

**UNIVERSITY OF SWAZILAND**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**MAIN EXAMINATION MAY 2013**

**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 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: STRONG POINT FINANCIAL SERVICES**

Rafael Sanchez is about to begin his career as a financial investment representative with Strong Point Financial Services, a national company specializing in investment opportunities for individuals. Strong Point provides its customers with the ability to trade and own individual stocks and bonds. It also helps them manage their Retirement Accounts and big accounts. Strong Point emphasizes a conservative investment philosophy of 'buy and hold' and seeks clients who have the same philosophy. It differs from investment firms that encourage account holders to execute stock or bond trades often, thus creating commissions for the investment representative. The target market for Strong Point includes small business owners, empty nesters (people whose children have grown up and left home), two-income households with no children, and retired people. Strong Point's investment representatives have had much success targeting this group of customers, and Rafael is eager to get started.

Rafael has just finished a 7 week training program for Strong Point's new investment representatives. He learned about the products and services Strong Point provides, who is included in the company's target market, how to identify potential customers, and how to present and sell financial services. Now that Rafael is back in his company-assigned territory, he has been assigned a company mentor to help him through his first two years of employment with the company. Rafael's mentor, John Green, has been with the company for 11 years and has been extremely successful. In their first meeting, Rafael and John discuss how Rafael can begin to develop a list of prospects that will generate some clients for his new investment practice.

JOHN: "Rafael, what do you plan to do to begin generating clients for your business?"

RAFAEL: "Well, at training, they said there is no substitute for knocking on doors and introducing myself to people. I'll start doing that tomorrow. I already have a couple of places which I have in mind with a lot of retired people."

JOHN: "That sounds like a good idea, and it looks as though you've picked the right places. How many prospects do you plan to see in a day?"

RAFAEL: "I want to make at least 20 contacts, which means getting their names, addresses, and phone numbers so I can follow up with them later. If I can get other information, such as whether they have already invested in the stock market or what their investment philosophy is, that will be great. But right now, I'll settle for an OK to contact them later with information about a potential investment in which they may be interested. If I reach my goal of 20 contacts per day, by the end of four weeks I'll have 400 names and addresses in my database. It'll require a lot of work but I got into this business to be successful and that's what I plan to do."

JOHN: "That sounds great. What else do you have planned?"

RAFAEL: "Well, I've contacted the local chamber of commerce. They keep a listing of all businesses owned by individuals and a separate list of businesses employing fewer than 50 people. I figure this will be a good source of information to begin targeting small business owners. They're sending me the lists and I should have them by the end of the week. Another thing I'm considering is having a booth at the place where home builders and building products suppliers display their products. I hear they get a big attendance at the show and I should be able to make some contacts there. What do you think?"

JOHN: "Those both sound like great ideas, especially the chamber of commerce lists. I'm not sure what your success will be at the home show, but it's worth a shot. In a couple of months you should consider putting on a seminar on one of the topics the company has provided, such as the difference between stock and bond investing. The last person I mentored, Maria Stewart, found that many of her current clients were people who had attended one of her seminars."

RAFAEL: "Thanks for the tip. I'll keep the seminar idea in mind and start thinking about an appropriate topic. As you can tell, I'm eager to get started."

JOHN: "That's great. I'll touch base with you later in the week to see how things are going. Good luck."

### **QUESTIONS**

1. Which methods of prospecting has Rafael decided to use? Are they the most appropriate for his situation? (10)
2. As Rafael continues to develop his client base, what other sources of prospects do you recommend he tries? Why do you think these methods may be successful for him? (10)
3. Assume you are Rafael's mentor, John Green. What major recommendations would you make to help Rafael get the most out of his prospecting efforts? (5)

**TOTAL: 25 MARKS**

### **SECTION B**

#### **INSTRUCTIONS**

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

#### **QUESTION 2**

- a. A company has many branches and it insists that each of its suppliers should send the same sales people to all the branches. Discuss five problems that may happen in this situation highlighting how you would solve such problems. (15)
- b. Identify and briefly explain ten factors that affect the morale of an individual sales person. (10)

**TOTAL: 25 MARKS**

### **QUESTION 3**

- a. **Discuss five bases of sales volume analysis. In your answer state one reason why you would use the chosen bases to analyze your sales volume. (15)**
- b. **It is important for sales managers to ensure that ethical standards are adhered to. Briefly discuss five ways of managing ethics. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 4**

- a. **There are changes in the sales environment that have resulted in some issues that sales managers have to deal with. Discuss these issues giving an example in each case. (15)**
- b. **A sales manager has to consider whether to provide company transport or to have the sales people use their own transport. Discuss the factors that would guide such a decision. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 5**

- a. **Discuss the three major methods of designing an organizational structure. Indicate one advantage and one disadvantage of each method. (15)**
- b. **Identify and briefly explain the ten methods that a sales manager can use to forecast sales. (10)**

**TOTAL: 25 MARKS**