

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
FINAL EXAMINATION MAY 2009

TITLE OF COURSE: SALES MANAGEMENT (BA 421)
DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 4
IDE BACHELOR OF COMMERCE YEAR 5
TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 6
2. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS 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

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

INSTRUCTIONS

ANSWER SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B.

SECTION A: (COMPULSORY)

QUESTION 1: DOMESTIC PLASTICS COMPANY

On November 15th each year Clyde Brion was required to submit to top management a forecast of sales for the coming year. To that end, on September 30th each sales rep received a kit containing forms to be used in compiling a forecast of sales for the coming year in the rep's territory along with detailed instructions for their use. The company's sales forecast was then a composite of the sales rep's forecasts. Since the company sold to relatively large industrial concerns, and the reps were aware of the conditions in each customer's markets, Brion thought the system had worked rather well. Actual sales each year were within plus or minus 10 percent of the sales forecast.

All company planning, including setting sales quotas, was then based on those sales forecasts. These sales quotas became important because sales force bonuses were based on how well the reps performed in relation to their quotas. Thus each sales rep's forecast was carefully appraised by management. If it appeared to be off base Brion would go over it with the rep and the two would come to some agreement about what the sales from the rep's territory would be.

As the two top sales reps stepped up to receive their awards at the company Christmas party where year-end bonuses were distributed, some unidentified rep from the back of the room who no doubt had overly partaken of the liquid refreshments yelled, "Sandbaggers!" There was some laughter and some embarrassment.

Clyde Brion said nothing at the time. Later he inquired of a rep with whom he had close rapport. "What was that sandbagging business all about?"

"Come on Clyde," the rep replied. "Don't play innocent with me. Everyone knows the game and how to play it. Those two guys are just better than others at selling you their forecasts." Brion let the matter drop without comment. But he was deeply bothered by the implication that he was being conned by these two sales reps.

Source: Spiro, Rosann., Stanton, William., and Rich, Gregory. (2003) Management of a Sales Force. 11th Edition Irwin.

Question:

What should Clyde Brion do about this matter? (25)

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. **If a company has several branches and insists that each of its suppliers send the same sales person to all the branches, discuss five problems that can happen and how you would solve such problems. (15)**
- b. **Discuss five guidelines for motivating a sales force. (10)**

TOTAL: 25 MARKS

QUESTION 3

- a. **Discuss five sources of recruiting sales people. In each case indicate one major advantage and one major disadvantage. (15)**
- b. **Discuss the personal factors that affect an individual's morale. (10)**

TOTAL: 25 MARKS

QUESTION 4

- a. **Discuss five bases of sales volume analysis, stating one reason why you would use each chosen base to analyze your sales volume. (15)**
- b. **Discuss five ways in which a sales manager can manage sales ethics in his organization. (10)**

TOTAL: 25 MARKS

QUESTION 5

- a. **Briefly discuss whether you agree or disagree with the following statements in personal selling: (15)**
 - 1. **Sales people are born not made.**
 - 2. **Sales people must be good listeners not talkers.**
 - 3. **Selling is a matter of knowing the right tricks.**
 - 4. **A good sales person can sell anything.**
 - 5. **People do not want to buy.**
- b. **Discuss five methods that a sales manager can use to train sales representatives, indicating the major advantage of using each method. (10)**

TOTAL: 25 MARKS

QUESTION 6

- a. Discuss the three levels of relationship marketing. Indicate one advantage and one disadvantage of each. (15)**

- b. Discuss the advantages and disadvantages of specialization of the sales force by using account size. (10)**

TOTAL: 25 MARKS