

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
FINAL EXAMINATION MAY 2006

TITLE OF PAPER (COURSE) : PRINCIPLES OF MARKETING

DEGREE AND YEAR OF STUDY: IDE BA 113 - DIPLOMA IN COMMERCE 3

TIME ALLOWED : TWO (2) HRS

INSTRUCTIONS :

- 1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 5.**
- 2. ANSWER QUESTION 1 IN SECTION A AND ANY TWO (2) FROM SECTION B.**
- 3. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION**
- 4. MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH LANGUAGE AND FOR ORDERLY PRESENTATION OF YOUR WORK.**

SPECIAL REQUIREMENTS : NONE

HIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

INSTRUCTIONS

ANSWER SECTION A AND ANY TWO (2) QUESTIONS FROM SECTION B.

SECTION A: (COMPULSORY)

QUESTION 1: CAESAR GONZALES

Caesar Gonzales played tennis. He had played the game since high school and now he was 50 years old. He still thought he was 25, but after three vigorous sets he felt like 75. So 50 just about summed, or averaged, it all up. His eyes were slower in focusing and seemed not to pick up the character of opponents' shots as rapidly as they used to. He often probed for volleys, and his ground strokes were not as accurate and powerful as they once were. And he could not cover the court as quickly as he had a mere five years ago.

Caesar had all but resigned himself to his fate when he became aware of a new type of racket – an oversized, clumsy-looking instrument. He observed a few older players and inept younger players using it on the courts. At first he viewed the object with disdain; then he saw some professional players on TV using the racket. Next Caesar played a tournament match against a fellow he thought he could dispatch with ease and lost, much to his chagrin. The opponent had used an oversized racket.

After pondering these circumstances, Caesar decided to investigate the oversize tennis racket to see what it might have to offer. He had heard of the first large racket, the Prince, but he knew there were other brands and styles. Caesar looked through all the tennis magazines for ads or articles about the rackets; he visited a sporting goods store and examined several different styles and brands of oversized rackets; he talked with tennis instructors and people he saw playing with the racket.

At this point Caesar began to identify various characteristics of each racket style and brand and decide which was most important to him. Some obvious characteristics were size, weight and price. These he had noted or speculated about from the very first time he saw an oversized racket. After investigating, he knew that other factors were equally or more important: balance, power, control, and ease of handling. Caesar concluded that he ought to try some rackets that met most of his minimum requirements, and he borrowed five from a sporting goods store.

He had decided that to be acceptable, a racket should have a certain minimum level of power, control, and ease of handling. After playing with each racket, Caesar narrowed his choice to two. He had a slight preference for racket A, but it had a price of \$ 235 and Caesar had only \$200 to spend. Racket B was not quite as desirable but could be purchased for \$99. Caesar decided to buy racket B.

SECTION B

ANSWER TWO (2) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. **Briefly describe the component parts of the micro environmental factors that affects a company's ability to serve its customers. (15)**

- b. **What is meant by the marketing management concept? (10)**

TOTAL: 25 MARKS

QUESTION 3

- a. **Discuss the factors to consider in sales forecasting. (15)**

- b. **What are the functions of a Marketing Information System (MIS) (10)**

TOTAL: 25 MARKS

QUESTION 4

- a. **Describe the three objectives of advertising. (15)**

- b. **Describe the five levels of distribution channels. (10)**

TOTAL: 25 MARKS

QUESTION 5

- a. **Describe the internal factors that influence the setting of prices for products. (20)**

- b. **What do we mean by product line stretching? (5)**

TOTAL: 25 MARKS