is offered to the customer as a gift. The following are some of the examples:

Main Product	Gift
TV	Vacuum cleaner
Shakti Bhog Atta	A packet of rice
A kilo of washing powder	A 100 gm bottle of sauce
Natkhat Nimbu Bhujia	A glass bowl
Maggi Noodles	A toy car

[4 marks]

Q.1. '100 grams of extra material in a pack of one kg' is an example of one of the techniques of 'Promotion Mix'.

Name the technique and explain two other techniques of promotion mix.

Ans. The name of this technique is 'Quantity Gift'. Under it, some extra quantity of the main product is passed on as a gift to the customers.

Following are the two other techniques of promotion mix:

- i. **Rebate:** Under it, in order to clear the excess stock the products are offered at some reduced prices. For example, giving a rebate by a car manufacturer to the tune of ₹ 12,000 for a limited period of time.
- ii. **Discount:** Under this method, the customers are offered products on less than the listed price. For example, giving a discount of 30% on the sale of Liberty Shoes. Similarly, giving a discount of 50% + 40% by the KOUTONS.

Q.2. *Buy one get one free* is an example of one of the techniques of promotion mix. Name the technique. Explain any two other techniques of promotion mix.

Ans. Refer to Q. 1 above.

Q.3. *A toy car free with manvi noodles* is an example of one of the techniques of Sales Promotion. Name the technique and explain two other techniques with examples.

Ans. The name of this technique is 'Product Combination'. Under it, along with the main product some other product is offered to the customer as a gift. Two other techniques are given below:

- i. **Lucky Draw:** Under this method, the customers of a particular product are offered gifts on a fixed date and the winners are decided by the draw of lots. While purchasing the product, the customers are given a coupon with a specific number printed on it. On the basis of this number alone the buyer claims to have won the gift. For example, 'Buy a bathing soap and get a gold coin' offer can be used under this method.
- ii. **Usable Benefits:** Under this method, coupons are distributed among the consumers on behalf of the producer. Coupon is a kind of certificate telling that the product mentioned therein can be obtained at special discount. It means that if a customer has a coupon of some product he will get the discount mentioned therein whenever he buys it. Possession of a coupon motivates the consumer to buy the product, even when he has no need of it. Such coupons are published in newspapers and magazines. Some companies distribute coupons among its shareholders. Sellers collect the coupons from the customers and get the payment from the company that issues the same.

Q.4. *Automobiles Ltd. offered to sell their new bike at about ₹ 4,000 less than the usual price* is an example of one of the techniques of sales promotion.

Name the technique and explain two other techniques with examples.

Ans. The name of this technique is 'Rebate'. Under it, in order to clear the excess stock products are offered at reduced prices.

Two other techniques are given below:

- i. **Full Finance @ 0%:** Under this method, the product is sold and money is received in instalments at 0% rate of interest. The seller determines the number of instalments in which the price of the product will be recovered from the customer. No interest is received on these instalments.
- ii. **Samples or Sampling:** Under this method, the producer distributes free samples of his product among the consumers. Sales representatives distribute these samples from door-to-door. This method is used mostly in case of products of daily-use, e.g., Washing Powder, Tea, Toothpaste, etc. Thus, the consumers willy-nilly make use of free sample. If it satisfies them, they buy it and in this way sales are increased.

Q.5. *“Every time I travelled, people asked me to bring them chips, khakra and pickles from all over the country,” says Anoushka. Finally, she and her colleague, Sumeet, decided to make a business out of it. They launched a facebook page, asked people what they wanted, and they came up with a list of about 100 places and tied up with two dozen vendors to begin with. They were servicing people from Jaipur who wanted spices from Kerala, people from Panipat who wanted halwa from Jammu and people from Delhi who ordered for fresh tea leaves from Darjeeling. Through their business they wished to bridge the gap between sellers and buyers. The business is now worth millions.*

Explain any two important activities that Anoushka and Sumeet will have to be involved in for making the goods available to the customers at the right place, in the right quantity and at the right time. [CBSE Sample Paper 2016]

Ans. Activities/Components of Physical Distribution:

1. **Order processing:** A good physical distribution system should provide for an accurate and speedy processing of orders, in the absence of which goods would reach the customers late or in wrong quantity or specifications.
2. **Transportation:** It is the means of carrying the goods and raw materials from the point of production to the point of sale. It is important because unless the goods are physically made available, the sale cannot be completed.

[5 marks]

Q.1. *Mr. Ramaya is a sales manager in a multi-product company. The main products of the company are Cars, Washing Powder, Readymade Garments and Noodles. The sales manager has four alternatives for sales promotion, e.g., selling the product at 40% discount, selling at 0% interest through instalments, giving packets of sauce with the product and distributing samples. He is not able to understand as to what alternate should be offered with which product.*

- i. Make combinations of alternatives of sales promotion.
- ii. Name the method of sales promotion with different combinations.

Ans.

S. No.	Product	Sales Promotion Alternative	Name of Method
(i)	Cars	Selling the product at 0% interest recovering price in instalments.	Full Finance @ 0%
(ii)	Washing Powder	Distributing samples.	Samples
(iii)	Readymade Garments	Selling the product at 40% discount.	Discount
(iv)	Noodles	Distributing packets of Sauce with the product.	Product Combination

[6 marks]

Q.1. Explain the role of 'Advertising' in marketing management.
[CBSE 2013]

Ans.

- A. **Importance to Manufacturers:** The importance of advertisement for manufacturers is cleared from the following discussion:
- Enhancing Customers' Satisfaction and Confidence:** Through the medium of advertisement the manufacturers spread information about their product to the consumers. Only after having information about the new products, people decide to buy them. In this way, there is an increase in customers' confidence and satisfaction.
 - Helpful to Increase the Demand of Existing Products:** The manufacturers regularly give information about their existing products through the medium of advertisement. As a result of it, people get acquainted with those products and their manufacturers and they purchase those products time and again. When the old customers repeatedly buy the same product, it also has a positive effect on the new customers. In this way, advertisement helps in increasing the demand for the old products.
 - Helpful in Facing Competition:** Through the medium of advertisement, a manufacturer can try to establish the superiority of his product in comparison to his competing manufacturers. If this advertisement is carried on properly, he can get success in his effort. In this way advertisement helps the manufacturers in facing competition.
- B. **Importance to Society:** Main benefits accruing to society on account of advertising are as follows:
- Helpful to Generate More Employment:** Advertising is instrumental in generating more employment opportunities and creating diverse kinds of jobs. It provides jobs to artists, screen printers, block-makers, script-writers, painter, etc. Today, advertising has become a profession. Some companies do only advertising job.

- ii. **Helpful to Improve the Standard of Living:** Through the medium of advertising people get information regarding new products. As people use these new and latest goods, their standard of living gets a boost. Advertising is helpful in providing employment and increasing income of the people. Both have a positive effect on their standard of living.
- iii. **Helpful in Survival of Communication Media:** Main communication media are Newspapers, Magazines, TV, Radio, etc. Major source of their income is advertising. If these media of communication do not get support of revenue from advertising, they cannot survive for long. These media of communication keep the society well informed. Their existence is of utmost importance and they can survive only by advertising.

Q.2. 'Though advertising is one of the most frequently used media of promotion of goods and services, yet it attracts lot of objections.' Explain any four such objections.

[CBSE 2014]

Ans.

- i. **Adds to costs:** An organisation has to spend large amount on advertising. It increases the cost of the products. To meet this expenditure, price of the product is raised. No manufacturer pays for the advertising expenses out of his pocket. Advertising, therefore, leads to unnecessary rise in prices. In this reference, it is said that advertising costs are passed on to the consumers in the form of high prices.
- ii. **Undermines social values:** Advertisement is a sort of day-dreaming for the people. These days it is taking the people away from reality and into the realm of artificiality. Through its medium people get information about new products. Only very few products are of any use for them. The brilliance of new products really get on their nerves. They want to buy them but have no resources at their command. Consequently, they start feeling upset with their present status. Taking it as a social evil, it can be said that advertisement undermines social values.
- iii. **Confuses the buyers:** Many a time distorted version of reality is shown in the advertising. Believing in advertising, consumers buy the product. On its use, they feel cheated. They come to realise later that the information given in the advertisement was something else whereas the actual product was quite different from it. Thus, people lose confidence in advertising because of wrong presentation. In this reference, it is said that advertising confuses rather than helps.
- iv. **Encourages sale of inferior products:** Every manufacturer projects his product as superior one in the advertisement. Therefore, the buyer is unable to decide as to which product is really good. Consequently, it is difficult to get good quality product even after paying a handsome price for it. If a seller gets good price for some inferior product, it becomes a habit with him. It affects other sellers also. Therefore, it is said that advertisement encourages the sale of inferior products.

Q.3. Identify the method of sales-promotion in the following cases:

[CBSE Sample Paper

2013]

Q. A mobile company offers a discount of ₹ 1000 to clear off excess Inventory.

Ans. Rebate

Q. A customer gets ₹ 5 off on return of an empty wrapper while making a new purchase of the same product.

Ans. Refund

Q. A Company offers a pack of ½ kg. of sugar with the purchase of a 5 kg. bag of wheat flour.

Ans. Product Combination

Q. A company offers 40% of extra shaving cream in a pack of 500 gms.

Ans. Quantity Gift

Q. Scratch a card and get a gold coin with the purchase of a cold drink.

Ans. Instant Draw and Assigned Gift

Q. Purchase goods worth ₹ 50,000 and get a holiday package worth ₹ 10,000 free.

Ans. Lucky Draw

Q.4. 'Various tools of communication are used by the marketers to promote their products.' Answer the following questions:

[CBSE Sample Paper

2013]

Q. Why do companies use all tools at the same time?

Ans. The companies use all tools at the same time because of the nature of market, nature of product, promotion budget and objectives of promotion being different at different times.

Q. Name and explain the most commonly used non-personal tool of promotion which is paid for by the marketer.

Ans. The most commonly used non-personal tool of promotion which is paid for by the marketer is advertising. The explanation should include: It is a paid and non-personal form having an identified sponsor to promote an idea.

Q. Which tool of promotion will primarily be used for the following:

- i. To promote or protect a company's image or its individual products.
- ii. An existing product meant for mass usage by literate people.

- iii. To introduce a new product to a particular class of people through door-to-door visits.

Ans. The tools of promotion used are

- i. Public Relations
- ii. Advertisements
- iii. Personal Selling

Q.5. Explain the role of 'Public-Relations' in marketing management. [CBSE 2013]

Ans. Role of Public Relations:

- i. **Press Relations:** Every organisation wants the press to give the news favourable to it. The information collected by the press correspondents about the organisation can be presented by distorting (breaking and wrenching) it. But this very information, when communicate by the Public Relations Department to the press, will be definitely realistic and better. With this very aim in view, the Public Relations Department, constantly maintains contact with the press.
- ii. **Product Publicity:** Every company wants to attract the attention of people towards its new products. The Public Relations Department publicises the product through sports and other social programmes like press conference, seminars and exhibitions.
- iii. **Corporate Communication:** Every company wants to make its image grow or develop by sharing its general information with the public and workers. To do this, the company's Public Relations Department takes the help of newsletters, annual reports, brochures, articles and audio-visuals. Besides the managers of the company try to develop the organisation's image by delivering lectures in trade associations and trade fairs.
- iv. **Lobbying:** Different government departments form business policies under the supervision of its concerned ministers. Every company wants that the policies made by the government should be in its favour. The Public Relations Department conveys its wish to the concerned government department by establishing cordial relations with associations of commerce and industry. The government gives due importance to the communications of the different business organisations.
- v. **Counselling:** The Public Relations Department gives counsel from time to time to the top level management about the different activities to be done for the Public Welfare. Doing so enhances the reputation of the company. The companies can improve their position (image) in the eyes of the people by spending their time and money so as to on environment, wildlife, children's rights, education, etc.
- vi. **Helpful in Achieving Marketing Objectives:** Good public relations play an important role in achieving the following objectives of marketing.

- a. **Building Awareness:** The Public Relations Department popularises the product among its actual consumers through dramatisation before it reaches them.
- b. **Building Credibility:** The public relation activities are supposed to be very much credible. The general view is that advertisement mislead people but public relations do not do so. Hence, what-so-ever is conveyed through public relations is fully believed by people.
- c. **Stimulates Sales Force:** The job of the salesmen gets facilitated when they go to shops with their product, because the people are already familiar with those products.
- d. **Lower Promotion Costs:** The cost on public relations gets lowered than advertisement and other promotional tools. However, making continuous efforts is necessary to have the place secured in the media.

Q.6. *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.
[CBSE 2015]

Ans. The combination of variables used by Hayaram to prepare its market offering are:

1. **Product Mix:** Product Mix refers to all the decision relating to product. These decisions are mainly with regard to branding, packaging, labelling, colour, design , quality, size, after-sale, service and weight of the product. These decisions play an important role in attracting the customers to the product.
"Their products include chips, biscuits, sweets and squashes."
2. **Price Mix:** Price mix refers to all those decisions which are concerned with the price fixation of any product or service. Under price mix, beside fixing the price of the product or service, decisions regarding credit sale, discount, etc., are also included. Price Mix includes the following decisions:
"It charges a comparatively higher price than its competitors."
3. **Promotion Mix:** Promotion mix refers to a combination of promotional tools used by the business to inform and persuade the customers about the products. This job is done by the company through the medium of advertisement, personal selling, sales promotion and publicity.
"It regularly uses..... increase its sales."
4. **Place Mix:** It refers to the combination of all the decisions related to make products available to consumers.**The following two decisions are included in**

Place Mix:

- i. **Channels of Distribution:**
It refers to the path through which the ownership as well as possession of goods transfer to the consumer from the producer.
- ii. **Physical Distribution:**
It refers to all decisions relating to the transportation, inventory, warehousing and order processing of goods. "It has fine of its own retail shops."
Or "It also sells its products right time."

Q.7. 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. As a project-work in Business Studies she decided to study the feasibility of marketing 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.

[CBSE 2015]

Ans. Functions of Marketing:

The following are the functions of Marketing with reference to the above paragraph:

- i. **Gathering and Analysing market information:** Under it an effort is made to understand the consumer thoroughly.
"Her father suggested views and opinions."
- ii. **Standardisation and Grading: Standardisation:** It refers to ensure uniformity and consistency in output reducing the need for inspection, testing and evaluation of the products.
Grading: It refers to ensure that the product belong to a particular quality and higher prices could be realised for better quality products.
"no pre-determined specifications in the output."
Or "Classified it into three on the quality."
- iii. **Branding:** Giving of distinct name to one's product is called branding.
"To differentiate the product Malabari Organic Rice."
Or "She felt that in product differentiation."

