



# SLIM

Founded in 1970 Incorporated by  
Act No: 41 of 1980 of the Parliament  
of the Democratic Socialist Republic of Sri Lanka

## Sri Lanka Institute of Marketing

### Preliminary Certificate in Marketing

### 23 December 2018 – Examination

### PCM IV 2018 – 100<sup>th</sup> Intake, 28<sup>th</sup> Year

<b>Candidate's Registration Number</b> (As per in the examination admission form / Student ID)	0	0	0	0	0						
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<b>For Examiner's use only</b>	<b>Part One</b>	<b>1<sup>st</sup> Marker</b>	<b>2<sup>nd</sup> Marker</b>	<b>Final Marks</b>
<b>Examiner's Comments</b>	Question 01			
	<b>Part Two</b>			
	<b>Question No.</b>			
	Question 02			
	Question 03			
	Question 04			
	Question 05			
	Question 06			
	Question 07			
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	Question 11			
	<b>Part Three</b>			
	<b>Question No.</b>			
	Question 12			
	Question 13			
	Question 14			
	Question 15			
	<b>Total</b>			
<b>Second Examiner's Comments</b>				

# Instructions to Candidates

Time: 0930 hrs – 1230 hrs

Duration: Three (03) hours

There are three parts in this question paper.

## Part One

- This part has 40 multiple choice questions. It is a **compulsory** section. Candidates are expected to select the most suitable answer and tick the selected answer in the given box in the question paper itself.

## Part Two

- Candidates are expected to answer the questions in the space provided in the question paper. **All answers are compulsory.**

## Part Three

- Candidates are expected to answer **only two** questions out of four.
- Answers should be written in the additional supplementary answer sheets provided and they should be attached to the question paper itself.

## Other Instructions

- State your Registration Number on the front cover of the answer book and on each and every additional paper attached to it. Your name must not appear anywhere in the answer book or answer scripts.
- Always start answering a question on a new page.
- You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.
- Answer the questions using:
  - Effective arrangement and presentation
  - Clarity of expression
  - Logical and precise arguments
- Illegible hand writing will be penalised.

## PART ONE

Read the question and select the most appropriate answer  
Tick your choice in the given space

### Question 01

#### Question 1.1

Fill in the blank with the correct words:

Marketing is a management process responsible for \_\_\_\_\_, anticipating and \_\_\_\_\_ customers' requirements profitably.

- a) Identifying, satisfying
- b) Organizing, distributing
- c) Selling, marketing
- d) Producing and selling

#### Question 1.2

Production orientation refers to:

- a) Focus on production efficiency and distribution efficiency
- b) Ensure the product quality is maintained and improved continuously
- c) An attitude in mind where the customer is at the center of all business purposes
- d) Focus on production efficiency, aggressive selling and product quality

#### Question 1.3

Customer value is dependent on the following:

- a. Customer value = Perceived benefits - Perceived sacrifice
- b. Customer value = Perceived sacrifice - Perceived image
- c. Customer value = Perceived benefits x Perceived sacrifice
- d. Customer value = Perceived Sacrifice - Perceived profits

#### Question 1.4

The organization's internal marketing environment consists of:

- a) Staff relationships, Resource constraints and Corporate culture
- b) PESTEEL factors
- c) Customers, Intermediaries, Government and Pressure groups
- d) Competitors, Suppliers, Management and Government officials

**Question 1.5**

- a) Suppliers are a crucial part of an organization's micro environment.
- b) The organization's macro environment includes political environment.

From the above statements, which one is correct?

- a. Only statement a is correct
- b. Only statement b is correct
- c. Both statements are correct
- d. Both statements are false

**Question 1.6**

Identifying and understanding the key requirements of the customers and then offering them with the appropriate marketing mix, that meets and exceeds these requirements better than competitors leads to the:

- a) Creation of a competitive advantage
- b) Creation of economies of scale
- c) Creation of distribution efficiency
- d) Creation of organisation efficiency

**Question 1.7**

Which of the following elements in the marketing mix refers to convenience from a consumer's point of view?

- a) Product
- b) Price
- c) Place
- d) Promotion

**Question 1.8**

Which one of the following is an external source of secondary data?

- a) Central bank reports
- b) Inventory records
- c) Accounting records
- d) Sales force reports

**Question 1.9**

Fill in the blank with the appropriate word.

\_\_\_\_\_ involves the collection of data such as customer attitudes, opinions which is difficult to quantify.

- a) Secondary research
- b) Quantitative research
- c) Observational research
- d) Qualitative research

**Question 1.10**

Cognitive dissonance occurs due to:

- a) Doubts that occur because the buyer questions whether the right decision was made in purchasing the product
- b) The chosen alternative has some positive characteristics and the rejected alternatives have some negative drawbacks
- c) The stage when the consumer seeks for more information to solve a given problem
- d) None of the above

**Question 1.11**

Fill in the blank with the correct word:

The \_\_\_\_\_ consists of “all individuals and units that play a role in the purchase decision – making process.”

- a) Decision making unit
- b) Management
- c) Intermediaries
- d) Suppliers

**Question 1.12**

1. Consumer market means all the individuals and households who buy goods and services for organizational consumption
2. The individual who actually uses the product or consumes it is known as the consumer

From the above statements, which one is correct?

- a) Only statement 1 is correct
- b) Only statement 2 is correct
- c) Both statements are correct
- d) Both statements are false

**Question 1.13**

The three major steps in target marketing are:

- a) Market segmentation, marketing mix and communication mix
- b) Market segmentation, market targeting and market positioning
- c) Market segmentation, demographic segmentation and market positioning
- d) Product, place, promotion and advertising

**Question 1.14**

A market place in which all the individual and households buy goods and services for personal consumption is defined as:

- a) Consumer market
- b) Industrial market
- c) Monopoly market
- d) Business market

**Question 1.15**

The key requirements for an effective market segmentation are:

- a) Specific, measurable, attainable, relevant and acceptable
- b) Suitable, feasible, accessible, acceptable and measurable
- c) Measurable, substantial, accessible, differentiable and actionable
- d) Substantial, measurable, attainable, acceptable and relevant

**Question 1.16**

The five levels of a product in correct order is:

- a) The expected level
- b) The core product
- c) The augmented product
- d) The potential product
- e) The actual or basic level

- a) B, E, A, C, D
- b) D, B, A, E, C
- c) E, B, C, A, D
- d) B, A, E, C, D

**Question 1.17**

Idea screening with regard to a new product development process is:

- a) Collection of information from competitors to improve your business
- b) Picking the good ideas and dropping the poor ones
- c) The systematic search for new product ideas
- d) Picking the bad ideas and dropping the good ones

**Question 1.18**

Which of the following statements are correct with reference to launching a new product?

1. In the Sprinkler strategy marketers make the product available in all target areas at the same time.
2. Waterfall strategy is an alternative and it involves building towards full national coverage by starting with one or few areas and then gradually adding new areas.

- a) Only 1 is correct
- b) Only 2 is correct
- c) Both are correct
- d) None of them are correct

**Question 1.19**

Fill in the blank with the correct word:

The rate at which the product moves through the adoption categories is the function of a process called the \_\_\_\_\_.

- a) New product development
- b) Product concept
- c) Brand recognition
- d) Diffusion of innovations

**Question 1.20**

Routine response purchases are commonly associated with which of the following?

- a) FMCG products
- b) Specialty products
- c) Industrial equipment
- d) Business products

**Question 1.21**

The costs which do not vary with changes in the number of units produced is known as:

- a) Variable costs
- b) Production costs
- c) Fixed costs
- d) Variable profits

**Question 1.22**

A pricing approach which involves setting very low prices on certain selected essential fast moving products or brands as an attraction to draw customers into the store in the hope that they will buy other items at normal prices is known as:

- a) Competitor-based pricing
- b) Market penetration pricing strategy
- c) Loss leader pricing
- d) Customary pricing

**Question 1.23**

Which one of the following is considered a psychological pricing strategy?

- a) Markup pricing
- b) Cost-plus pricing
- c) Odd pricing
- d) Cash rebates

**Question 1.24**

The Market coverage strategy which focuses on an approach which uses a small number of outlets within a defined geographical area to distribute the products is known as:

- a) Intensive distribution
- b) Selective distribution
- c) Exclusive distribution
- d) Physical distribution

**Question 1.25**

The key aspects of physical distribution management are:

- a) Inventory management, quality control, and transportation
- b) Manufacturing, quality control, inventory management, and transportation
- c) Order processing, inventory management, and quality control
- d) Order processing, materials handling, warehousing and inventory management

**Question 1.26**

Fill in the blank with the correct words:

Marketing communications are the means by which an organisation attempts to, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ consumers – directly or indirectly – about the products they sell.

- a) Inform, persuade, remind
- b) Inform, persuade, awareness
- c) Awareness, inform, communication
- d) Inform, communication, remind

**Question 1.27**

A producer who directs marketing activities primarily through personal selling and trade promotions towards channel members to induce them to carry the product and to promote it to final consumers is adopting:

- a) A push strategy
- b) A pull strategy
- c) Public relations strategy
- d) None of the above

**Question 1.28**

Amex Engineering (Pvt) Limited is an engine manufacturer whose products are used in the production of automobiles.

Which of the following is most likely to be its main method of promotion?

- a) Personal selling
- b) Mobile marketing
- c) Advertising
- d) Cinema advertising

**Question 1.29**

Selecting an appropriate message and using the best media are both key decisions when developing which element of the marketing mix?

- a) Place
- b) Price
- c) Product
- d) Promotion

**Question 1.30**

Unilac Marketing is a FMCG company marketing a range of convenience goods. It wants to create awareness about a change of packaging in one of their products.

Which of the following is likely to be the best method?

- a) Press advertising
- b) Public service activities
- c) Catalogue marketing
- d) Cash rebates

**Question 1.31**

Creating a news story or an official statement that brings the product or organisation to the public attention is termed as:

- a) Relationship marketing
- b) Personal selling
- c) Marketing myopia
- d) Press releases

**Question 1.32**

The latest on-the go, on demand technologies, in which consumers can download audio files or a video file via internet to a handheld device is known as:

- a) Podcasts and vending machines
- b) Podcasts and Vodcasts
- c) Podcasts and ITV
- d) Vodcasts and vending machines

**Question 1.33**

Identify the type of marketing control required to examine where the organisation is making and losing money is known as:

- a) Efficiency control
- b) Strategic control
- c) Profitability control
- d) Annual plan control

**Question 1.34**

One of the most commonly used and well accepted audit tools in the marketing fraternity is known as:

- a) Growth matrix
- b) Sales forecasting
- c) New product development
- d) SWOT analysis

**Question 1.35**

An organization's strengths and weaknesses relates to which of the following?

- a) Macro-environment
- b) Competitive environment
- c) Internal environment
- d) Micro-environment

**Question 1.36**

A clear statement of what the organisation is going to achieve through its marketing activities is known as:

- a) Marketing control
- b) Executive summary
- c) Marketing objectives
- d) Marketing strategies

**Question 1.37**

Fill in the blank with the appropriate word:

The outcome of the marketing planning process is known as the \_\_\_\_\_, which indicates how the organisation plans to achieve its marketing objectives.

- a) Financial plan
- b) Distribution plan
- c) Marketing plan
- d) Communication plan

**Question 1.38**

All activities that a marketer carries out to ensure that the set marketing plan is carried out as scheduled is known as:

- a) Marketing audit
- b) Control process
- c) PESTEEL analysis
- d) SWOT analysis

**Question 1.39**

A marketing technique for making a web page appear more frequently above others in a list of results from a search engine is known as:

- a) Social media
- b) Digital marketing
- c) Search engine optimization
- d) Permission marketing

**Question 1.40**

A form of internet marketing that utilizes social networking websites as a marketing tool to attract website traffic or attention through social media sites is known as:

- a) Internet
- b) Extranet
- c) Social media marketing
- d) E-commerce

**(Total 40 Marks)**

## PART TWO

Answer all questions in the given space

### Question 02

Briefly explain the following terms.

- What is a selling concept?

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- What is a marketing concept?

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**(04 Marks)**

### Question 03

Identify four (04) benefits of implementing a marketing concept in an organisation.

- a) .....
- b) .....
- c) .....
- d) .....

**(04 Marks)**

**Question 04**

Briefly explain the four (04) traditional marketing mix elements.

1. ....

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2. ....

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3. ....

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4. ....

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**(04 Marks)**

**Question 05**

a) What is primary data?

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b) Briefly explain two (02) methods of collecting primary data.

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- .....  
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- .....

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(04 Marks)

**Question 06**

Below is an illustration that explains the consumer buying decision process. Fill in the boxes in the correct order and briefly explain any two (02) stages of this process.



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- .....

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(04 Marks)

**Question 07**

Briefly explain the following target marketing strategies with the aid of a diagram.

- a) Differentiated marketing

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- b) Concentrated marketing

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(04 Marks)

**Question 08**

a) What is a brand?

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b) Identify four (04) reasons why an organisation introduces new products.

1. ....
2. ....
3. ....
4. ....

**(04 Marks)**

**Question 09**

Briefly explain the following pricing strategies with relevant examples:

a) Market skimming pricing strategy

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b) Promotional pricing strategy

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**(04 Marks)**

**Question 10**

a) What is direct marketing?

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b) List (04) four techniques or major forms of direct marketing:

1. ....
2. ....
3. ....
4. ....

**(04 Marks)**

**Question 11**

What is E-commerce? List four (04) advantages of E-commerce to consumers/customers.

- What is E-commerce?

.....  
.....

- Four advantages of E-commerce are as follows:

1. ....
2. ....
3. ....
4. ....

**(04 Marks)**

**(10 Questions x 4 Marks)**

**Total of 40 Marks**

## **PART THREE**

**Select 2 out of 4 questions and answer them in supplementary sheets.  
Attach your answer sheets to the question paper.**

### **Question 12**

With the aid of a diagram explain the different stages of a relationship marketing ladder of customer loyalty and list four (04) benefits of relationship marketing to an organisation.

**(10 Marks)**

### **Question 13**

Briefly explain with relevant product examples the four major classifications of consumer products and list (03) three functions of packaging to an organisation.

**(10 Marks)**

### **Question 14**

Briefly explain the key elements of the communication process model and identify the five (05) marketing communication/promotional mix elements an organisation could use to communicate with its target market.

**(10 Marks)**

### **Question 15**

Briefly explain the key stages of the marketing planning process and list (02) two key benefits of marketing planning to an organisation.

**(10 Marks)**

**(10 Marks x 2 Questions)**

**Total of 100 Marks**

**-END-**