

IBPS SO MARKETING OFFICER MODEL PAPER 2019-20

Q1. Which statement is correct in terms of PAN and Aadhaar interchangeability, as introduced in union Budget 2019?

- a) The person filing IT returns by quoting Aadhaar number doesn't need to make PAN card
- b) The Aadhaar number can be used for cash transaction of more than Rs 50,000**
- c) Aadhaar can substitute PAN, only in cases of IT returns
- d) A person can't file ITR by using Aadhaar, if he already have a PAN card
- e) None of the above

Explanation:

1. According to the proposed rules, the Income Tax Department shall suo moto allot PAN to such person on the basis of Aadhaar after obtaining demographic data from the Unique Identification Authority of India (UIDAI). Both the I-T department and the UIDAI have linked their PAN and Aadhaar databases. It means the person shall have to create PAN.
2. Aadhaar can be quoted for cash transactions of more than Rs 50,000 and all other purposes where traditionally income tax PAN number was a must ex. ITR, Banks and other institutions.
3. Same explanation as 2.
4. If a taxpayer has already linked his Aadhaar with his PAN, he or she has the choice to use Aadhaar instead of PAN under the Income Tax Act.

Q2. The faceless e-assessment introduced by the government, is to eliminate face to face interaction between whom?

- a) The Government and the beneficiary receiving govt. subsidies
- b) The Police and the trafficked female victim**
- c) Tax payer and the IT department officer.
- d) Seller and buyer on e-commerce platform
- e) None of the above

Explanation:

Faceless e-assessment is to eliminate human interface to avoid face to face interaction between the tax payer and the IT department officer. The central cell will be the only point of contact between taxpayer and the department to avoid any harassment to the taxpayer by the IT officer.

Q3. For what amount of cash withdrawal from the bank account in a financial year, the budget 2019 has allowed 2% TDS (tax deduction at source) on cash withdrawals?

- a) Cash withdrawal of Rs 1 lakh and above
- b) Cash withdrawal of Rs 1 crore and above**
- c) Cash withdrawal of Rs 50 lakh and above
- d) Cash withdrawal of Rs 2 crore and above
- e) None of the above

Explanation:

Budget 2019 has proposed to levy tax deduction at source (TDS) of 2 per cent on the cash withdrawal of more than Rs 1 crore from a bank account in one financial year to discourage business payments in cash.

Former finance minister, P. Chidambaram, had introduced a banking cash transaction tax in the 2005 budget. The tax was payable by individuals and Hindu Undivided Family (HUF) if they withdrew cash over Rs 50,000 on a single day from a bank account other than a savings bank account. It was fixed at 0.1 per cent on cash withdrawals from the bank. For entities other than individuals and HUF, tax was levied on withdrawal of Rs 1 lakh and above on a single day.

Q4. Recently the government has put TDS charges on cash withdrawal of 1crore and above from the bank account. Choose the correct option in this concern?

- a) The TDS charge is applied only if the amount is withdrawn in a single transaction
- b) The TDS charge will apply if overall withdrawal in a financial year exceeds 1 crore and above**
- c) The TDS charge doesn't apply on consecutive transactions
- d) The TDS charge is applicable on fixed deposits only
- e) None of the above

Explanation:

If an individual withdraws Rs. 4 lakh per week for petty expenses at the end of the tenth month the person will exceed the Rs. 1 crore limits and tax will be deducted at the rate of 2 per cent. The bank will deduct Rs. 2 lakh as tax and will deposit it with the government.

Q5. Shukla Ltd. issues 10000, 10% preference shares of Rs. 100 each redeemable after 10 years at a premium of 5%. The cost of issue is Rs. 2 per share. What is the cost of preference capital?

- a) 10.86%
- b) 11.43%
- c) 10.54%**
- d) 11.01%
- e) 11.46%

Explanation:

$$\frac{\frac{D+(MV-NP)}{n} \times 100}{\frac{(MV+NP)}{2}} = \frac{\frac{100000+(1050000-980000)}{10} \times 100}{\frac{(1050000+980000)}{2}} = 10.54\%$$

Where, D=Annual preference dividend

MV=Maturity value

NP=Net Proceeds

Q6. Following information has been extracted from balance sheet of Uday Ltd.

Equity share capital = 400 lacs

12% debentures = 400 lacs

18% Term loan = 1200 lacs

Determine weighted average cost of capital?

- a) 17.2%
- b) 18.5%
- c) 19.66%
- d) 16.45%
- e) 14.68%

Explanation:

Sources of Capital	Cost of Capital	Proportion to total	WACC
Equity share capital	20	4/20	4.00
12% debentures	12	4/20	2.40
18% term loan	18	12/20	10.80
			17.20

Q7. Find out the Leverage Ratio if the Capital Structure has Rs. 400000 of Equity and Rs. 160000 Debt.

- a) 26.35%
- b) 28.57%
- c) 32.63%
- d) 31.46%
- e) 29.36%

Explanation:

$$\begin{aligned} \text{Leverage Ratio} &= \left(\frac{\text{Debt}}{\text{Equity} + \text{Debt}} \right) \\ &= \left(\frac{160000}{400000 + 160000} \right) \\ &= 28.57\% \end{aligned}$$

Q8. A company has 5000 shares of Rs. 100 each. It goes for Capital Restructuring and issues debentures of Rs. 200000 to buy back shares. If the interest rate on debentures is 10% with no tax, find earning per share (EPS) with earnings before interest and tax of Rs. 120000.

- a) 42.63
- b) 35.86
- c) 31.64
- d) 33.33**
- e) 37.84

Explanation:

EBIT = Rs. 120000

Less: Interest = 20000

EBT = 100000

$\text{EPS} = \frac{100000}{3000} = \text{Rs. } 33.33$

Q9. Determine Stock Turnover ratio if, Opening Stock is Rs 31,000, Closing Stock is Rs 29,000, sales is Rs 3,20,000 and Gross Profit ratio is 25% on sales.

- a) 31 Times
- b) 11 Times
- c) 8 Times**
- d) 32 Times
- e) None of the above

Explanation:

$3,20,000 \times \frac{75}{100}$

$= \frac{3}{4}$

$\text{COGS} / \text{Average Stock} = \frac{2,40,000}{30,000}$

= 8 Stock Turnover Ratio

Q10. India is the _____ largest installed wind power capacity in the world.

- a) **Fourth**
- b) Fifth
- c) Second
- d) Third
- e) None of the above

Explanation:

According to Economic survey 2018-19, India now stands 4th in wind power capacity. Other than this, the survey also states that India is at 5th place in both solar power and renewable power installed capacity.

Q11. Selection is _____ in its application as much as it seeks to eliminate as many unqualified applications as possible in order to identify the right candidates.

- a) Both negative and positive
- b) Positive
- c) **Negative**
- d) None of the above

Explanation:

Selection is the process of picking or choosing the right candidate, who is most suitable for a vacant job position in an organization. Employee selection is a process of matching organization's requirements with the skills and the qualifications of individuals. Selection is a negative process as it involves rejection of the unsuitable candidates.

Q12. Which test is designed to ensure accuracy of the information given in the applications?

- a) **Graphology Test**
- b) Interest Test
- c) Grammatology Test
- d) Polygraph Test
- e) None of the above

Explanation:

Graphology is the analysis of the physical characteristics and patterns of handwriting claiming to be able to identify the writer, indicating the psychological state at the time of writing, or evaluating personality characteristics.

Q13. The actual achievements compared with the objectives of the job is_____.

- a) **Job performance**
- b) Job evaluation
- c) Job description
- d) None of the above

Explanation:

Job performance assesses whether a person performs a job well. Job performance, studied academically as part of industrial and organizational psychology, also forms a part of human resources management. Performance is an important criterion for organizational outcomes and success.

Q14. A _____ is a company's plan for how it will balance its internal strengths and weaknesses with external opportunities and threats in order to maintain a competitive advantage.

- a) SWOT analysis
- b) Mission statement
- c) Strategy**
- d) Tactic
- e) None of the above

Explanation:

Strategy is an action that managers take to attain one or more of the organization's goals. Strategy can also be defined as "A general direction set for the company and its various components to achieve a desired state in the future. Strategy results from the detailed strategic planning process".

Q15. Determining the duties of positions and characteristics of people to hire is performed by_____.

- a) Job Analysis**
- b) Job Specifications
- c) Job Description
- d) Performance Standards
- e) None of the above

Explanation:

A Job Analysis is a process used to collect information about the duties, responsibilities, necessary skills, outcomes, and work environment of a particular job. The main purposes of conducting a job analysis process is to use this particular information to create a right fit between job and employee, to assess the performance of an employee, to determine the worth of a particular task and to analyze training and development needs of an employee delivering that specific job.

Q16. The concept of Marketing Mix was developed by_____?

- a) Philip Katter
- b) Stanton
- c) W. Anderson
- d) N.H Borden**
- e) None of these

Explanation:

The Four P's: Parts of a Marketing Mix



Q17. Which of the following is an appropriate definition of 'Demand'?

- a) Consumer Needs
- b) Needs backed up by buying power**
- c) Needs directed to the product
- d) Basic human requirements
- e) None of these

Explanation:

- **Need** : Not created by a marketer but is the basic part of human make-up
- **Want**: Needs shaped by culture and Individual Personality become specific objects that will satisfy the need.
- **Demand**: When want creates demand and is further backed up by the buying power.

Q18. _____ defines the opinion of the consumer towards a product determined.

- a) Brand Positioning
- b) Brand Relationship
- c) Brand Image
- d) Brand Attitude**
- e) None of these

Explanation:

- Brand Attitude will tell what people think about a product or service, whether the product answers a consumer need, and just how much the product is wanted by the consumer.
- Brand Positioning is basically positioning strategy of the brand that what the brand want its customers to think i.e. to create a unique impression in the minds of the customers and at the marketplace. An effective brand positioning strategy will maximize customer relevancy and competitive distinctiveness, in maximizing brand value.

- Brand Relationship is the repeated interactions between a brand and a customer that start to reflect similar characteristics of relationships between people, such as love, connection, interdependence, intimacy, and commitment.
- Brand Image is how customers think of a brand and what is the perception of the brand in mind of the customers. It develops over time. The customers form an image based on their interactions and experience with the brand.

Q19. The AIDA concept explains the various stages that a consumer moves through when confronted with a promotional message. The acronym stands for:

- a) Action, Interest, Desire, Acceptance
- b) Awareness, Involvement, Desire, Action
- c) **Attention, Interest, Desire, Action**
- d) Action, Information, Desire, Action
- e) None of these

Explanation:



Q20. _____ is an element of “Sales Promotion” includes distribution of free samples, organizing trade fair, exhibition, offers, discount coupon etc.

- a) **Promotion mix**
- b) Price mix
- c) Place mix
- d) Product mix
- e) None of these

Explanation:

- Promotion mix- Advertising, Public relations or publicity, Sales promotion, Direct marketing, Personal selling.
- Price mix- is the value of the product determined by the producers. Price mix includes the decisions as to: Price level to be adopted; discount to be offered; and, terms of credit to be allowed to customers.
- Place mix- The process of moving products from the producer to the intended user is called place. In other words, it is how your product is bought and where it is bought. This movement could be through a combination of intermediaries such as distributors, wholesalers and retailers.
- Product mix- Complete range of products that is offered for sale by the company.

Q21. Socio-economic classification, lifestyle and personality are major segmentation variables in which category?

- a) Geographic
- b) Behavioral
- c) Demographic
- d) Psychographic**
- e) None of these

Explanation:



Q22. In a _____, the population is divided into mutually exclusive groups and random samples are drawn from each group.

- a) Simple Random Sample
- b) Stratified Random Sample**
- c) Cluster Sample
- d) Both a and c
- e) None of the above

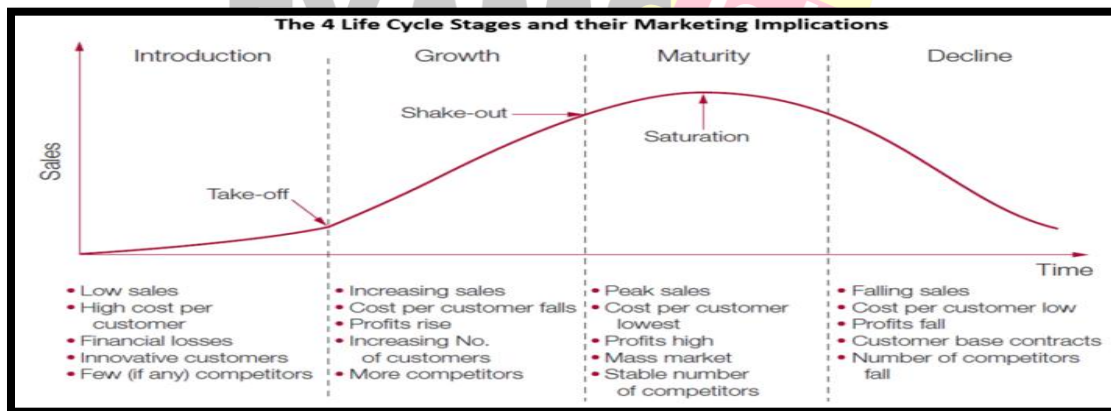
Explanation:

Types of Sampling	Selection Strategy
Simple Random	Select from a full list of the population (sampling frame). Can use a random number table to do this.
Systematic	Start at random, at a point on the sampling frame, and choose every tenth case (or some other frequency) depending on sampling frame size.
Stratified	Sampling frame stratified (for example by class, race, sex) then random sampling
Cluster	Population divided into units or clusters each containing individuals in a range of circumstances (for example, different types of young offender institution could be sampled).
Multi-stage	An extension of the cluster sample, in which samples are drawn from within clusters (for example sampling by age, sex and ethnicity from within young offender institutions identified through cluster sampling).

Q23. Increased competition leads to price decrease, increasing public awareness, and sales volume increase significantly are the characteristics of _____ in PLC.

- a) Mature stage
- b) Decline stage
- c) **Growth stage**
- d) Market introduction stage
- e) None of these

Explanation:



Q24. Services are typically produced and consumed simultaneously. This is an example of the _____ characteristic of services.

- a) Intangibility
- b) Variability
- c) **Inseparability**
- d) Perishability
- e) None of these

Explanation:

Distinctive Characteristics of Services



Q25. Who among the following is the father of Modern Marketing?

- a) Peter Drucker
- b) **Philip Kotler**
- c) Lester Wunderman
- d) Abraham Maslow
- e) None of these

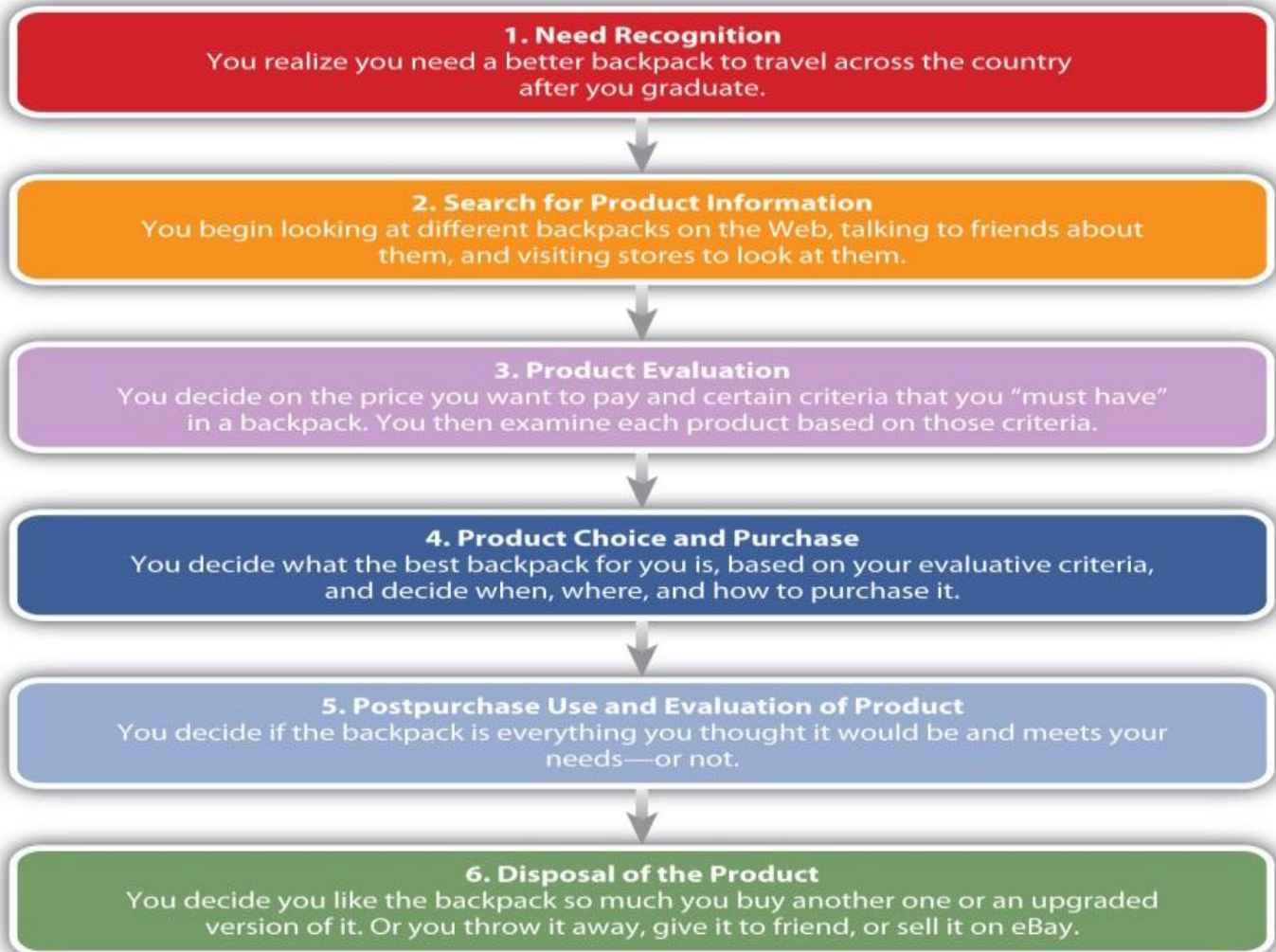
Explanation:

Modern Marketing means finding out the consumer and make the goods as per their needs rather than to provide them what the seller has made. It is a holistic, adaptive methodology that connects brands with real customers and drives business results by blending strategy, creative, technology, and analysis.

Q26. Buyer decision process starts with which of the following stage?

- a) **Need Recognition**
- b) Information Search
- c) Evaluation of Alternatives
- d) Both b and c
- e) None of these

Explanation:



Q27. Charging dissimilar prices in diverse markets for same product is?

- a) Price Penetration
- b) Price Discrimination**
- c) Price Skimming
- d) Both a and c
- e) None of these

Explanation:

- **Penetration Pricing-** In the introductory stage of a new product 's life cycle involves accepting a lower profit margin and pricing relatively low.
- **Price Skimming** involves setting the price relatively high to generate a high profit margin. A premium product generally supports a skimming strategy.
- **Price Discrimination** is a pricing policy where companies charge each customer different prices for the same goods or services based on how much the customer is willing and able to pay. Typically, the customer does not know this is happening.

Q28. Selecting time, choosing media types, deciding on reach of frequency and media vehicle for advertisements are part of which of the following?

- a) Media strategy
- b) Media execution
- c) **Selecting media**
- d) Both a and b
- e) None of these

Explanation:

- **Media Strategy** is a plan of action that helps your business reach its target audience and to improve the overall customer conversion rate.
- **Media Execution** focuses on the way you intend to use paid, owned or earned media to promote your key message. Execution makes all the necessary elements of marketing work to bring strategy to life.
- **Media Selection** is finding the most cost-effective media to deliver the desired number and type of exposures to the target audience.

Q29. A small amount of product is offered to the customer for trial is called _____?

- a) Rebate
- b) **Sample**
- c) Coupon
- d) Both a and c
- e) None of these

Explanation:

- **Product Sample** is a sample of a consumer product given free to the customers to try before making a purchase with a purpose to acquaint the consumer with a new product. It is used as a strategy to encourage users to buy the product.
- **Rebate** is an amount paid by way of reduction, return, or refund on what has already been paid or contributed. It is a type of sales promotion that marketers use primarily as incentives or supplements to product sales.
- **Coupon** is a ticket or document that can be redeemed for a financial discount or rebate when purchasing a product.

Q30. _____ are those individuals who raise ethical concerns or issues to others inside or outside the organisation.

- a) Entrepreneur
- b) **Whistle blowers**
- c) Social Entrepreneur
- d) Both a and c
- e) None of these

Explanation:

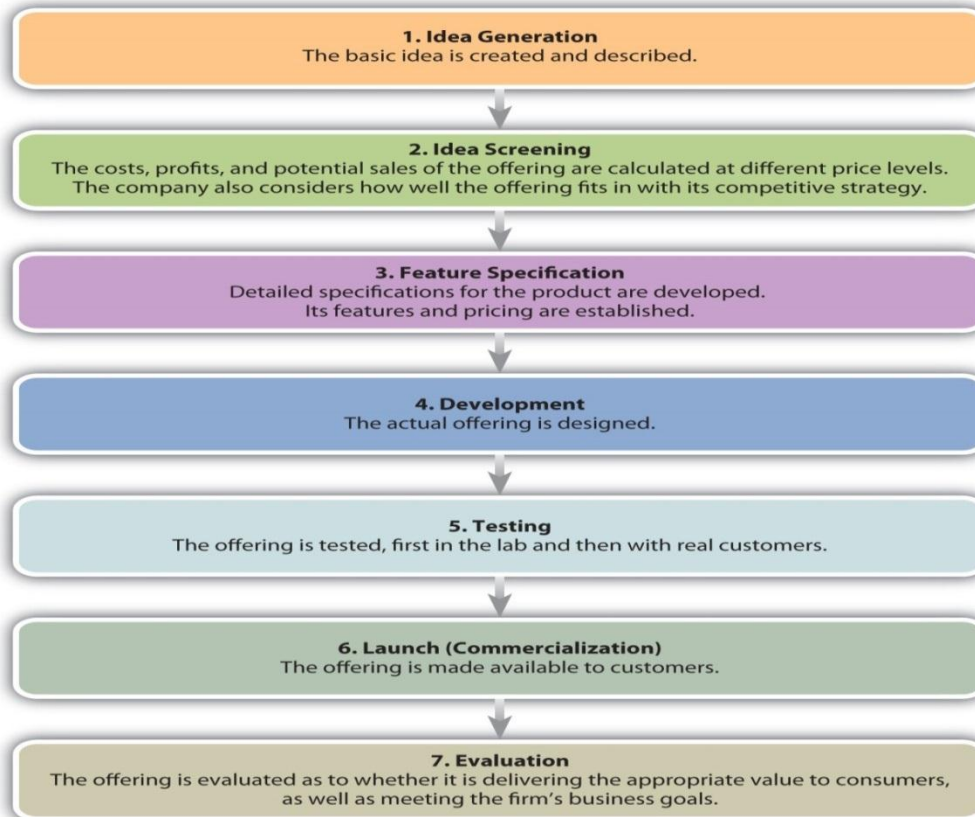
- **A Whistleblower** is a person who exposes any kind of information or activity that is deemed illegal, unethical, or not correct within an organization that is either private or public.

- **An Entrepreneur** is a person who organizes a venture to benefit from an opportunity, rather than working as an employee.
- **A Social Entrepreneur** is a person who has the potential to solve community-based problems. These individuals are willing to take on the risk and effort to create positive changes in society through their initiatives.

Q31. The cost, potential sale, profit of the offering are calculated at different price levels in _____ stage of “Product Development Process”.

- a) Evaluation
- b) Testing
- c) **Idea Screening**
- d) Idea Generation
- e) None of these

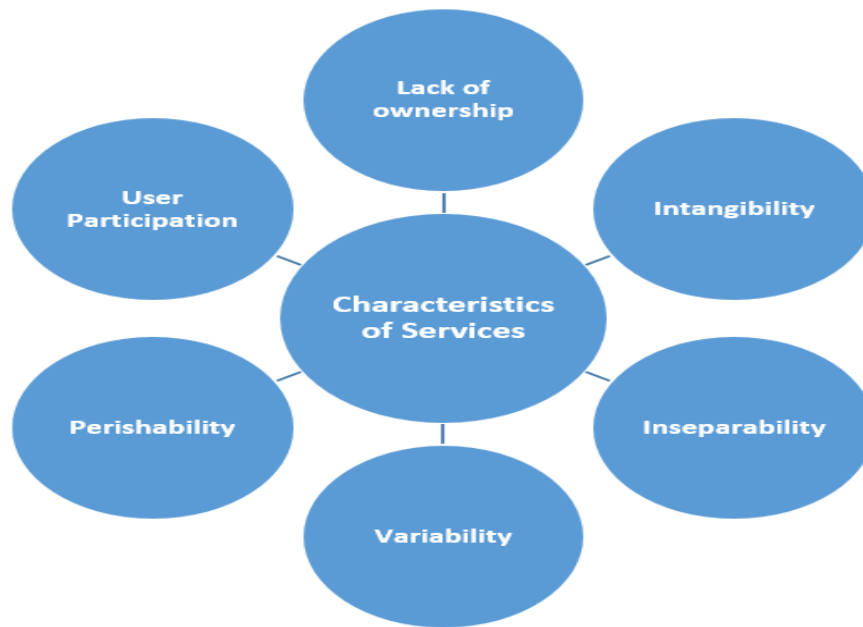
Explanation:



Q32. Services are characterized by all of the following characteristics except for which of the following?

- a) Intangibility
- b) **Homogeneity**
- c) Perishability
- d) Inseparability
- e) None of these

Explanation:



Q33. Which of the following is the practice of too narrowly defining one's business?

- a) Service Marketing
- b) Marketing Management
- c) **Marketing Myopia**
- d) Customer Experience
- e) None of these

Explanation:

Marketing Myopia: A short-sighted and inward-looking approach to marketing that focuses on the needs of the company instead of defining the company and its products in terms of the customers' needs and wants. It results in the failure to see and adjust to the rapid changes in their markets.

Q34. Which of the following is not a type of Marketing Concept?

- a) The Production Concept
- b) The Selling Concept
- c) The Societal Marketing Concept
- d) **The Supplier Concept**
- e) None of these

Explanation:



Q35. The term _____ refers to principles, values and beliefs that define right and wrong behaviors.

- a) Customer Satisfaction
- b) Empowerment
- c) Innovation
- d) **Ethics**
- e) None of these

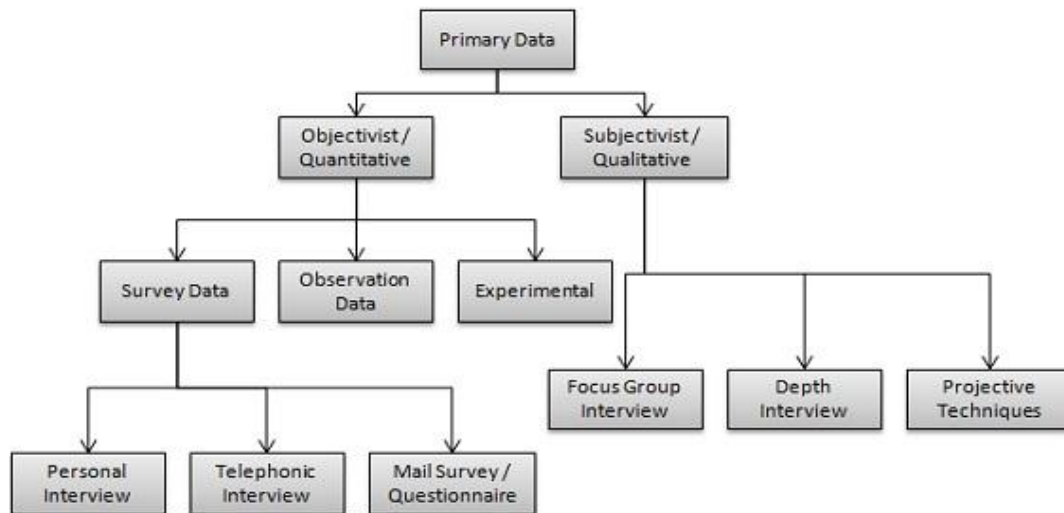
Explanation:

- **Empowerment** is the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights.
- **Innovation** is a new idea, creative thoughts, new imaginations in form of device or method. It is often viewed as the application of better solutions that meet requirements.
- **Customer satisfaction** is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities.
- **Ethics** is a system of moral principles. It is concerned with what is good for individuals and society. It is a discipline dealing with what is good and bad and with moral duty and obligation.

Q36. In a marketing research process, primary data can be collected through _____.

- a) Observation and focus groups
- b) Surveys and behavioral data
- c) Experiments
- d) **All of the above**
- e) None of these

Explanation:



Q37. Reduction in prices made on larger purchases is classified as _____.

- a) Bargained Reduction
- b) **Discount**
- c) Allowance
- d) Price Segment
- e) None of these

Explanation:

- **Allowance** is an amount of money given or allotted usually at regular intervals for a specific purpose.
- **Price segmentation** is simply charging different prices to different people for the same or similar product or service.
- **Discount** refers to an amount or percentage deducted from the normal selling price of something.

Q38. Activities carried by company to design and produce a differentiated container for a particular product is classified as _____.

- a) Guarantee
- b) Warranty
- c) Labeling
- d) **Packaging**
- e) None of these

Explanation:

- **Guarantee:** A formal assurance that certain conditions will be fulfilled, especially that a product will be of a specified quality.
- **Warranty:** Written guarantee, issued to the purchaser of an article by its manufacturer, promising to repair or replace it if necessary within a specified period of time.
- **Labeling:** The display of label in a product. A label contains information about a product on its container, packaging, or the product itself. It helps the product stand out in the market, and identifies it as a part of a particular brand.
- **Packaging:** All those activities related to designing, evaluating and producing the container for a product.

Q39. Skimming price for a new product is_____?

- a) Low Initial Price
- b) Average Price
- c) **High Initial Price**
- d) Moderate Price
- e) None of these

Explanation:

Price skimming is a pricing strategy in which a marketer sets a relatively high initial price for a product or service at first, and then lowers the price over time.

Q40. Mass communication with customers or potential customers, usually through paid public media is known as _____.

- a) Publicity
- b) Sales Promotion
- c) **Advertising**
- d) Public relations
- e) None of these

Explanation:

Advertising

- Any paid form of nonpersonal presentation and promotion of ideas, goods, or services presented to a mass population.

Sales Promotion

- A short-term incentive utilizing coupons, signs, deals, samples, etc. to encourage sales.

Personal Selling

- Includes sales tactics such as door to door sales, sales people, travel agents, and anything that deals with one on one communication.

Public Relations

- PR deals with larger events, news broadcasts, and other stories that require journalists to communicate break-through messages.

Direct Marketing

- Connects directly to a targeted customer via telephone, email, or good old snail mail for example.

Q41. The segmentation of markets based on the gender of the customer is a type of –

- a) Geographic Segmentation
- b) **Demographic Segmentation**
- c) Psychographic Segmentation
- d) Socio cultural Segmentation
- e) None of these

Explanation:

- **Demographic segmentation** is market segmentation according to age, race, religion, gender, family size, ethnicity, income, and education. Demographics can be segmented into several markets to help an organization target its consumers more accurately.
- **Geographic segmentation** is a common strategy when you serve customers in a particular area, or when your broad target audience has different preferences based on where they are located.
- **Psychographic segmentation** involves dividing your market into segments based upon different personality traits, values, attitudes, interests, and lifestyles of consumers. This segmentation is advantageous because it allows you to engage in product design and marketing in a focused manner.
- **Sociocultural segmentation** combines social (related to groups) and cultural variables (related to the shared values, beliefs, attitudes of people) that provide further basis for segmentation. Group may be defined as two or more people who interact with each other.

Q42. Who formulated the 'Agenda Setting Theory' which fortifies the power of media in setting the agenda amongst the audience/consumers?

- a) John & Weber
- b) David & Hoffner
- c) Patric & Teressa
- d) Maxwell & Shaw**
- e) None of these

Explanation:

Agenda-Setting Theory describes the "ability (of the news media) to influence the importance placed on the topics of the public agenda". This theory states that the news plays an integral part in the shaping of political realities. It focuses on the ability of media to advise the audiences what issues are major & relevant & thus setting up the 'agenda'. Agenda-setting theory was formally developed by Max McCombs and Donald Shaw in a study on the 1968 American presidential election.

Q43. Tom goes to a vending machine, deposits 50 pence, and receives a Cola. Which one of the following aspects of the definition of marketing is focused on there?

- a) Production concept
- b) Satisfaction of organizational goals
- c) Product pricing and distribution
- d) Exchange**
- e) None of these

Explanation:

- **The Production Concept** is the oldest of the concepts in business. It holds that consumers will prefer products that are widely available and inexpensive. Managers focusing on this concept concentrate on achieving high production efficiency, low costs, and mass distribution.
- **The Exchange Concept** holds that the exchange of a product between the seller and the buyer is the central idea of marketing.
- **Product Concept:** It is a belief of the management that consumers favor the products of superior quality, better performance and innovative features.

Q44. A person who ultimately determines any part or whole of the buying decision is called_____.

- a) **Decider**
- b) Buyer
- c) User
- d) Influencer
- e) Initiator

Explanation:

- **Initiator:** the person who first suggests the idea of buying a particular product or service.
- **Influencer:** is a person whose views or advice carry some weight in making the final buying decision.
- **Decider:** the person who ultimately makes the buying decision.
- **Buyer:** the person who makes the actual purchase.

Q45. All human actors who play a part in service delivery and thus influence the buyer's perception: namely the firm's personnel, the customer and other customers in the service.

- a) Physical evidence
- b) Process
- c) Place
- d) **People**
- e) None of these

Explanation:

- **Place** – The product should be available from where your target consumer finds it easiest to shop. This may be offline store or from online platform.
- **Process** – It refers to the flow of activities or mechanism that take place when there is an interaction between the customers and the businesses
- **Physical Evidence** – Almost all services include some physical elements even if the bulk of what the consumer is paying for is intangible.
- **People** – All companies are reliant on the people who run them from front line Sales staff to the Managing Director. Having the right people is essential because they are as much a part of your business offering as the products/services you are offering.

Q46. Which of the following SWOT elements are internal factors for a business?

- a) **Strengths and Weaknesses**
- b) Opportunities and Threats
- c) Strengths and Opportunities
- d) Weaknesses and Threats
- e) None of the above

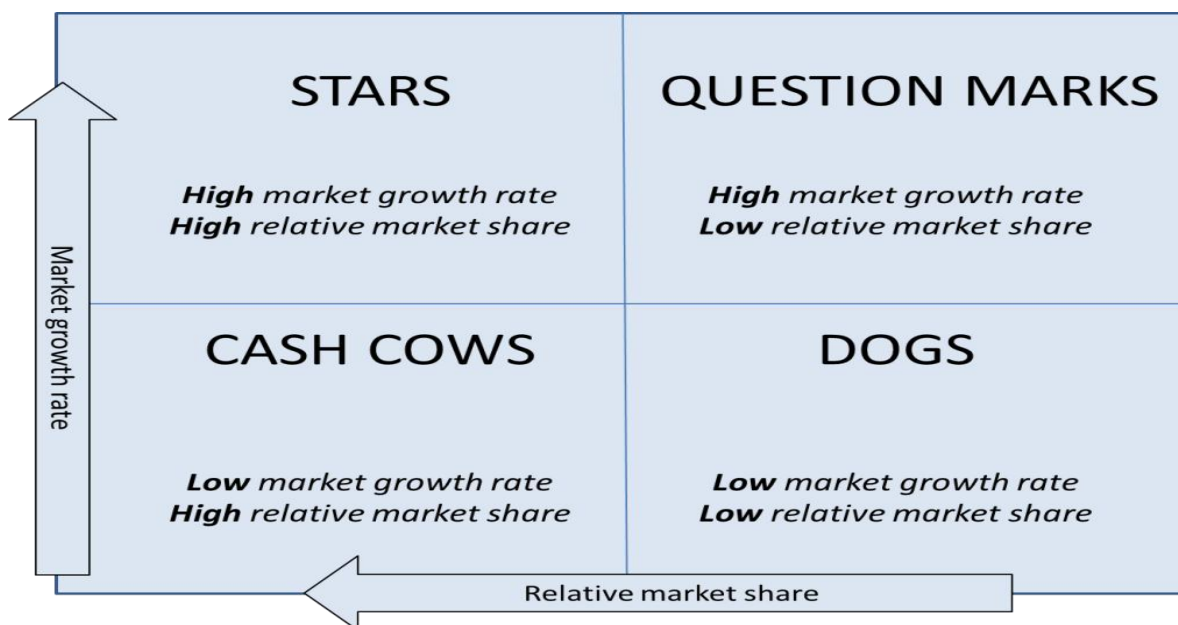
Explanation:



Q47. In BCG Matrix, what does BCG stands for?

- a) Boston Consulting Group
- b) Boston Corporate Group
- c) British Consulting Group
- d) Boston Calmette Group
- e) None of the above

Explanation:



Q48. The possible and desirable future state of an organisation is called?

- a) Mission
- b) Vision**
- c) Strategy Implementation
- d) Strategy Formulation
- e) None of the above

Explanation:

- A possible and desirable future state of an organization is called Vision. Vision is a future-oriented concept of the business. Forming a strategic vision is an exercise in thinking about where a company needs to head to be successful.
- A Mission statement defines what an organization is, why it exists, its reason for being.

Q49. All the different products a company makes or sells is called the product_____.

- a) Product Mix**
- b) Product line
- c) Product Depth
- d) Product Width
- e) None of the above

Explanation:

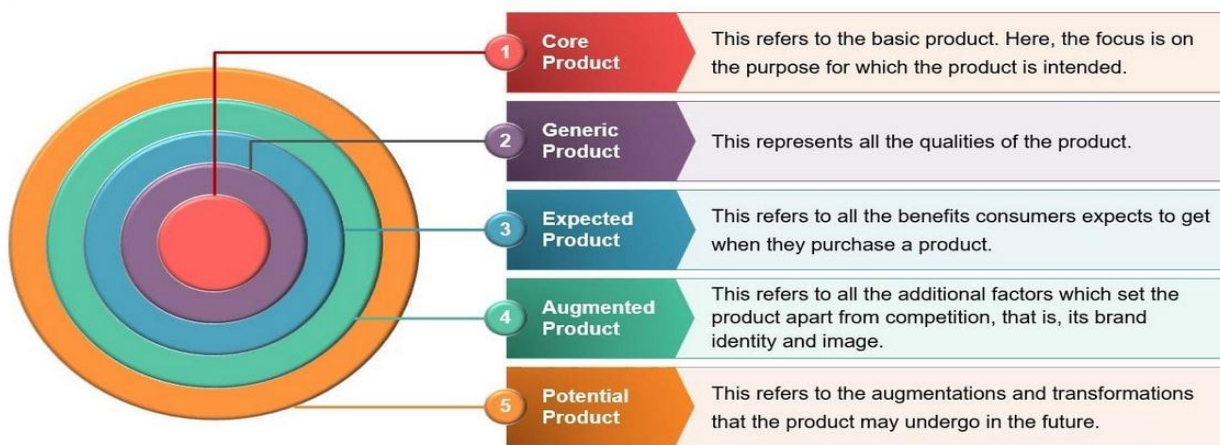


Q50. What is the term for the product doing everything potentially feasible to hold and attract the customers?

- a) General Product
- b) Hot Product
- c) Expected Product
- d) Augmented Product
- e) Potential Product**

Explanation:

Product Levels



Q51. _____ is the process where by individuals decide what, when, where, how and for whom to purchase goods and service?

- a) Consumer Role
- b) Consumer Behaviour**
- c) Consumer Psychology
- d) Consumer Need
- e) None of the above

Explanation:

Consumer behaviour is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that precede or follow these activities.

Q52. Your firm wants to use external sources for new product ideas. After consulting with a friend you learn that all of the following are common external sources except _____.

- a) Competitors
- b) Suppliers
- c) The Firm's Executives**
- d) Trade shows and Magazines
- e) None of the above

Explanation:

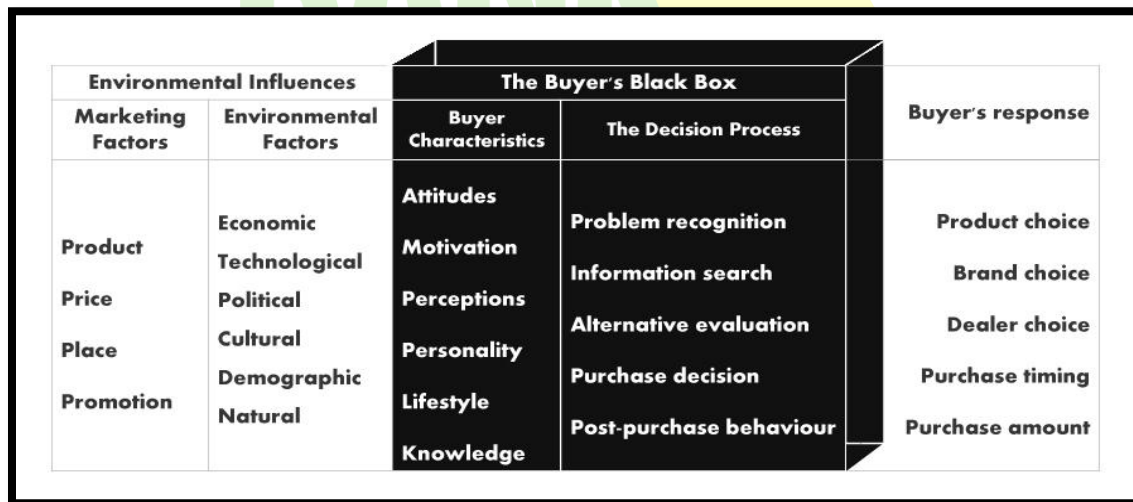
Internal sources refer to the company's own formal research and development, management and staff, and intrapreneurial programs

External sources refer to sources outside the company such as customers, competitors, distributors, suppliers, and outside design firms

Q53. The marketer wants to understand how the stimuli are changed into responses inside the consumer's _____, which has two parts. First, the buyer's characteristics influence how he or she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer's behavior.

- a) Culture
- b) **Black Box**
- c) Belief
- d) Lifestyle
- e) Social Class

Explanation:



Q54. Relationship between an organization and the media as an aid to public relations activities is known as _____?

- a) Marketing
- b) Human Resource Management
- c) Propaganda
- d) **Press Relations**
- e) None of these

Explanation:

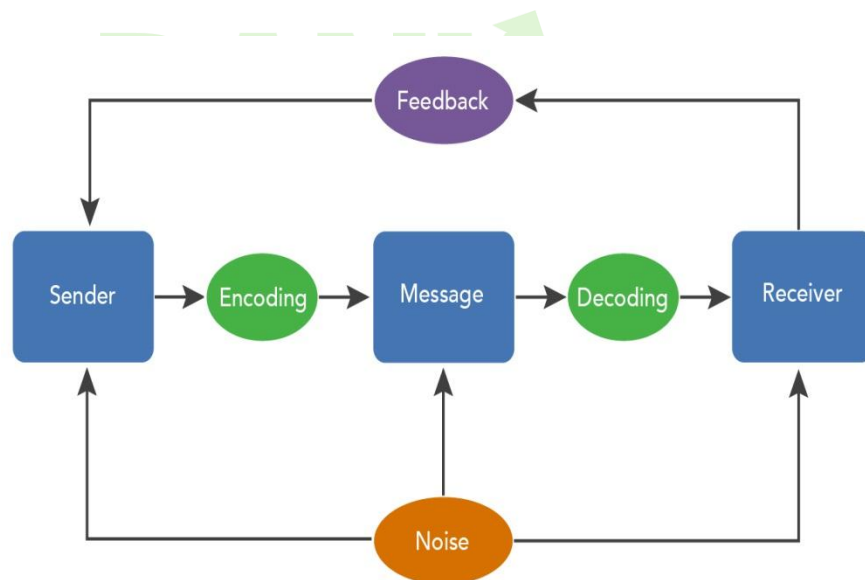
- **Marketing:** It refers to activities undertaken by a company to promote the buying or selling of a product or service. Marketing includes advertising, selling, and delivering products to consumers or other businesses.

- **Human Resource Management:** It is the strategic approach to the effective management of people in a company or organization such that they help their business gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives.
- **Propaganda:** Propaganda is the spreading of information in support of a cause. The word propaganda is often used in a negative sense, especially for politicians who make false claims to get elected or spread rumors to get their way.
- **Press Relation:** The activity of developing and keeping good relationships with people who work for newspapers, etc. in order to make them more aware of a product or service, or of a company or organisation.

Q55. The unplanned state or distortion during the communication process, which results in the receiver getting a different message than the one that the sender sent is the_____.

- a) Response
- b) Feedback
- c) **Noise**
- d) Decoding
- e) Encoding

Explanation:



Q56. Selling, is the first and foremost transaction between the seller and the prospective buyer or buyers where money is exchanged for goods or services involves a_____ approach.

- a) Marketing Oriented
- b) **Sales Oriented**
- c) Product Oriented
- d) Customer Oriented
- e) None of these

Explanation:

- **Marketing Oriented Approach** means a business reacts to what customers want. The decisions taken are based around information about customers' needs and wants, rather than what the business thinks is right for the customer. Most successful businesses take a market-orientated approach.
- **Sales Oriented Approach** is a business approach of making profits by focusing on persuasion of people to buy the products instead of understanding the customer needs.
- **Product Oriented Approach** is defined as the orientation of the company's sole focus on products alone. Hence, a product oriented company put in maximum effort on producing quality product and fixing them at the right price so that consumer differentiates the company's products and purchase it.
- **Customer Oriented Approach** is defined as an approach to sales and customer-relations in which staff focus on helping customers to meet their long-term needs and wants.

Q57. The _____ market is the set of consumers with a sufficient level of interest in a market offer.

- a) **Potential**
- b) Target
- c) Penetrated
- d) Available
- e) None of these

Explanation:

- **Potential Market-** Potential market is the part of the total population that has shown some level of interest in buying a particular product or service.
- **Target Market-** Target market is the end consumer to which the company wants to sell its end products too. Target marketing involves breaking down the entire market into various segments and planning marketing strategies accordingly for each segment to increase the market share.
- **Penetrated Market-** Penetrated market refers to the set of customers who is already using a particular product or service. In a penetrated market, users are aware of the product already and most of them are active users.
- **Available Market-** Available market is defined as the number of people who are both willing and capable of buying a particular product or service in a particular market.

Q58. Which is the appropriate pricing strategy for a new product to be introduced in the market?

- a) Cost-plus Pricing
- b) **Skimming/Penetrating Pricing**
- c) Value- Based Pricing
- d) Competitive Pricing
- e) None of these

Explanation:

- **Cost-plus Pricing**— simply calculating your costs and adding a mark-up.
- **Competitive Pricing**— setting a price based on what the competition charges.
- **Value-Based Pricing**— setting a price based on how much the customer believes what you're selling is worth.
- **Price Skimming**—Setting a high price and lowering it as the market evolves.
- **Penetration Pricing**—Setting a low price to enter a competitive market and raising it later.

Q59. In _____, the company can develop new products that are technologically unrelated to its current product line and still can appeal to its current customers.

- a) Concentric diversification
- b) Horizontal diversification**
- c) Conglomerate diversification
- d) None of the above

Explanation:

When two businesses are brought together through a merger or takeover, it is possible to define the nature and type of integration based on the activities of each business and where they operate in the supply chain of an industry.

- **Backward Vertical Integration;** This involves acquiring a business operating earlier in the supply chain – e.g. a retailer buys a wholesaler, a brewer buys a hop farm
- **Conglomerate Integration:** This involves the combination of firms that are involved in unrelated business activities
- **Forward Vertical Integration:** This involves acquiring a business further up in the supply chain – e.g. a vehicle manufacturer buys a car parts distributor
- **Horizontal Integration:** Here, businesses in the same industry and which operate at the same stage of the production process are combined.

Q60. Which of the following is the plan for differentiating the firm from its competitors in consumer eyes is firms_____?

- a) Communication Mix
- b) Positioning Strategy**
- c) Publicity
- d) Target Marketing
- e) None of these

Explanation:



- A **Positioning Strategy** is when a company chooses one or two important key areas to concentrate on and excels in those areas. An effective positioning strategy considers the strengths and weaknesses of the organization, the needs of the customers and market and the position of competitors.
- A Market **Segmentation strategy** organizes your customer or business base along demographic, geographic, behavioral, or psychographic lines—or a combination of them. Market segmentation is an organizational strategy used to break down a target market audience into smaller, more manageable groups.
- The selection of potential customers to whom a business wishes to sell products or services. The **Targeting strategy** involves segmenting the market, choosing which segments of the market are appropriate, and determining the products that will be offered in each segment.