

Higher Order Thinking Skills (HOTS)

[1 mark]

Q.1. What is 'Market Offering'?

Ans. It refers to provide complete information about the product or service.

Q.2. 'Exchange is the essence of marketing'. Comment.

Ans. Exchange is known as the essence of marketing as marketing is not possible without it.

Q.3. 'They don't sell what they can make, but they make what they can sell'. Name the marketing philosophy to which this statement is related.

Ans. It is related with Marketing concept.

Q.4. 'Goods are not bought but they have to be sold.' Name the marketing philosophy to which this statement is related.

Ans. It is related with selling concept

Q.5. Which marketing philosophy gives more importance to consumer welfare instead of consumer satisfaction?

Ans. It is related with selling concept.

Q.6. Which concept of Marketing suggests that the organisation should earn profit through consumer satisfaction and social welfare?

Ans. Societal concept of marketing.

Q.7. How advertising is 'Non-personal Presentation'?

Ans. Advertising is non-personal presentation of information as advertiser and consumer do not come into personal contact.

Q.8. Why it is said that 'advertising confuses rather than helps'?

Ans. Because, many a time distorted version of reality is shown in the advertising.

Q.9. Why it is said that 'some advertisements are in bad taste'?

Ans. Because, many times, foul language and objectionable pictures are used in advertising in order to attract a particular class.

Q.10. What type of conversation takes place in 'Personal Selling'?

Ans. There is oral conversation between the sales person and the buyer regarding the features of the product, *i.e.*, price, colour, shape, design, method of use, etc.

Q.11. What is included in the physical qualities of a good salesman?

Ans. Personality, Health Stamina and Tolerance.

Q.12. Differentiate between Advertising and Personal Selling on the basis of 'Feedback'.

Ans.

Basis of Difference	Advertising	Personal Selling
Feedback	This gives no information about the reactions of the customers.	The reaction of the customers becomes immediately known or clear.

Q.13. *Good Living Ltd. manufactures mosquito repellent tablets. These tablets are packed in strips of 12 tablets each. Each of these strips are packed in a cardboard box, 48 such boxes are then placed in a big corrugated box and delivered to various retailers for sale.*

State the purpose of packaging the tablets in a corrugated box. [CBSE Sample Paper 2016]

Ans. The packaging of tablets in a corrugated box is necessary for the purpose of storage, identification and transportation.

Q.14. Name the marketing function which is concerned with informing the customers about the firm's products.
[CBSE 2016]

Ans. Promotion.

Q.15. Name the function of marketing which is concerned with the cost and location of target market.
[CBSE 2016]

Ans. Transportation.

[3 marks]

Q.1. Explain 'Market Planning' and 'Product Designing and Development' as functions of marketing.
[CBSE 2012]

Ans.

- i. **Marketing Planning:** In order to achieve the objectives of an organisation with regard to its marketing, the marketer chalks out his marketing plan. For example, a company has a 25 per cent market share of particular product. The

company wants to raise it to 40 per cent. In order to achieve this objective the marketer shall have to prepare a plan in respect of the level of production and promotion efforts. It will also be decided that who will do what, when and how. To do this is known as marketing planning.

- ii. **Product Designing and Development:** Product designing plays an important role in product selling. The company whose product is better and attractively designed sales will be more than the product of a company whose design happens to be weak and unattractive. In this way, it can be said that the possession of a special design affords a company competitive advantage. It is important to remember that it is not sufficient to prepare a design in respect of a product, but it is more important to develop it continuously.

Q.2. Distinguish between the concepts 'product' and 'production' in Marketing keeping following as the base:

- i. Focus
- ii. Means
- iii. Ends.

Ans. Distinction between Product and Production

Basis of Difference	Product	Production
(i) Focus	Focus is on good quality products.	Focus is on production.
(ii) Means	Product improvements.	Easy availability of products.
(iii) Ends	Profit through providing better quality products.	Profit through large scale production.

Q.3. 'Packaging has acquired great significance in the marketing of goods.' In the light of this statement state any three functions of packaging.
[CBSE 2013]

Ans. The functions of packaging are given below:

- i. **Protection:** The main function of packaging is to provide protection to the product from dirt, insects, dampness and breakage. For example, the products like biscuit, jam, chips etc. are needed to be protected from environmental contact. That is why they are tightly packed.
- ii. **Identification:** Packaging also serves as an identification of the product. A product is packed in special sized, coloured and shaped container for keeping its difference from the products of competitors. For example, the yellow and black coloured pack of KODAK ROLL tells itself of its producer.
- iii. **Convenience:** Packaging provides convenience in the carriage of product from one place to another, in stocking and in consuming. For example, the new pet

bottles of COKE makes the carriage and stocking easier. Similarly, the pack of FROOTI provides convenience in its consumption.

Q.4. 'Product is a bundle of utilities.' Do you agree? Comment.

Ans. Yes, I do agree with this statement. Product provides three types of satisfaction given as under:

- i. **Functional Satisfaction:** To wear the shirt and cover the body with it is an example of functional satisfaction.
- ii. **Psychological Satisfaction:** To feel more confident and active after wearing the shirt provides psychological satisfaction.
- iii. **Social Satisfaction:** Getting recognition after wearing shirt from the group of known people is social satisfaction.

Q.5. 'Though branding adds to the cost, it provides several advantages to the consumers.' In the light of the statement, state any three advantages of branding to customers.

[CBSE 2013]

Ans.

- i. Shopping consumers lesser time as branded products can be easily identified.
- ii. The quality of branded product undoubtedly is better.
- iii. Prices of branded products are fixed by the companies themselves and there are no frequent changes.

Q.6. 'Choice of an appropriate channel of distribution is very important marketing decision which affects the performance of an organisation'. Explain any two factors on which the choice of an appropriate channel depends.

[CBSE Sample Paper 2015]

Ans. A manufacturer should keep into consideration the following factors while selecting a channel of distribution.

- A. **Product Related Factors** When a manufacturer selects some channel of distribution he/she should take care of such factors which are related to the quality and nature of the product. They are as follows:
1. **Perishability:** A manufacturer should choose minimum or no middlemen as channel of distribution for such an item or product which is of highly perishable nature. On the contrary, a long distribution channel can be selected for durable goods.
 2. **Technical Nature:** If a product is of a technical nature, then it is better to supply it directly to the consumer. This will help the user to know the necessary technicalities of the product.
- B. **Market Related Factors** Market considerations are given below:

1. **Number of Buyers:** If the number of buyer is large then it is better to take the services of middlemen for the distribution of the goods. On the contrary, the distribution should be done by the manufacturer directly if the number of buyers is less.
2. **Types of Buyers:** Buyers can be of two types: General Buyers and Industrial Buyers. If the more buyers of the product belong to general category then there can be more middlemen. But in case of industrial buyers there can be less middlemen.

Q.7. 'Product is a mixture of tangible and intangible attributes.' Discuss.

Ans. When we think about a product, generally, it refers only to the tangible attributes of a product, e.g., we say we have bought a Bike. But while we take a buying decision we alongwith tangible attributes also consider the intangible attributes of a product. The examples of intangible attributes are: brand name, image of the company, guarantee, warranty, packaging, and many other such attributes. Therefore, in marketing, product is a mixture of tangible and intangible attributes, which are capable of being exchanged for a consideration and satisfied the customer needs.

Q.8. Is labelling compulsory?

Ans. Generally, the producer is at liberty to use label or not and to choose the kind of label. But it has been made compulsory by the Government to use label for some products. Besides this, the description of label has also been fixed. For example, it is mandatory to use the label alongwith its stipulated information on Medicines and Processed Food. Similarly, the products which are injurious to health must carry the statutory warning regarding its use. Such as the packets of the Cigarette and Pan Masala have always the inscription 'Injurious to Health'.

Q.9. 'Advertising confuses the buyers.' How?

Ans. Many a time distorted version of reality is shown in the advertising. Believing in advertising, consumers buy the product. On its use, he feels cheated. He comes 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.

[6 marks]

Q.1. 'It is necessary that goods and services must be made available to the customer at the right place, in right quantity and at the right time'.

[CBSE Sample Paper 2015]

Q. Name and explain the concerned element of marketing-mix.

Ans. It is physical distribution.

Q. Explain the components of this element.
2015]

[CBSE Sample Paper

Ans. Components of Physical Distribution

1. **Transportation:** Transportation is that activity through which products are moved from one place to another. By making the products reach a desirable place can increase the importance and value of those products. For example: Himachal Pradesh and Kashmir grow apples in large quantities and their demand is throughout the country. These apples are moved to their desired places by means of transportation. Many means of transportation are available, like—road, railway, air, water, pipeline etc. Transportation involves cost. While choosing the means of transportation, the following elements should be kept in consideration:
 - i. Cost
 - ii. Speed,
 - iii. Dependability,
 - iv. Frequency,
 - v. Power,
 - vi. Safety.
2. **Inventory:** By inventory we mean the stock of raw material, semi-finished goods and finished goods held in anticipation of sales or use. How much inventory should be kept for various items? This is an important decision in Physical Distribution. The main reason as to why this decision is important is that if the inventory is either more or less than required, both the situations have their advantages and limitations. Like:
 - i. *Low Quantity of Stock:* If the quantity of inventory is kept low, then less amount of money is blocked and as a result of this investment is small. On the other hand, with the slight increase in demand because of the scarcity of inventory the consumers will turn to the rival companies.
 - ii. *Excessive Quantity of Stock:* If the stock is available in excessive quantity, then any demand can be met. So the risk that consumers will desert drops to zero. On the other hand, investing more in inventory will block the money unnecessarily and investments will increase. In short, after analysing the pros and cons of both the situations the decision about the adequate quantity of stock should be taken.
3. **Warehousing:** Often it is noticed that it takes sometime between purchasing/manufacturing and selling. For this time period material has to be kept in stock. Under warehousing activity the following decisions regarding the inventory of material are taken:
 - i. Which is a better option? (To own or to rent a warehouse)
 - ii. Which is the right location for a warehouse? (Nearer the factory or nearer the market).
 - iii. Which decision is more appropriate? (To locate the warehouse at one place or at different places) - by taking warehousing facility at different places, the advantage of meeting the demand of material expeditiously is

gained. Here the thing to be kept in mind is that warehousing requires investment. So after analysing its advantages and usefulness a desirable decision should be taken.

4. **Order Processing:** Order Processing means the process which is followed to fulfil the material order of the customer. Different steps of an order processing are as follows:
- i. Orders placed by consumers to salesperson.
 - ii. Transmission of order by salesperson to the company.
 - iii. Entry of order in the Company Office.
 - iv. Evaluating the reputation of the customer.
 - v. Checking inventory and preparing schedule.
 - vi. Shipment of material in accordance to the order.
 - vii. Receiving Payment.

Q.2. "It pays to advertise." Do you agree with this statement? Give reasons in support of your answer.

Ans. Yes, I do agree with this statement as it plays an important role for various parties. The role of advertisement becomes clear through the following facts:

- A. **Importance to Manufacturers:** Main benefits accruing to society on account of advertising are as follows:
- i. **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.
- B. **Importance to Society:** Main benefits accruing to society on account of advertising are as follows:
- i. **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.
- C. **Importance to Customers:** Main advantages of advertising to the customers are as under:

- i. **Reduction in Prices:** Advertising stimulates demand, production is on large-scale and cost of production per unit falls. Due to fall in production cost, price of the commodity is reduced.
- ii. **Knowledge of Various Products:** People come to know about different kinds of products by means of advertising. Thus, the customer has a large variety of goods to choose from. He picks up the best from among them.

Q.3. “Expenditure on advertisement is a social waste.” Do you agree? Discuss.

Ans. No, I do not agree with this statement as it plays an important role for various parties. The role of advertisement becomes clear through the following facts: Refer to points A, B and C of Q. 2 above.

Q.4. Is advertising socially undesirable? Explain briefly with examples.

Ans. Advertisement is not socially undesirable rather it plays very important role for various parties. The role of advertisement becomes clear through the following points: Refer to points A, B and C of Q. 2 above.

Q.5. Advertising’ and ‘Personal Selling’ both are communication tools used by the marketers to promote their products. Yet they differ in their approach. Differentiate between the two by giving any six differences.

Ans.

Basis of Difference	Advertising	Personal Selling
(i) Form	This is impersonal.	This is personal.
(ii) Message	There is uniformity of message which means that the message is the same for all the customers.	The message has no uniformity which means it can be changed keeping in view the behaviour of the customers.
(iii) Time	It takes a little time in conveying any information to the customers.	It takes more time in conveying information to the customers.
(iv) Feedback	This gives no information about the reactions of the customers.	The reaction of the customers becomes immediately known or clear.
(v) Media	TV, radio, newspapers and magazines.	Through salesmen.
(vi) Flexibility	It lacks flexibility.	It is completely flexible.

Q.6. Ashima purchased a bottle of tomato-sauce from the local grocery shop. The information provided on the bottle was not clear. She fell sick on consuming it. She filed a case in the District Forum under Consumer Protection Act and got the

relief.

[CBSE 2016]

Q. Identify the important aspect neglected by the marketer in the above case.

Ans. Labelling

Q. Explain briefly the functions of the aspect identified in (a) above.

Ans. Function of labelling: The various functions performed by labelling are as follows:

- i. **Describe the Product and Specify its Contents:** A label provides complete information regarding the product. It mainly includes ingredients of the product, its usage, caution in use, care to be taken while using it, date of manufacturing, batch number, etc.
- ii. **Identification of the Product or Brand:** It is easier to identify a particular product among many with the help of labelling. For example, you as a consumer want to select CINTHOL SOAP. The task of finding the desired soap from a heap of various branded soaps becomes easier with the help of labelling.
- iii. **Grading of Product:** When a product has different qualities, labelling helps to find out which pack contains what type of quality. For example, Hindustan Unilever Ltd., manufactures three types of tea and to differentiate the each type of tea, the company uses Green, Red and Yellow coloured labels.
- iv. **Help in Promotion of Products:** The fourth function of labelling is to promote sales. Sometimes a consumer gets encouraged to buy a product simply due to attractive label. Nowadays labelling is used as an effective sales promoting tool.
- v. **Providing Information Required by Law:** Another important function performed by labelling is to provide statutory warning required by law. To put 'smoking is injurious to health' on the package of cigarette and 'Chewing Tobacco is Injurious to Health' on the package of Pan Masala are the examples of statutory warning. Similarly, in case of hazardous or poisonous products, appropriate statutory warning need to be put on the label.

Q.7. Vasvi purchased a bottle of pickle from the local grocery shop. The information provided on the bottle was not clear. She fell sick on consuming it. She filed a case in the District forum under Consumer Protection Act and got the relief.

- a. **Identify the important aspect neglected by the marketer in the above case.**
- b. **Explain briefly the functions of the aspect identified in (a) above.**

[CBSE 2016]

Ans. Refer to Q. above