

**UNIVERSITY OF SWAZILAND**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**FINAL EXAMINATION MAY 2010**

**TITLE OF COURSE: PRINCIPLES OF MARKETING (BA 113)**

**DEGREE AND YEAR: DIPLOMA IN COMMERCE YEAR 1  
DIPLOMA IN COMMERCE YEAR 2  
B. ED. COMMERCE**

**TIME ALLOWED: THREE (3) HOURS**

**INSTRUCTIONS:**

- 1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 5**
- 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: DO IT YOURSELF PEACE OF MIND**

**The first do-it-yourself HIV home test has been launched in South Africa, following the success of AIDS home testing in Europe and USA. Available on mail order for R85.00 and at some Gauteng pharmacies for about R97.00, the HIV Home Test Kit is the idea of Johannesburg pharmacist Gavin Humphrey. The kit is manufactured by Veda Laboratories in France and is 97% accurate, according to the World Health Organization. The rights to import and distribute the product in Southern Africa are held by Promex Diagnostics, a local medical equipment supplier.**

**The kit has been widely used by the SA Blood Transfusion Service and medical professionals over the past three years. Humphrey is the first to market it direct to the consumer in individual packs through his small marketing and sales agency, EGI Consumer Products. Based on the “major interest” expressed so far, he conservatively expects to sell 100 000 kits in the next 12 months, primarily to the black rural and township market. He says demand has been strongest from this population because it lacks adequate access to clinics and laboratory services, where the confidentiality of test results is not always secure.**

**Keen interest has also been expressed by medium to large employers, mostly of blue-collar workers, who want to make the kit available to their staff. “We are also talking to the Department of Health and are presenting the kit to them in January,” Humphrey says. “We are pushing for government to make it available to the public free of charge if we supply it on tender. The HIV home test is painless,” he says. “You just use a needle to squeeze a drop of blood from your finger, add a few drops of liquid from the kit to the blood and wait for a few minutes. If two pink lines appear on the test device, you are HIV positive. This cuts out the agonizing wait of two weeks for laboratory result and confidentiality is also ensured.”**

#### **Questions:**

- 1. In what stage of the product life cycle is the do-it-yourself HIV home test kit in South Africa? (5)**
- 2. Describe the early adopters of the do-it-yourself HIV home test kits. (10)**
- 3. Considering the R85.00 per product, do you think that the marketers of do-it-yourself HIV home test kits are using a price skimming or a market penetration strategy? Justify your answer. (10)**

**TOTAL: 25 MARKS**

## **SECTION B**

**ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION**

### **QUESTION 2**

- a. **Identify and briefly discuss five criticisms of marketing. In your answer indicate how you, as a marketing student, can justify these concerns. (15)**
- b. **Discuss five factors that affect an organization's pricing decisions. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 3**

- a. **Define the macro environment of marketing. Identify and briefly discuss seven forces in the macro environment that can affect a company's marketing activities. (15)**
- b. **Discuss five advantages and five disadvantages of radio advertising. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 4**

- a. **Define market segmentation. Identify and briefly discuss seven ways in which industrial markets can be segmented. (15)**
- b. **Identify and briefly discuss ten types of retailers, as classified according to the product line they carry. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 5**

- a. **The first step in new product development is idea generation. Briefly explain what this entails. Discuss the seven steps that follow idea generation. (15)**
- b. **Identify and briefly discuss the five psychological factors that can influence the behaviour of consumers. (10)**

**TOTAL: 25 MARKS**

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**PRINCIPLES OF MANAGEMENT – BA 211**  
**DIPLOMA IN COMMERCE**  
**MAIN EXAMINATION – 2010**  
**LECTURER: STEVE N. ISICHEI**  
**DURATION: THREE (3) HOURS**  
**SECTION A – CASE STUDY (40 MARKS)**

**Instructions**

1. **Read the case study below and answer all the questions that follow**
2. **Write clearly and legibly**

Goldhurst Engineering is a leading construction company located in the suburb of Oklahoma City in United States of America. The company was headed by Engineer George Wilkinson, a young and energetic engineer. Two years after joining the company in 2003, the company recorded an after tax profit of two hundred and fifty million United States Dollars (US\$2.5m). This success was attributed to several factors, which include:

1. Employee motivation
  2. Effective two-way communication
  3. Effective leadership
  4. Good superior-subordinate relationship
1. **Employee Motivation:** Engr. Wilkinson understood the fact that employees have different levels of needs. He identified these needs and tried as much as he could to ensure that these needs were met
  2. **Communication:** Engr. Wilkinson encouraged a two-communication, adopting the seven C's of Communication

3. **Leadership:** Engr. Wilkinson adopted a leadership style in which achievement is attained by workers who are motivated and pursue the goals of the organization with goodwill
4. **Relationship:** Engr. Wilkinson excelled in this area of his management function as he tried to balance up his position and relationship with his subordinates. All the employees were treated with respect irrespective of their levels and abilities. He communicated frankly and honestly with his subordinates and created a very conducive environment for communication and interaction

### QUESTIONS

1. Identify and briefly discuss the elements of the motivation process (10 Marks)
2. Discuss Maslow's Hierarchy of Needs and its value to managers and organizations (10 Marks)
3. Identify and briefly discuss the seven C's of communication (10 Marks)
4. From your understanding of leadership style, do you think the leadership style adopted by Engr. Wilkinson is the best style? If yes, why? If no, why? (5 Marks)
5. From the case study, what steps did Engr. Wilkinson take to ensure good relationship between him and his subordinates (5 Marks)

### SECTION B (60 MARKS)

#### Answer All Questions

1. The control function ensures that actions conform to set standards:
  - a) Describe the characteristics of an effective control system (10 Marks)
  - b) Explain the steps in the control process (10 Marks)
2. Understanding the nature of goals, especially their hierarchy and areas of focus enables managers to formulate goals for the organization, for its department and sections, and for individuals in them, that focus on the mission of the organization
  - a) Discuss in detail, the characteristics of a good goal (15 Marks)
  - b) Discuss the focus areas of goal setting (5 Marks)

3. Delegation is the process through which managers assign a portion of their total workload to others:
  - a) List and explain the principles that can be used as guidelines to help managers be more effective in delegation (10 Marks)
  - b) Identify the advantages of delegation and obstacles to effective delegation (10 Marks)
  
4. Ethics can be defined as the code of moral principles and values that directs the behaviour of an individual or a group in terms of what is right or wrong. With reference to this statement:
  - a) List and discuss the different levels of ethical decision-making
  - b) Discuss the steps in the ethical decision-making process (10 Marks)
  
5. Because the organization is an open system, managers cannot make decisions based solely on economic considerations. With reference to this statement:
  - a) Discuss the levels of social responsibility (10 Marks)
  - b) There is no standard recipe for moral corporate governance but there are some broad guidelines that can be adjusted to the specific needs of each organization. Identify and briefly discuss these guidelines (10 Marks)