

Marketing

1. The marketing management philosophy which uses availability and affordability as a means to achieve the objectives is : (2024)

- (A) Marketing concept
- (B) Selling concept
- (C) Product concept
- (D) Production concept

Ans. (D) Production concept

2. Identify the tool of promotion used by 'Mehta Sons Garments' to boost its sales: (2024)

- (A) Advertising
- (B) Personal selling
- (C) Sales promotion
- (D) Public relations

Ans. (C) Sales promotion

3. Which of the following is not a component of 'Physical Distribution' ? (2024)

- (A) Inventory control
- (B) Standardisation and grading
- (C) Order processing
- (D) Transportation

Ans. (B) Standardisation and grading

4. Beenu had a bookstore in Sabad called 'Book-mark'. For years, the bookstore was doing reasonably well but with the rise of digital books and online retailers, her sales had declined. Beenu's daughter, who had just completed her MBA with a specialisation in marketing decided to launch a marketing campaign to revive the bookstore. The campaign's focus was on the joy of reading books in physical form, the joy of turning pages and the warm atmosphere of the bookstore. She organised story writing and other competitions every weekend. The information of these was given to the parents and children through television, radio, children's magazines, etc. Attractive prizes were offered to the winners. This



increased the footfall of the children and their parents and the bookstore soon became popular.

The tool of communication used by Beenu's daughter to revive the bookstore was: (2024)

- (A) Advertising
- (B) Personal selling
- (C) Sales promotion
- (D) Public relations

Ans. (D) Public relations

5. Explain the following techniques of Scientific Management : (2024)

(i) Time study

(ii) Differential piece wage system

(iii) Motion study

Ans. (i) Time study:

- It is a technique of scientific management which determines the standard time taken to perform a well defined job.
- It is used to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.

(ii) Differential piece wage system:

- Differential Piece Wage System is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency.
- In this plan, there are two piece rates – one for those workers who produce the standard output or more, and the other for those who produce less than the standard output.

(iii) Motion study:

- Motion study refers to the study of movements which are undertaken while doing a typical job.
- It seeks to eliminate unnecessary movements so that it takes less time to complete the job efficiently.

6. Explain the following features of principles of management : (2024)

(i) General guidelines

(ii) Mainly behavioural

(iii) Formed by practice and experimentation

Ans. (i) General guidelines:

- The principles of management are guidelines to action but do not provide readymade straitjacket solutions to all managerial problems.
- It is so because real business situations are very complex and dynamic and are a result of many factors.

(ii) Mainly behavioural:

- Management principles aim at influencing behaviour of human beings.
- They enable a better understanding of the relationship between human and material resources in accomplishing organisational purposes.

(iii) Formed by practice and experimentation:

- The principles of management are formed by experience and collective wisdom of managers.
- The principles are formed by experimentation.

7. Atul Sharma was the Chief Executive Officer of a footwear company, 'Stepone Footwear'. The company manufactured innovative and comfortable footwear for all age groups. Atul Sharma was known for meticulous planning. He ensured that the goals and objectives of the company are clearly stated so that they act as a guide for deciding what action should be taken and in which direction. Before each season, 'Stepone Footwear' carefully analysed market trends, customer preferences and production schedules. This analysis enabled the company to look ahead and anticipate changes and develop managerial responses, wherever necessary. As a result, they were able to consistently deliver innovative and comfortable shoes to the market.

During one season, there was a sudden surge in demand for eco-friendly shoes. 'Stepone Footwear' had already planned their production for the year with specific goals to be achieved within a specific time frame. The managers of 'Stepone Footwear' did not have the flexibility to change the plan to cope with the changed circumstances. Another shoe company 'Eco Step' quickly adapted and started manufacturing comfortable eco-friendly shoes. By not being able to adjust to the rapidly changing market, 'Stepone Footwear' faced inventory surplus while 'Eco Step' emerged as a market leader in sustainable eco-friendly footwear.

Quoting lines from the above paragraph, identify and explain two benefits and two limitations of 'Planning' function of management discussed in the above case.

(2024)

Ans. Benefits of planning:

(i) Planning provides directions:

Planning provides direction for action by stating in advance how work is to be done.

“He ensured that the goals and objectives of the company are clearly stated so that they act as a guide for deciding what action should be taken and in which direction.”

(ii) Planning reduces the risks of uncertainty:

By deciding in advance, the tasks to be performed, planning shows the way to deal with changes and uncertain events.

“This analysis enabled the company to look ahead and anticipate changes and develop managerial responses, wherever necessary”

Limitations of planning:

(i) Planning leads to rigidity:

In an organisation, a well defined plan is drawn up with specific goals to be achieved within a specific time frame, these plans then decide the future course of action and managers may not be in a position to change it.

“The managers of 'Stepone Footwear' did not have the flexibility to change the plan to cope with the changed circumstances.”

(ii) Planning may not work in a dynamic environment:

The organisation has to constantly adapt itself to changes taking place in the dynamic environment. However, planning cannot foresee everything and thus, there may be obstacles to effective planning.

“By not being able to adjust to the rapidly changing market, 'Stepone Footwear' faced inventory surplus while 'Eco Step' emerged as a market leader in sustainable eco-friendly footwear.”

8. Give the meaning of 'Training'. Explain the following methods of training :

(i) Apprenticeship Training, (ii) Internship Training (2024)

Ans. Training:



Training is any process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.

OR

It is a process of learning new skills and application of knowledge in order to improve the performance of employees on the current job or prepare them for any intended job.

(i) Apprenticeship Training:

- Under this method of training, the trainee is put under the guidance of a master worker, in order to acquire a higher level of skill.
- It is useful for people to become, for example, plumbers, electricians, etc.

(ii) Internship Training:

- It is a joint programme of training, in which educational institutions and business firms cooperate.
- Selected candidates work in some factory or office to acquire practical knowledge and skill, along with their regular studies.

9. Explain any four points of importance of 'Directing' function of management.

(2024)

Ans. Importance of directing:

(i) Initiates action:

Directing helps to initiate action among people in an organisation towards attainment of desired objectives.

(ii) Integrates employees' efforts:

Directing integrates employees' efforts in the organisation in such a way that every individual effort contributes to the organizational performance. Thus, it ensures that the individuals work for organisation's goals.

(iii) Guides employees to fully realise their potential:

Directing guides employees to fully realise their potential and capabilities by motivating and providing effective leadership.

(iv) Facilitates introduction of needed changes:

A manager reduces resistance to change through motivation, communication and leadership, and develop required cooperation in introducing changes in the organisation.

(v) Brings stability and balance in the organisation:

It fosters cooperation and commitment among the people and helps to achieve balance among various groups, activities and the departments.

Previous Years' CBSE Board Questions

11.1 Marketing-Concept, Functions and Philosophies

MCQ

1. 'Roma Ltd.' identified the needs of the customers for the successful marketing of their products. This was important for making an analysis of the available opportunities, threats, weaknesses and strengths of the organisation and help in deciding what opportunities can best be pursued by it. By doing so, which of the following functions of marketing is being performed by 'Roma Ltd.?'

- (a) Standardisation and grading
- (b) Product designing and development
- (c) Marketing planning
- (d) Gathering and analysing market information (2023)

2. Rajeev, a leading rice seller, always ensures that rice conforms to the predetermined standards of quality, price and packaging which reduces the need for inspection and testing. He also classified the rice into regular choice basmati, mogra basmati, dabar basmati and super basmati according to the quality of rice and has fixed the prices accordingly.

Which function of marketing is being discussed here?

- (a) Gathering and analysing market information
- (b) Product designing and development
- (c) Market planning
- (d) Standardisation and Grading (Term-1, 2021-22)

3. The marketing philosophy which advocates that business should not be short-sighted to serve only consumer needs but should also consider the larger issues of social problems like environmental pollution, deforestation, adulteration as well, is known as:

- (a) Product concept
- (b) Marketing concept
- (c) Production concept
- (d) Societal marketing concept. (Term-1, 2021-22)



4. The marketing management philosophy which aims at earning profit by making continuous product improvements is:

(a) Marketing concept

(b) Selling concept

(c) Production concept

(d) Product concept. (Term-1, 2021-22)

5. 'Marketing Planning' as a function of marketing means to develop a plan for:

(a) Identifying the needs of the customers

(b) Analysing the available opportunities and threats in the organisation

(c) Increasing the level of production, promotion of product etc., and specifying the action programmes

(d) Developing repeat purchases by the customers. (2021 C)

VSA (1 mark)

6. What is meant by 'Marketing Management'? (Delhi 2019)

7. Why is the understanding of 'Marketing Management Philosophies' important?
(2018)

8. Name the market function which is concerned with informing the customers about the firm's products. (Delhi 2016)

9. Beauty Product Ltd.' is a natural and ethical beauty brand famous for offering organic beauty products for men and women. The company uses plant-based materials for its products and is the No. 1 beauty brand in the country. It not only satisfies its customers but also believes in overall protection of the planet

Identify the marketing management philosophy being followed by 'Beauty Products'. Ltd. (Delhi 2015)

SA I (3 marks)

10. JTM Ltd. launched 'Buddyline, an exercise book and comprehensive stationery brand name comprising of ball pens, gel pens and geometry boxes after identifying the target market and understanding the needs and wants of the consumers of that market. All their products were of good quality and eco-friendly but expensive. They wanted to distinguish their products from that of their competitors. They spent lot of efforts, time and money in creating the brand name, as they knew that without a brand name, they can only create awareness for the generic products and can never be sure of the sale of their products. The



effort paid off and the demand for the products started growing. The customers liked the brand and became habitual to it. They did not mind paying a higher price. Over a period of time, it became a status symbol to buy 'Buddyline' brand because of its quality. The consumers felt pride in using them.

(i) Identify the marketing management philosophy followed by JTM Ltd.

(ii) Explain the advantages of branding to the marketers highlighted in the above case. **(Delhi 2019)**

11. Ginika, Tanish and Rohit were friends from college days and now they are doing different kinds of business. They regularly meet and discuss their business ideas and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns etc.

In one of such meetings, Ginika drew the attention of Tanish and Rohit towards the exploitation of consumers. She said that most of the sellers were exploiting the consumers in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing, whereas she was not doing so.

Tanish said that they were under pressure to satisfy the consumers, but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same.

Rohit stressed that a company cannot achieve its objectives without understanding the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind because business is run by the resources made available to them by the society. He further stated that he himself was taking into consideration the needs of the customers.

Identify the various types of thinking that guided Ginika, Tanish and Rohit in the marketing efforts of their business. Also, state one more feature of the various types of thinking identified that is not given in the above para. **(Delhi 2017)**

12. Identify and explain the marketing management philosophy which implies that products and services are bought not merely because of their quality or brand name, but because they satisfy a specific need of a customer.

(Delhi 2014C)

LA (5 marks)

13. After acquiring the necessary knowledge and skills on starting an Aloevera Farm, Ashok wanted to be the leading manufacturer of Aloevera products worldwide. He observed that the products were expensive as the demand of the products was more than the supply. He was also keen to promote methods and practices that were economically viable, environmentally sound and at the same time protecting public health.



Ashok's main consideration was about the amount of money paid by the consumers in consideration of the purchase of Alovera products. He also thought that competitor's prices and their anticipated reactions must also be considered for this. After gathering and analysing information and doing correct marketing planning, he came to know that the consumers compare the value of a product to the value of money which they are required to pay. The consumers will be ready to buy a product when they perceived that the value of the product is at least equal to the value of money which they would pay.

Since he was entering into a new market, he felt that he may not be able to cover all costs. He knew that in the long run the business will not be able to survive unless all costs are covered in addition to a minimum profit. He examined the quality and features of the products of the competitors and the anticipated reactions of the consumers. Considering the same, he decided to add some unique features to the packaging and also decided to provide free home delivery of the products. The above case relates to a concept which is considered to be an effective competitive marketing weapon. In conditions of perfect competition, most of the firms compete with each other on this concept in the marketing of goods and services.

(a) Identify the concept.

(b) Explain briefly any four factors discussed in the above case related to the concept so identified. (AI 2018)

ET (6 marks)

14. Radhika was a student of Business studies of Class XII. Her father was a farmer who grew different varieties of rice and was well-versed about various aspects of rice cultivation. He was also selected by the government for a pilot-project on rice cultivation of good quality rice at a reasonable price. Her father suggested her to use internet to gather customers views and opinions. She found that there was a huge demand for packaged organic rice. She knew that there were no pre-determined specifications in case of rice because of which it would be difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of 'Malabari Organic Rice' and classified it into three different varieties namely Popular, Classic and Supreme, based on the quality. She felt that these names would help her in product differentiation.

Explain the three functions of marketing, with reference to the above paragraph. (AI 2015)

15. Explain the following functions of marketing:

- (i) Gathering and analysing market information
- (ii) Market Planning;

- (iii) Product designing and development;
- (iv) Customer Support Services. (Delhi 2014)

16. Explain the following functions of Marketing:

- (i) Product designing and development
- (ii) Standardisation and Grading
- (iii) Customer support Services
- (iv) Pricing of products (AI 2014)

11.2 Marketing Mix-Concept and Elements

MCQ

17. _____ as an element of marketing mix includes the activities that make the firm's products available to the target customers.

- (a) Promotion (b) Place
- (c) Product (d) Price (2023)

18. Statement-I: The concept of product relates to not only the physical product but also the benefits offered by it from customer's point of view.

Statement-II: The concept of product does not include the extended product by way of after sale services, availability of spare parts, handling complaints etc.

Choose the correct option from the following:

- (a) Both statement-I and statement-II are correct.
- (b) Both statement-I and statement-II are incorrect.
- (c) Statement-I is correct and statement-II is incorrect.
- (d) Statement-I is incorrect and statement-II is correct. (2023)

19. "Price fixation process is affected by distribution system, quality of salesmen employed, quality and amount of advertising, type of packaging, credit facility provided, etc.,"

The factor affecting price determination is:

- (a) Utility and Demand
- (b) Extent of competition in the market
- (c) Pricing objectives
- (d) Marketing methods used. (Term I, 2021-22)

20. When COVID vaccination started, the Central Government capped the prices of the vaccines for private hospitals with Health Ministry notifying that appropriate action would be taken for over-charging. State Governments were told to ensure that prices charged by various private hospitals do not exceed the ceiling. The factor affecting price determination discussed above is:

- (a) Product cost
- (b) Utility and demand
- (c) Government and legal regulations
- (d) Extent of competition in the market. **(Term-1, 2021-22)**

21. Which of the following statements is not a part of the process of marketing management?

- (a) Choosing a target market
- (b) Getting, keeping as well as growing customers
- (c) Achieving the objectives through creating, developing and communicating superior customer values of management
- (d) Becoming essentially a member of marketing association

(Term-1, 2021-22)

22. The element of marketing mix which communicates availability of the product, its features, merits, etc. to the target customers and persuades them to buy the product is called

- (a) Product
- (b) Price
- (c) Place
- (d) Promotion. **(Term-1, 2021-22)**

VSA (1 mark)

23. Give the meaning of 'Physical Distribution' as an element of Marketing Mix.

(Delhi 2019)

24. 'Maruti Vega Ltd. entered into the market with coloured television and have now introduced products like audio systems, air-conditioners washing machines, etc. The company is not only offering the products but also handling complaints and offering after-sales services. Identify the element of marketing mix discussed here. **(AI 2015)**

25. A consumer product manufacturing company is offering a numbers of consumer products like toiletries, detergent powder, food products etc. Identify the element of marketing mix referred here. (AI 2015 C)

ET (6 marks)

26. 'Hayaram' is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has five of its own retail shops. It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increases its sales.

The above para describes the combination of variables used by Hayaram to prepare its market offering. Identify and explain the variables. (Delhi 2015)

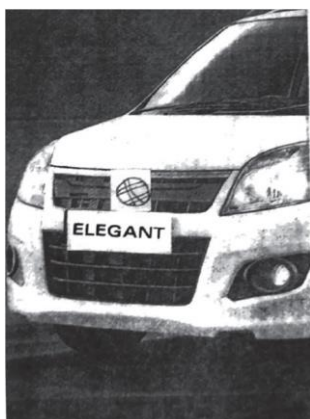
OR

Explain the four important elements of marketing mix. (Delhi 2014 C)

11.3 Product - Branding, Labelling and Packaging - Concept

MCQ

27.



The symbol which appears on all the 'Elegant' cars and which is not utterable is known as its

(a) Brand

(b) Brand name

(c) Brand mark

(d) Trade mark.

(2023)



28. A name, term, sign, symbol, design or some combination of them used to identify the products goods or services of one seller or group of sellers and to differentiate them from those of the competitors is known as

- (a) brand
- (b) brand mark
- (c) brand name
- (d) trade mark.

(2023)

29. Packaged food items in India must have a colour code. As per Food Safety and Standards Authority of India (FSSAI) a green dot on its label indicates vegetarian food, whereas a red dot indicates non-vegetarian food.

Which function of labelling is discussed above?

- (a) Describes the product and specifies its contents
- (b) Identification of the product or brand
- (c) Helps in promotion of the product
- (d) Providing information required by law

(Term-1, 2021-22)

30. Matchsticks come in matchboxes which are thrown by the consumer after the matchsticks are utilised. Matchbox represents which level of packaging?

- (a) Primary package
- (b) Secondary packaging
- (c) Transportation packaging
- (d) Speciality packaging

(Term-1, 2021-22)

31. 'Kent' started off as a RO water purifier company. Over the years, it diversified its product portfolio and now offers a wide range of healthcare products like air purifier, vegetable cleaners, water softeners and a range of modern kitchen appliances all under the same brand name.

Which characteristic of brand name is reflected in the above para?

- (a) Suggestive
- (b) Versatile
- (c) Staying power
- (d) Capable of legal protection

(Term-1, 2021-22)



32. In Column I of the following table the important components of product are given and in Column II their respective meanings are given:

	Column I		Column II
A.	Branding	i.	Act of designing and producing the container or wrapper of a product.
B.	Packaging	ii.	Putting identification marks on the package.
C.	Labelling	iii.	Process of giving a name or a sign or a symbol to the product.

Which of the following matches is correct?

- | | A | B | C |
|-----|-----|-----|-----|
| (a) | i | ii | iii |
| (b) | iii | ii | i |
| (c) | iii | i | ii |
| (d) | ii | iii | i |

(2021 C)

33. The process of classification of products into different groups on the basis of their important characteristics refers to which of the following marketing functions?

- | | |
|-----------------------|------------------------|
| (a) Grading | (b) Standardisation |
| (c) Product designing | (d) Marketing planning |

(2020 C)

VSA (1 mark)

34. 'Buy one get one free' is printed on the label of the package of a mosquito repellent.

State the labelling function being performed by this statement.

(AI 2018)

SA I (3 marks)

35. There are some characteristics that should be kept in mind while choosing a brand name. Explain any two such characteristics that a good brand name should have.

(Delhi 2015)

36. There can be three different levels of packaging. Explain any two of them.

(AI 2015 C)



37. Crackers Ltd. a fire cracker manufacturing company launched some new products on the eve of Diwali which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings for use were not mentioned on the packets that led to many accidents.

(i) Identify and explain the important product related decision that was not taken into consideration by the company.

(ii) Also, identify any two values which were violated by the company.

(Delhi 2014)

38. ABC Crackers Ltd., a fire cracker manufacturing company launched some new products on eve of Diwali in the market, which attracted many buyers. To meet the increased demand, the company employed people from nearby village where there is a lot of unemployment. Because of the good behaviour of the management with the employees, more and more people wanted to join the company. As the products were in great demand in the market, a competitor imitated the products. The products of the competitor were not accepted by the consumer as it was a status symbol to buy the products of ABC Crackers Ltd. Because of their quality.

(a) Identify and explain the product-related decision because of which consumers preferred the products of ABC Crackers Ltd.

(b) Also identify any two values which ABC Crackers Ltd. want to communicate to the society. **(AI 2014)**

SA II (4 marks)

39. Your company has setup a food processing unit in Kashmir with a production capacity of 10,000 litres of apple juice per day. The company plans to market the apple juice in tetra pack of 100ml. Design a label for the same. **(Delhi 2015 C)**

40. Your company has setup a coconut hair-oil factory in coastal Kerala, with a production capacity of 10,000 bottles of 100 millilitre per day. The company plans to market the hair-oil with the brand name 'Kale Kesh'. Design a label for the hair oil bottles. **(AI 2015 C)**

LA (5 marks)

41. State any five characteristics of a good brand name. **(Delhi 2014 C)**

ET (6 marks)

42. Ashima purchased a bottle of tomato-sauce from the local grocery shop. The information provided on the bottle was not clear. She fell sick on consuming it.

She filed a case in the district forum under Consumer Protection Act and got the relief.

- (a) Identify the important aspect neglected by the marketer in the above case.
- (b) Explain briefly the function of the aspect identified in (a) above.

(Delhi 2016)

11.4 Price-Concept, Factors Determining Price

VSA (1 mark)

43. While the product _____ sets the lower limit of the price, the utility provided by the product sets the upper limit of price, which a buyer would be prepared to pay.

(2020 C)

ET (6 marks)

44. There are number of factors which affect the fixation of the price of a product. Explain any four such factors.

(NCERT, Delhi 2015 C)

11.5 Physical Distribution - Concept and Components and Channels of Distribution

MCQ

45. 'A good physical distribution system should provide for an accurate and speedy processing of orders in the absence of which goods will reach the customers late or in wrong quantity'.

The component of physical distribution highlighted above is:

- (a) Warehousing
- (b) Order Processing
- (c) Transportation
- (d) Inventory Control.

(2023)

46. From the following, identify the channel of distribution in which goods pass from the manufacturer to the retailers who, in turn, sell them to the final users.

- (a) One level channel
- (b) Two level channel
- (c) Three level channel
- (d) Zero level channel

(2023)



47. The element of marketing mix through which the goods and services are made available at right place, at right time and to right people without change, is known as:

- (a) Promotion (b) Warehousing
(c) Transportation (d) Physical distribution
(Term-1, 2021-22)

Read the following paragraph and answer question nos. 48-51 on the basis of the same:

Kshitij just completed his MBA from IIM Ahmedabad. He was not interested in doing a job. So, he decided to start his own start-up. He along with his friend Naitik decided to start a dairy business for providing fresh and pure milk to people. For this, they gathered and analysed market information. They found that people were interested in buying cow's pure milk. So, for meeting the demand for pure cow milk, they purchased 50 cows. They installed a plant for pasteurisation of the milk. Fresh milk was pasteurised and packed in glass bottles. On the bottles, all information related to milk such as Date of Manufacturing, Nutrition value, Quantity, MRP, etc. was given. They gave the name 'Fresh Delight' to the milk which was also printed on the bottles. For distribution of milk, they hired delivery boys who supply this milk door to door. They got the name 'Fresh Delight' registered so that no other firm can use such name in the country.

(2021 C)

48. Which function of marketing was performed by Kshitij and Naitik before purchasing the cows?

- (a) Marketing Planning
(b) Packaging and Labelling
(c) Gathering and Analysing Market Information
(d) Branding

49. They gave the name 'Fresh Delight' to the milk: The process of giving this name is known as:

- (a) Branding (b) Brand Name
(c) Trade Mark (d) Packaging

50. 'On the bottles all information related to milk was given. This important product related decision is:

- (a) Packaging (b) Labelling
(c) Branding (d) Both (a) and (c)



51. 'For distribution of milk, they hired delivery boys who supply this milk door to door. The element of marketing mix highlighted here is:

- (a) Product (b) Price
(c) Place/Physical distribution (d) Both (A) and (B)

VSA (1 mark)

52. Name the function of marketing which is concerned with the cost and location of target market.

(AI 2016)

SA I (3 marks)

53. Explain how the 'product related factors' affect the choice of channels of distribution?

(Delhi 2015)

54. How do the 'Company-related factors' affect the choice of channels of distribution? Explain.

(AI 2015)

SA II (4 marks)

55. Mudit Gupta set up 'Healthy Biscuits': a company manufacturing various kinds of biscuits like oat biscuits, soya biscuits, ragi biscuits and whole wheat biscuits. He knew that a customer would only pick up a small quantity of the product, so he did not want to invest in starting his own retail outlets. He planned to market the product at the 'In and out' stores at various petrol pumps in the city though the other biscuit manufacturers were using other channels of distribution.

- (a) Give the meaning of 'Channels of Distribution'.
(b) Name the factors that affected the determination of choice of channels and state

how they will affect the choice of channel of distribution in the above case.

(Delhi 2019)

ET (6 marks)

56. Mediquip Ltd. is a company dealing in distribution of medical equipments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones.



In the meeting, Sandeep, the North Zone Marketing Head, suggested that since the machines were sophisticated, they need to visit hospitals personally, to explain its working to the hospital staff who would be using the machines. He also suggested that additional trained people may be recruited for the same.

Himanshu, another Zonal Head, added that since lot of money had been spent on the import of the machines, the company was short of funds to pay to the additional staff as suggested by Sandeep.

Rahul, a newly appointed Zonal Head of South Zone suggested that since the size of the order is not large, a detailed study of the factors determining the choice of channels of distribution is required before making the right choice.

(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.

(b) Also, explain briefly the other consideration to be taken care of in each factor identified in part (a).

(Delhi 2017)

57. The choice of an appropriate channel of distribution depends upon a number of factor. Explain any four such factors.

(NCERT, Delhi 2015, Delhi 2014C)

11.6 Promotion - Concept and Elements, Advertising, Personal Selling, Sales Promotion and Public Relations

MCQ

58. _____ involves a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public.

(a) Personal selling

(b) Public relations

(c) Sales promotion

(d) Advertising (2023)

59. Which of the following statements is incorrect about Personal Selling?

(a) It is a direct face to face dialogue that involves an interactive relationship between the seller and buyer.

(b) It refers to short-term incentives designed to encourage the buyers to make immediate purchase of a product or service.

(c) It allows a sales-person to develop personal relationship with the prospective customers.

(d) In this it is possible to take a direct feedback from the customer and to adopt the presentation according to the needs of the prospects.

(2023)



60. The most commonly used tool of promotion which is a paid form of communication and in which the sponsor bears the cost of communicating with the prospects is

- (a) advertising (b) personal selling
(c) sales promotion (d) public relations.

(2023)

61. Which of the following product-related decisions helps in providing basis for distinguishing the product of a firm with that of a competitor which in turn helps in building customer's loyalty and in promoting its sales?

- (a) Advertising (b) Pricing
(c) Branding (d) Promotion

(Term-1, 2021-22)

62. Hariom Jewellers introduced a series of short-term incentives like 40% discount on diamond jewellery, 0% making charges and a contest to win a luxury car to encourage the buyers to make immediate purchase of their products during the festive season. Identify the promotional tool used by them:

- (a) Advertising (b) Personal selling
(c) Sales Promotion (d) Publicity

(Term-1, 2021-22)

63. Maintenance services, after sales services and handling customer complaints are very effective. In bringing repeat sales from customers and developing brand loyalty for a product by maximising customer satisfaction. The function of marketing discussed above is:

- (a) Pricing of product (b) Warehousing
(c) Customer support services (d) Branding

(Term-1, 2021-22)

VSA (1 mark)

64. 'Nayan Medicare Equipment Ltd. manufactures equipment for surgeons having a unique laser technique. The equipment can be used by the surgeons only after proper training. Even their maintenance requires guidance of specialised engineers. Because of this, the equipment is used in a limited number of hospitals. The company wants to increase the sale of the equipment.

Suggest the promotion tool to be used by the company giving reason in support of your answer.

(Term-1, 2021-22)



65. Beena has been using 'Klean, a famous detergent available in the market on watching numerous advertisements in the television, she decided to try a new brand of detergent. When she went to the nearby store to purchase the same, she saw detergents of other producers making similar claims of whiteness and stain removing abilities. Hence, she could not make up her mind as which detergent to purchase.

Name the objection of advertising being discussed in this case.

(Term-1, 2021-22)

66. State, giving reason, whether the following statement is true or false:

"Advertising refers to short term incentives which are designed to encourage the buyers to make immediate purchase of a product."

(2020 C)

67. Sunita took her niece, Aishwarya for shopping to 'Benetton' to buy her a dress on the occasion of her birthday. She was delighted when on payment for the dress she got a discount voucher to get 20% off for a meal of 500 or above at a famous eating joint. Identify the technique of sales promotion used by the company in the above situation.

(Delhi 2017)

68. Name the marketing function which is concerned with informing the customers about the firm's products.

(Delhi 2016)

69. ATV manufacturing company is spending substantial amount of money to persuade the target customers to buy its T.V. sets through advertisements, personal selling and sales promotion techniques.

Identify the element of marketing mix referred here.

(Delhi 2015 C)

SA I (3 marks)

70. 'Stay Fit, a probiotic drink was launched in the market by Dabal India Ltd. and is available in various cities across the country. Doctors are recommending it as it is very useful for the stomach. The company is also using various tools to inform and persuade customers about its product.

It has recently started free distribution of its samples to encourage the customers to know about its benefits to buy this probiotic drink in future. The company has also appointed a large number of salespersons, who contact the prospective buyers and communicate with them to make sales. This way, the company is able to develop personal rapport with its customers.

In order to create awareness and to increase its popularity among school children, it also organises workshops for students and teachers. It also arranged



visits of students and teachers to the factory to create awareness about the standards of hygiene adopted in processing and packaging, etc. This helps the company to build a positive image of its product in the society. This way the company is using a combination of communication tools to inform and persuade customers about their firm's product.

Identify and explain these tools.

(2020 C)

71. Sometimes advertising confuses the buyers. 'Do you agree with this'? Give reasons in support of your answer. Also state the arguments of supporters of advertisement regarding the above statement.

(Delhi 2015 C)

72. 'You don't close a sale, you open a relationship, if you want to build a long-term successful enterprise. Identify the communication tool used by the marketer. State any two features of this communication tool.

(AI 2014 C)

ET (6 marks)

73. 'X Ltd. is engaged in the manufacturing of cars. The company surveyed the market and found that customers need a car which runs on eco-friendly fuel instead of petrol or diesel. Keeping the needs of customers as well as social, ethical and ecological aspects of marketing in mind, the company launched a new model of car that runs on bio-diesel. The launch event was covered by the top news channels and newspapers. This was done to disseminate information about the car and build goodwill of the business. 'X Ltd.' understands that it is imperative to manage public opinion and company's relations with the public on a regular basis.

(a) Identify and explain the marketing philosophy involved in the above case.

(b) Identify and explain the communication tool that was used by the company.

(c) Explain any two other promotional tools that can be used by 'X Ltd.' to achieve its objectives.

(2023)

74. A Company was marketing 'water purifiers' which were very popular due to their quality and after sales services provided to the customers. The Company was a leading company in the market and earning huge profits. Because of huge profit, the company ignored the after sales services. As a result, its relations with the customers got spoiled and the image of the company was damaged in the public. Top management became concerned when the profits for the current quarter fell steeply.

On analysis it was revealed that ignoring the after sales services was its reason. Therefore, the company took all possible measures to protect and promote its favourable image in the eyes of the public. As a result, the goodwill of the company improved in the society.

(a) Name and state the communication tool used by the marketer in the above case to improve its image.

(b) Also explain role of the tool as identified in part (a).
(Delhi 2016)

OR

Describe the role of public relations in sales promotion.
(Delhi 2015 C)

75. 'Though advertising is one of the most frequently used medium of promotion of goods and services, yet it attracts lot of objections'. Explain any four such objections. (Delhi 2014, AI 2014)

CBSE Sample Questions

11.1 Marketing-Concept, Functions and Philosophies

MCQ

1. One of the following is considered to be an extension of the marketing concept, which apart from customer satisfaction pays attention to ethical and ecological aspects of marketing. Identify the concept.

- (a) Selling concept (b) Product concept
(c) Production concept (d) Societal Marketing concept

(2022-23)

2. Which of the following statement is incorrect?

- (a) Marketing is a social process.
(b) Focus of the marketing activities is on customer needs.
(c) Marketing is merely a post production activity.
(d) Marketing mix is a wider term than product mix.

(Term-1, 2021-22)

3. _____ is a process of classification of products into different groups on the basis of some important characteristics such as quality, size, etc.

- (a) Standardisation (b) Grading
(c) Product Development (d) Selling

(Term-1, 2021-22)

4. "Availability and affordability of the product were considered to be the key to the success of a firm."

Identify the concept of marketing management highlighted by this statement.

- (a) Production concept (b) Product concept
(c) Societal concept (d) Marketing concept

(Term-1, 2021-22)

5. The marketing management philosophy which is based on the premise that any activity which satisfies human needs but does not pay attention to the ethical and ecological aspects of marketing cannot be justified is known as:

- (a) Marketing concept (b) Societal marketing concept
(c) Production concept (d) Product concept

(Term-1, 2021-22)



6. A person feeling hungry may get food by offering to give money or some other product or service in return to someone who is willing to accept the same for food.

The important feature of marketing illustrated above is:

- (a) Exchange mechanism
- (b) Customer value
- (c) Creating a market offering
- (d) Needs and wants

(Term-1, 2021-22)

7. Zolo, a marketer of cars having 40% of the current market share of the country aims at increasing the market share to 70% in next few years. For achieving this objective, the manager of the company specified the action programme covering various aspects.

Identify the function of marketing discussed above:

- (a) Customer support services
- (b) Gathering and Analysing market information
- (c) Product designing and development
- (d) Marketing Planning.

(Term-1, 2021-22)

8. Marketing mix is the set of _____ that the firm uses to pursue its marketing objectives in the target market.

- (a) Production tools
- (b) Promotional tools
- (c) Marketing tools
- (d) Selling tools

(Term-1, 2021-22)

9. In order to get feedback about its recently launched immunity boosting ayurvedic medicine, Atulya limited conducted an online survey using a questionnaire, to gather customer views and opinions. Identify the marketing function being used by Atulya Limited:

- (A) Standardisation
- (b) Product Designing
- (c) Customer support service
- (d) Gathering and analysing market information.

(2020-21)



ET (6 marks)

10. Choco Ltd. offers a wide variety of chocolate products. It has an action program of not selling its products by their generic name but under different names like Choco-silk bar, Choco-Munchy and Choco-crunchy etc. for different customer segments. All these names have great popularity and acceptability in the markets. As the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base. During the festive season, the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers. Their on-ground sales team delivers the product not only to the departmental stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales. From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones it's already performing.

(2022-23)

11.2 Marketing Mix-Concept and Elements

MCQ

Read the following text and answer question no. 11 to 14 on the basis of the same:

Yamuna Prasad, a small shopkeeper in Bikaner, Rajasthan used to sell the famous 'Bhujia-Sev'. It was a quick selling product for locals and foreign tourists. His second generation expanded the business and got 'Yamuna Ki Bhujia' registered with concerned authorities. Gradually, the brand offered a wide range of products to its customers like namkeen, sweets, bakery items, etc. However, 'Bhujia-Sev' remained the most popular product of the brand creating maximum revenue.

'Yamuna Ki Bhujia' offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name. Now, it has virtually become a synonym for Bhujia-sev in the market, so much so, that people ask for 'Yamuna Ki Bhujia' instead of Bhujia-sev. 'Yamuna Ki Bhujia' has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling.

Promotion of the brand had always been low profile, till the increase in competition pushed it to hire the services of a professional advertising agency, VIGYAPAN PVT. LTD for promoting the product. On the advice of VIGYAPAN PVT. LTD, 'Yamuna Ki Bhujia' has also worked upon managing public opinion by

developing relations with the masses through sponsoring cultural and sporting events, maintenance of public parks etc.

(2020-21)

11. 'His second generation expanded the business and got 'Yamuna Ki Bhujia' registered with concerned authorities. With reference to the given text 'Yamuna ki Bhujia' is a _____ giving it a legal protection against its use by anyone else.

- (a) Brand value (b) Trade mark
(c) Trait mark (d) Brand mark

12. 'Yamuna Ki Bhujia' offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name.

Identify the factor affecting the element of marketing mix being discussed above.

- (a) Marketing methods used (b) Objectives
(c) Extent of competition in the market (d) Product cost

13. 'Yamuna Ki Bhujia' has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling.

Identify the decision related to the element of marketing mix being discussed above.

- (a) Storing and assorting products in order to create time utility
(b) Regarding the channels or using intermediaries
(c) Both a & b
(d) One regarding branding, packaging and labelling

14. On the advice of VIGYAPAN PVT. LTD, 'Yamuna Ki Bhujia' has also worked upon managing public opinion by developing relation with the masses through sponsoring cultural and sporting events, maintenance of public parks etc. Name the department in the organisation which is generally responsible for performing the above important task of managing public opinion.

- (a) Marketing Department
(b) A separate department created in the firm for the purpose
(c) An outside agency
(d) Any of the above



15. Match the concept of marketing in column I with their respective definition in column II

Column - I		Column - II	
(A)	Product Concept	(i)	Relates to maintaining high quality of the product
(B)	Selling Concept	(ii)	Relates to satisfying customer needs
(C)	Marketing Concept	(iii)	Relates to aggressively persuading buyer to purchase the product

- | | A | B | C |
|-----|-------|-------|-------|
| (a) | (ii) | (i) | (iii) |
| (b) | (i) | (ii) | (iii) |
| (c) | (iii) | (ii) | (i) |
| (d) | (i) | (iii) | (ii) |

(2020-21)

ET (6 marks)

16. "The elements of marketing mix are popularly known as 4 P's of marketing." Briefly explain these elements.

(2020-21)

11.3 Product - Branding, Labelling and Packaging - Concept

MCQ

17. A brand or part of the brand that is given legal protection is called _____

- (a) Brand Mark
- (b) Trade mark
- (c) Brand
- (d) Brand name

(Term-1, 2021-22)

18. _____ is an important function of marketing which is important not only for protection of the product but also serves as a promotional tool.

- (a) Grading
- (b) Labeling
- (c) Packaging
- (d) Branding

(Term-1, 2021-22)



11.4 Price - Concept, Factors Determining Price

MCQ

19. While the product costs set the lower limits of the price for a product, the upper limit of price which a buyer would be prepared to pay is decided by:

- (a) Utility and demand of the product
- (b) The marketing manager of the firm
- (c) The Government
- (d) The competitors of the firm

(2022-23)

20. Product cost sets the lower limits of the price, the utility provided by the product and the intensity of demand of the buyers sets the upper limit. So, in case of inelastic demand, total revenue _____ when price increases

- (a) Rises
- (b) Falls
- (c) Constant
- (d) Both (a) and (b)

(Term-1, 2021-22)

21. Style and Fit, a footwear manufacturing company has decided to offer 50% off on all its products, due to the fall in demand of its products as more efficient substitutes have been introduced in the market.

Identify the pricing objective included by the firm which has made the firm resort to discounting its product.

- (a) Obtaining market share leadership
- (b) Surviving in the competitive market
- (c) Attaining product quality leadership
- (d) Protect the interest of public

(Term-1, 2021-22)

11.5 Physical Distribution - Concept and Components and Channels of Distribution

MCQ

22. Statement I: Transportation helps in creating time utility and warehousing helps in creating place utility.

Statement II: The process of classification of products into different groups on the basis of their important characteristics is known as standardisation.



Choose the correct option from the options given below:

- (a) Statement I is true and II is false.
 - (b) Statement II is true and I is false.
 - (c) Both the statements are true.
 - (d) Both the statements are false.
- (2022-23)

23. One of the important decision areas under the marketing function of _____ is managing inventory.

- (a) Branding
 - (b) Pricing
 - (c) Promotion
 - (d) Physical distribution.
- (2022-23)

24. A major decision area under one of the functions of marketing is the decision regarding marketing intermediaries to be used. Name the function.

- (a) Physical Distribution market information
 - (b) Gathering and analysing market information
 - (c) Promotion
 - (d) Transportation
- (Term-1, 2021-22)

11.6 Promotion - Concept and Elements, Advertising, Personal Selling, Sales Promotion and Public Relations

MCQ

25. Which of the following statements about Advertising is incorrect?

- (a) It is a personal form of communication.
 - (b) It is a paid form of communication.
 - (c) It is a mass selling technique.
 - (d) It is inflexible as the message can't be adjusted to the needs of the buyer.
- (2022-23)

26. _____ involves a variety of programmes designed to promote and protect a company's image and its individual products in the eyes of the public.

- (a) Advertising
 - (b) Personal selling
 - (c) Publicity
 - (d) Public relations
- (Term-1, 2021-22)



27. For the following two statements choose the correct option:

Statement I: Advertising is an impersonal form of communication.

Statement II: Advertising lacks direct feedback.

- (a) Statement I is correct and II is wrong.
- (b) Statement II is correct and I is wrong.
- (c) Both the statements are correct.
- (d) Both the statements are incorrect.

(Term-1, 2021-22)

ET (6 marks)

28. 'Advertising' and 'Personal selling' both are communication tools used by the marketers to promote their products. Yet, they differ in their approach. Differentiate between the two by giving any six points.

(2020-21)

ANSWERS

Previous Years' CBSE Board Questions

1. (d): Gathering and analysing market information
2. (d): Rajeev is performing the function of Standardisation and Grading
3. (d): Societal marketing concept
4. (d): Product concept
5. (c): Increasing the level of production, promotion of product etc., and specifying the action programmes
6. Marketing management is defined as 'the process of planning and executing the concept, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational goals'.
7. An understanding of marketing management philosophy is important as it determines the emphasis that needs to be put on different factors, in achieving the organisational sales objectives e.g. deciding the product mix, deciding on use of marketing and sales efforts.
8. 'Promotion' is the market function which is concerned with informing the potential customers about the firm's products, its features, quality etc., and persuading them to buy it.

9. Societal marketing concept.

10. (i) The marketing management philosophy that is being followed by JTM Ltd. is 'Societal Marketing Concept'. This is because, it not only identified the needs and wants of the consumers but also delivered a good quality and eco-friendly product.

(ii) The following advantages of branding are being discussed:

(a) Branding enables a firm to clearly distinguish its product from the product of other firms.

(b) Branding enables consumers to clearly distinguish the product from various other available products. Consumers see a good brand as a mark of authenticity and genuinity.

(c) Good branding helps in creating loyalty and habituality for product among the customers. The firm can take advantage of this and charge a different price (generally a higher price) for its product. Also, a good brand name helps in providing an initial boost to the demand of the new product.

(d) Established and famous brands act as status symbols for the consumers, thereby providing them psychological and social benefits.

11. The different kinds of thinking that guided the three friends are :

Ginika	Tanish	Rohit
<p>The Societal Marketing Concept :</p> <ul style="list-style-type: none">- Today the challenges posed by ethical, social and ecological problems like environmental pollution, deforestation, shortage of resources, population explosion and inflation makes us think differently about just satisfying individual needs.- The orientation of marketing should, also consider larger issues of long-term social welfare.- The societal marketing concept takes care of the long-term welfare of the society. Apart from the customer satisfaction, it pays attention to the social, ethical and ecological aspects of marketing.	<p>Aggressive selling :</p> <ul style="list-style-type: none">- The product quality and its availability did not ensure the survival and growth of firms because of the large number of quality products being sold in the market. This led to greater importance to attracting and persuading customers to buy the product.- It was found that the customers did not buy or not buy enough, unless they were adequately convinced and motivated to do so.- Thus, the firms undertook aggressive selling and promotional efforts to make customers buy their products. They use promotional techniques such as advertising, personal selling and sales promotion.	<p>Marketing orientation :</p> <ul style="list-style-type: none">- It assumes that in the long run an organisation can achieve its objective of maximisation of profit by identifying the needs of its present and prospective buyers and satisfying them in an effective way.- In other words, customer's satisfaction become the focal point of all decision making in the organisation. For example, what product will be produced, with what features and at what price shall it be sold or where shall it be made available for sale will depend on what do the customers want.

12. Marketing concept: This philosophy emphasises that in the long-run, a firm can achieve its objective by identifying the needs of its present and prospective customers and satisfying them in an effective manner. Thus, satisfaction of customer's needs in a better way is considered to be the key to success.

13. (a) Marketing concept

(b) (i) Identification of Aloevera products market and their consumers. He found that demand remained unfulfilled due to lesser supply.

(ii) Understanding need of the Aloevera Customers: Aloevera consumers were ready to buy a product when value of the product would be equal to value of money they would pay.

(iii) Developing product quality and features of free home delivery to satisfy needs of the customer that too better than competitors.

(iv) His all activities were directed towards earning a profit as they knew that in long run to survive, he needed to cover cost and earn a minimum profit. The firms adopting marketing concept give importance to two important market forces. These are customer needs and activity of competitors. Firms keep a close eye on the needs and wants of customers and try to satisfy better than their competitors.

14. Function of marketing with reference to the above paragraph are:

(i) Gathering and analysing market information: Use of internet to gather customers views and options. A marketer has to gather information about the needs of the customers and take decisions for the marketing of the products and services.

(ii) Standardisation and Grading: ...classified it into three different varieties namely - Popular, Classic and Supreme, based on the quality'.

Standardisation refers to the process of setting certain standards for a commodity on the basis of certain features. It conveys the idea of conformity with the required quality of the product itself.

Grading refers to the process of dividing the products into classes, lots or grades in accordance with the pre-determined standards.

(iii) Branding: Branding may be defined as the process of assigning a brand name to the product so that, it can be easily identified and distinguished from competitors and remembered. 'To differentiate the product from its competitors, she gave it the name of 'Malabari Organic Rice.

15. (i) Gathering and analysing market information : A marketer has to gather information about the market. Gathering and analysing market information helps in identifying the needs of the customers. It forms the basis for product development. It also helps in identifying the opportunities, threats, strength and weaknesses.

(ii) Market planning: A company should have appropriate marketing plans to enhance the existing market share. It provides the guidelines to achieve the



marketing objectives. It includes decisions regarding the types of product, market segment, production schedules and product promotion plans.

(iii) Product designing and development: It is concerned with making the product more attractive so that, it meets the expectations of customers. A good design can improve performance of a product and also give it a competitive advantage in the market. For example, when we plan to buy any product, say a bike, not only see its features like cost, mileage etc, but also design aspects like its shape, style etc.

(iv) Customer Support Service: Business aims to win customers through providing efficient and quick after sale services, technical support and certain financial services and maintenance service. Such services ensure customer satisfaction and help to build a brand loyalty for the products and bring repeat sales.

16. (i) Product designing and development: It is concerned with making the product more attractive so that it meets the expectations of customers. A good design can improve performance of a product and also give it a competitive advantage in the market. For example, when we plan to buy any product, say a bike, we not only see its features like cost, mileage etc, but also design aspects like its shape, style, etc.

(ii) Standardisation and Grading: Standardisation refers to producing goods of predetermined specification leading to consistency. Grading refers to classifying products into different groups on the basis of its important characteristics such as quality and size. Standardisation and grading leads to better price realisation from the customer.

(iii) Customer Support Service: Business aims to win customers through providing efficient and quick after sale services, technical support and certain financial services and maintenance service. Such services ensure customer satisfaction and help to build a brand loyalty for the products and bring repeat sales.

(iv) Pricing of Products: Price is defined as the exchange value in terms of money and pricing of products refers to the process of fixing up the price of a product. It plays an important part in the success or failure of a product as the demand of a product is related to its price.

17. (b): Place

18. (c) Statement-I is correct and statement-II is incorrect.

19. (d) The factor affecting price determination is 'Marketing methods used.

20. (c): Government and legal regulations.



21. (d) Becoming essentially a member of marketing association.

22. (d): Promotion

23. Physical distribution refers to the process of making the goods and services available at the right place and at the right time so that the consumers can easily purchase the goods without any delay. It involves deciding the channels of distribution through which the products would be moved from the place of production to the place of consumption.

24. Product Mix and customer support services.

25. Product mix

26. The combination of variables used by Hayaram to prepare its market offerings are:

(i) Product: It refers to various aspects relating to the products to be offered for sale. It relates to decision regarding planning, designing and developing the right type or products for the consumers. It includes branding, labelling and packaging. "Their products include chips, biscuits, sweets and squashes."

(ii) Price: Price is the amount of money customers have to pay to obtain the product. Price element includes price of product, margins, pricing policy and strategy. "It charges a comparatively higher price than its competitors."

(iii) Place: It refers to the activities involved in making the product available to the target customers. Selection of distribution channel and physical distribution are the main activities involved in it. "It has five retail shops that are its own."

(iv) Promotion: This element includes activities such as, advertising, personal selling, sales promotion and publicity. 'It regularly uses different communication tools to increase its sales.

27. (c): Brand mark

28. (a): Brand

29. (d): Providing information required by law is the function of labelling discussed here.

30. (a): Primary Package refers to the product's immediate container.

31. (b): The feature of the brand name mentioned here is versatile.

32. (c): A-iii, B-i, C-ii

33. (a): Grading



34. Labelling helps in promotion of product: An important function of labelling is to aid in promotion of the product. A carefully designed label can attract attention and give reason to the buyer to purchase.

35. Two characteristics of a good brand name are as follows:

(a) The brand name should be short, easy to pronounce, spell and remember, e.g., VIP, Lux, Rin, Ponds, Vim, etc.

(b) The brand name should suggest the qualities and benefits of the product, e.g., Frooti, Promise, Boost, Revital, Rasna.

36. The three different levels of packaging are primary level packaging, secondary level packaging and transportation packaging.

(i) Primary Packaging: It refers to the product's immediate container in which the contents are kept for example, Toothpaste tube.

(ii) Secondary Packaging: It refer to additional layers of protection that are kept till the product is ready for use. For example, Cardboard box of a toothpaste.

37. (i) Labelling : This decision related to product was not taken into consideration by the company. Labelling is the process of designing the label and putting it on the package to provide information about the product, its composition, date of manufacture, price, precaution of the use, etc. Such information would enable the consumer to take proper decision to buy a product.

(ii) The values violated are: (a) "Respect of Law" as company is employing children as labour.

(b) "Safety of human beings" as appropriate safety warning for use were not mentioned on the pack that led to many accidents.

38. (a) The product-related decision because of which consumers preferred the products of ABC Crackers Ltd, is Branding. It refers to the process of giving a name, sign or symbol to a product to differentiate it from those of competitor's products.

(b) Two values which ABC Crackers Ltd. wanted to communicate to the society.

(i) Community development.

(ii) Increase in employment opportunities in rural under developed backward areas.

39. Kashmir Apple Juice

Nutrition facts

Serving Size: 1 Pack (100 ml)

Amount per serving calories 100 ml



	% content
Total Fat	0%
Sodium	1%
Potassium	7%
Total carbohydrates 25 g	8%
Sugars 22 g	
Protein 0 g	

Ingredients: Organic Apple Juice

Best before 3 months from the date of manufacturing.

MRP ₹ 20 (inclusive of all taxes)

Batch No.: Jan 0.343

Date of Mfg. 23, sept. 2016

Mgfd. by S.K. Ltd. 3/25, Gulmarg J&K193403.

40. 'Kale Kesh'

Premium Coconut Hair Oil

Composition

Coconut oil	80%
Sesamum indicium	10%
Abrus	2%
Olea europaea	3%
Hibiscus	2.5%
Bacopa	2.5%

Net content 100 ml

Mfg.: 4c No. KL-201-AY

Batch No. 9-708/68/15

MRP: ₹ 100

Mfd: By Ramdev herbals,

Thiruvananthapuram Kerala – 695614

41. Characteristics of good brand name are :

(a) Simple and easily pronounceable : Brand name should be simple short and easy to pronounce, remember and should not have any negative meaning in any major language. For example, Surf, Lux, VIP. etc.

(b) Suggestive: Brand name should suggest the benefits, quality or purpose of the product. For Example, Lijjat Papad suggests taste of papad.

(c) Distinctive: Brand name should be unique and distinctive so that the product is easily differentiated. For example, Liril, Sprite, etc.

(d) Adaptable: Brand name should be adaptable to packing or labeling requirements, to different advertising media and to different languages.

(e) Versatile : Brand name should be versatile so that it can accommodate any new product added to the line. For example, name like Maggi or Colgate has this characteristics.

42. (a) The important aspect neglected by the marketer is 'labelling'. Labelling refers to designing the label to be put on the package. A label is a tag attached to the product to describe the nature, contents, ownership, destination etc. of the product. It is a medium through which the manufacturer gives information to the user or consumer.

(b) Labelling has the following functions-

(i) Describe the product and specify its contents: The most important functions of label are to describe the product, its usage, expiry date, precautions in use, etc., and specify its contents net weight when packed.

(ii) Identification of the product or brand: The label helps the customer to identify the product. For example, blue colour of Cadbury chocolates helps to identify it more easily from other chocolates kept on the shelf of a shop.

(iii) Grading of the product or brand: With the help of label, products can be graded in different categories for example, Lipton green label, yellow label etc.

(iv) Helps in promotion of the product: Label plays an important role in promotional schemes launched by companies, For example, a pack of chocolates mentioning "Save ₹ 12" helps in promotion.

(v) Providing information required by the law: Labelling performs the function of providing information required by law eg., the statutory warning on the packet of cigarettes, "smoking is injurious to health".

43. Cost

44. Price: Price refers to the amount of money, which a customer has to pay to buy a product. Factors that affect the fixation of price of a product are:

(a) Product cost: It includes cost of producing, selling and distributing the product. This sets the minimum price at which the product may be sold. In the long run, price should be able to recover all the costs and a fair return on investment. Cost is of three types: fixed cost, variable cost and semi variable cost.

(b) Utility and demand of the product: The utility provided by the product and the intensity of demand of product sets and upper limit of price, which the customers would be ready to pay. Price is also affected by the elasticity of demand of the product. When a small change in price leads to major change in

demand, price is said to be elastic. When a change in price leads to no change in demand it is said to be inelastic. In such cases prices can be safely raised without a drop in demand.

(c) Degree of Competition: The firm has to consider the price, quality and features of the competitor's products available in the market.

(d) Government and legal regulations : Government may regulate the price of a product in the public interest. The Indian Government controls the prices of essential consumer items like, kerosene oil, LPG and certain food items.

45. (b): Order Processing

46. (a): One level channel

47. (d): Physical distribution is the element of the marketing mix through which goods and services are made available at the right place, at the right time and to the right people without change.

48. (c): Gathering and Analysing Market Information

49. (a): Branding

50. (b): Labelling

51. (c): Place/Physical distribution

52. Place or physical distribution is the marketing function that is concerned with the cost and location of target market.

53. Product related factors which affect the choice of channels of distribution:

(a) Industrial products: Industrial products are technical made to order, expensive and purchased by few buyers. They require a shorter, direct channel involving few middlemen.

(b) Consumer products Consumer products are standardised, less expensive, less bulky, non-technical and frequently bought. So, they can be better distributed by a number of middlemen.

(c) Perishable products: Perishable products like fruits, vegetables require short channel of distribution as it must reach the customer soon. Non-perishable products such as soaps, oils can use a longer channel of distribution.

(d) Degree of complexity: Technically complex products require expert advice and counselling at the point of sale and so the direct channel is preferred.

54. Company related factors which affect the choice of channels of distribution:



(a) Financial strength of the company : If the financial strength of the company is good, it would prefer shorter channels. Functions such as, having own retail chain or having a large sales force need lots of funds.

(b) Degree of control over channel members: If company's management wants greater control over channel members, shorter channels may be used.

55. (a) Channels of distribution refer to the individuals, institutions or agents who facilitate the process of distribution of the product.

(b) The factors which affect the determination of choice of channels are:

(i) Product type - Products are checked on the basis of whether they are perishable or non-perishable, industrial or consumer product, whether their unit value is high or low and the degree of complexity of the product. Since, Biscuits are perishable goods, the channel of distribution followed by Mudit Gupta should be short.

(ii) Market Factors- Factors such as size of the market, geographical concentration of buyers, quantity demanded, etc. also affect the choice between the channels. Since, Mr Gupta knows that a customer would only pick up a small quantity of the product, so he does not want to invest in starting his own retail outlets. So, he should follow a short channel of distribution.

(iii) Competitive factors- The degree of competition and the channels opted by other competitors affect the choice of a channel of distribution. Depending on its policies, a company may adopt a similar channel as chosen by its competitors or opt for a different channel. In this case, the firm has decided to follow the channel which was different from those opted by the other firms.

56. (a) The factors that were discussed and have an influence in selection of the channel of distribution are as follows:

"Since the machines were sophisticated, they need to visit the hospitals personally to explain its working to the hospital staff"

This indicates that

(i) There would be few customers in a town/city.

(ii) It is a sophisticated product which may need careful handling.

(ii) It is a technical product which needs demonstration and explaining.

(b) The other factors that should be considered are:

(i) There would be few customers from a city, but they would be very important for the future prospects of the company in launching more of similar products.



(ii) It being a sophisticated product, would require proper packing for transportation and careful handling before and during delivery.

(iii) The individual customers must be given adequate technical support for correct operation of the equipment.

(iv) It being an expensive equipment, it must be well supported with after sales service.

57. Factors which affect the choice of channel of distribution:

(i) Marketing related factors: The choice of channels is affected by many marketing related factors.

These are:

(a) Nature of the Market: For consumer goods, the channels of distribution are mostly indirect whereas for industrial goods direct channels are preferred.

(b) Size of market: The number of channel constituents depends largely on the customer base of the products. In those products, where the market size is large and varied, the number of intermediaries is large whereas for products, where the customer base is small, direct channels of distribution are engaged.

(c) Quantum of Trade: Direct channels of distribution are used where the quantity of purchases is big. Indirect channels of distribution are used mainly where the size of purchases is small and widely spread.

(ii) Product Related factors: Before deciding channel of distribution for a product, various product related factors are to be considered.

These are:

(a) Nature of the product: Customised products require direct distribution as they involve interactions between the buyer and the seller. Whereas standardised products are sold through a number of intermediaries.

(b) Product Complexities: Technologically complex products are sold directly whereas to sell simple products indirect channels may be employed.

(c) Perishability of the product: Zero or one level channels are preferred for perishable products to avoid the delay in delivery as compared to non-perishable products.

(d) Price of the product: High priced products are mostly sold directly whereas cheap, inexpensive products are sold with the help of a large number of intermediaries.

(iii) Company characteristics: The important company characteristics affecting the choice of channels of distribution include the financial strength of the



company and the degree of control it wants to hold on distribution. Direct selling is expensive and so if a company is financially strong and has enough resources at its disposal, it can use direct channel while a financially weak company will have to rely on intermediaries. Company desiring control on distribution of goods and service should use short channels.

(iv) Competitive factors: The choice of Channel is also affected by the channel selected by the competitors in the same industry.

58. (b): Public relations

59. (b): It refers to short-term incentives designed to encourage the buyers to make immediate purchase of a product or service.

60. (a): Advertising

61. (c) Branding is the product-related decision that helps in providing a basis for distinguishing the product of a firm with that of a competitor which in turn helps in building customer's loyalty and in promoting its sales.

62. (c): Hariom Jewellers did sales promotion

63. (c): Customer support system consist of after sale services, repairs, maintenance and handling grievances of consumers.

64. Personal selling can be a promotional tool as the technology is unique in nature and can be used only by professionals. Therefore, to create awareness about the product among hospitals and doctors, personal selling can be used.

65. The objection of advertising that is being discussed in the question is that advertising 'confuses the buyers' by making similar claims.

66. The statement is false.

Reason: Sales Promotion refers to short term incentives which are designed to encourage the buyers to make immediate purchase of a product.

67. The technique used for sales promotion in this case is "usable benefit"

68. 'Promotion' is the marketing function which is concerned with informing the customers about the firm's products, its features, quality etc. and persuading them to buy it.

69. Promotion

70. Tools used by the company to inform and persuade customers about their product are:

(i) Sales Promotion: It refers to short-term incentives, which are designed to encourage the buyers to make immediate purchase of a product or service.



(ii) Personal Selling: It involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.

(iii) Public Relations: It involves a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public.

71. Advertisement confuses the buyers: With continuous increase in number of advertisement consumers are likely to get confused. Each brand claims to be better than the other. For example, there are various advertisement for detergent powder like Surf, Tide, Ariel, etc. Each brand claims to be the best brand. Such similar claims confuse the buyer and it becomes very difficult for him to make choice. Supporters of advertisement counter it by saying that advertisement only offers alternatives and provides wide choice. Consumers are expected to make a rational choice. In case of any confusion, they can always analyse and clarify before taking the purchase decision.

72. Communication tool used by the marketer is personal selling.

(a) Personal Rapport: Personal selling involves direct face-to-face communication between the seller and the buyer, which is a unique opportunity to develop a rapport.

(b) Development of Relationship: Personal selling helps in developing personal and friendly relationships with the prospective customers. Such a healthy relationship helps to develop customer loyalty.

73. (a) Societal Marketing philosophies involved in the above case.

Societal Marketing Concept: With the rising awareness of social issues such as environmental pollution, deforestation, shortage of resources, increasing population, the scope of marketing of goods and services has changed. Ex: Now the marketers take a long-term view of things and explain to the customer how their product takes care or does not harm the environment etc.

(b) Advertising was used by the company as a communication tool.

Advertising is a way of marketing your business in order to increase sales or make your audience aware of your products or services.

(c) Public Relations and Sales Promotion

74. (a) The communication tool used by the marketer in the above case to improve its image is 'Public Relation'. It is a continuous activity and is meant for creating and managing better relations with the public.

(b) Role of Public relation:

(i) Press Relation: Information about the organisation needs to be presented in a positive manner in the press. The Public relations departments is in contact with the media to present true facts and a correct picture about the company. Otherwise, news can get distorted if taken from other sources.

(ii) Product Publicity: New products require special efforts to publicise them. This is done by sponsoring sports and cultural events, like news conferences, seminars and exhibitions.

(iii) Image Building: Public relation programmes help in the building of corporate image that affects the products favourably.

(iv) Building Credibility: If news about a product comes in the media, it always builds credibility. People believe in the product, since it is in the news and not a paid advertisement.

75. Advertising is criticised on the following grounds:

(a) Adds to costs: Advertising adds to cost of production. As a result, the price of the product rise which is passed on the customer.

(b) Undermines social values: It promotes materialism and breeds discontent among people. Such as it can lead to a new life style.

(c) Creating confusion: Advertising creates confusion in the minds of people by making similar claims, making the choice of product difficult. However, the public should judge a product rationally and then only make a purchase.

(d) Encourages sale of inferior products: Advertising persuades people to buy inferior and dubious products. With the help of advertising, almost anything can be sold in the market. The supporters of advertisement proclaim that different products of different price have different claims of quality.



CBSE Sample Questions

1. (d): Societal Marketing concept
2. (c): Marketing is merely a post production activity.
3. (b): Grading
4. (a): Production concept
5. (b): Societal marketing concept
6. (a): Exchange mechanism
7. (d): Marketing Planning
8. (c) Marketing tools
9. (d): Gathering and analysing market information.
10. Functions of marketing, apart from the ones Choco Ltd is already performing:
 - (a) Gathering and analysing market information : This is necessary to identify the needs of the customers and make various decisions for the successful marketing of the products and services. This is important for making an analysis of the available opportunities and threats as well as strengths and weaknesses of the organisation and help in deciding what opportunities can best be pursued by it.
 - (b) Product designing and development : The design of the product contributes to making the product attractive to the target customers. A good design can improve performance of a product and give it a competitive advantage in the market.
 - (c) Standardisation : Standardisation refers to producing goods of predetermined specifications which help in achieving uniformity and consistency in the output.
 - (d) Packaging and labeling : Packaging refers to designing and developing the package for the products. Labeling refers to designing and developing the label to be put on the product.
 - (e) Transportation : Transportation involves physical movement of goods from one place to another. As generally the users of products particularly consumer products are wide spread and geographically separated from the place where they are produced.
 - (f) Storage and warehousing : In order to maintain smooth flow of products in the market, there is a need for proper storage of the products. Further there is need for storage of adequate stock of goods to protect against unavoidable delays in delivery or to meet out contingencies in the demand. Ram Kumar the CEO of



Sabarmati Enterprises in a meeting with the middle management of the company advised that the personal goals of the people should be reconciled with the organisational objectives for harmony in the organisation.

11. (b): Trade mark

12. (a): Marketing methods used

13. (b): Regarding the channels or using intermediaries

14. (d): Any of the above

15. (d): A-(i), B-(iii), C-(ii)

16. The marketing mix consists of various variables, which have broadly been classified into four categories, which known as four Ps of marketing.

These are:

(i) Product,

(ii) Price,

(iii) Place and

(iv) Promotion

(i) Product : Product means goods or services or 'anything of value', which is offered to the market for exchange. The concept of product relates to not only the physical product as mentioned in the above examples but also the benefits offered by it from the customer's view point (for example toothpaste is bought for whitening teeth, strengthening gums, etc.). The concept of product also includes the extended product or what is offered to the customers by way of after sales services, handling complaints, availability of spare parts, etc.

(ii) Price : Price is the amount of money customers have to pay to obtain the product. In the case of most of the products, the level of price affects the level of their demand. The marketers have not only to decide about the objectives of price setting but to analyse the factors determining the price and fix a price for the firm's products.

(iii) Place : Place or Physical Distribution include activities that make firm's products available to the target customers. Important decision areas in this respect include selection of dealers or intermediaries to reach the customers, providing support to the intermediaries (by way of discounts, promotional campaigns, etc.).

(iv) Promotion : Promotion of products and services include activities that communicate availability, features, merits, etc. of the products to the target customers and persuade them to buy it. Most marketing organisations undertake



various promotional activities and spend a substantial amount of money on the promotion of their goods through using a number of tools such as advertising, personal selling and sales promotion techniques (like price discounts, free samples, etc.).

17. (b): Trade mark

18. (c): Packaging

19. (a): Utility and demand of the product

20. (a): Rises

21. (b): Surviving in the competitive market

22. (d): Both the statements are false

23. (d): Physical distribution

24. (a): Physical distribution

25. (a): It is a personal form of communication

26. (d): Public relations

27. (c): Both statements are correct

28. Following are the points of differences between advertising and personal selling

Advertising	Personal Selling
1. Advertising is an impersonal form of communication.	Personal selling is a personal form of communication.
2. Advertising involves transmission of standardised messages, <i>i.e.</i> , the same message is sent to all the customers in a market segment.	In personal selling, the sales talk is adjusted keeping view of customer's background and needs.
3. Advertising is inflexible as the message can't be adjusted to the needs of the buyer.	Personal selling is highly flexible, as the message can be adjusted.
4. It reaches masses, <i>i.e.</i> , a large number of people can be approached.	Only a limited number of people can be contacted because of time and cost considerations.
5. In advertising, the cost per person reached is very low.	The cost per person is quite high in the case of personal selling.
6. Advertising can cover the market in a short time.	Personal selling efforts take a lot of time to cover the entire market.

