

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION
DECEMBER 2011 SESSION

PM303 : MARKETING CHANNEL

DATE : 25 APRIL 2012 (WEDNESDAY)
DURATION : 2 HOURS (11.15 AM – 1.15 PM)

This paper consists of **TWELVE (12)** pages including the front page.
Section A: Objective (25 questions – answer all
Section B: Essay (3 questions – answer all)

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THE CHIEF INVIGILATOR

(CLO stated at the end of each question is referring to the learning outcome of the topic assessed. The CLO stated is only for lectures' references.)

SECTION A

OBJECTIVES (25 marks)

Instruction: This section consists of **TWENTY FIVE (25)** objective questions. Answer **ALL** questions .

1. The following are the roles of marketing channels **EXCEPT** [CLO1]
 - A. Contractual agreement
 - B. Simplifying assortment
 - C. Flexible routinization
 - D. Manageable team

2. A successful in marketing channels must have the following elements **EXCEPT** [CLO1]
 - A. Pooled resources
 - B. Flexibility
 - C. Collective goals
 - D. Contractual efficiency

3. Producers benefit from using intermediaries because they [CLO1]
 - A. offer greater efficiency in making goods available to target markets
 - B. operate less expensively
 - C. save a lot of work
 - D. are generally backlogged with orders

4. Wholesalers fall into three major groups. Choose the one is **NOT** under these groups. [CLO1]
- A. Merchant wholesalers
 - B. Agents and brokers
 - C. Manufacturers' sales branches and offices
 - D. Specialty wholesalers
5. Following are the functions that usually perform by wholesaler **EXCEPT** [CLO1]
- A. Collection of Goods
 - B. Storage of Goods
 - C. Distribution
 - D. Avoid Risks
6. **Retailers** are the traders who buy goods from wholesalers or sometimes directly from producers and sell them to the consumers. Choose the following activities that describe the functions of retailers.[CLO1]
- i. Buying and assembling of goods
 - ii. Storage of goods
 - iii. Credit facility
 - iv. Risks bearing
 - v. Personal services
- A. i, ii, iii
 - B. i, ii, iii, iv
 - C. ii, iii, iv, v
 - D. All of the above

7. The role of _____ is breaking bulk of goods into small quantity, provide assortment of product and matching the product with customer. [CLO1]
- A. retailer
 - B. jobber
 - C. wholesaler
 - D. manufacturer
8. K-GIC Advertising Sdn. Bhd. offer the services to their customers such as branding building, events management, media planning, printing and printing. K-GIC Advertising Sdn. Bhd. can be categorized as a [CLO1]
- A. transportation agency
 - B. advertising agencies
 - C. insurance agency
 - D. warehousing agency
9. _____ is a competition between firms of the same types. [CLO1]
- A. Horizontal competition
 - B. Vertical competition
 - C. System competition
 - D. Network competition

10. “During 1990’s, the number of working women continued the drastic increase. This increasing range of options for women will continue to have important implications for a distribution”. Choose the environmental forces that best illustrate the statement? [CLO1]
- A. Economic environment
 - B. Technology environment
 - C. Socio-cultural environment
 - D. Legal, ethical and regulatory environment
11. Identify the **TRUE** statement which describes the task of designing marketing channels. [CLO1&2]
- A. Channel design can be viewed as eight phase process.
 - B. Channel design is very important aspect of the customer’s overall marketing strategy.
 - C. Phase 4 of channel design is involving evaluation of many variables affecting channel structure.
 - D. Channel design refers to those decisions involving the development of new marketing channel where none had existed before or to the modification of existing channels.
12. Distribution program, cooperation partnership are the **THREE (3)** approaches to _____ channels members. [CLO1&2]
- A. evaluate
 - B. motivate
 - C. terminate
 - D. change

13. The basic principles for building successful channel relationship are: [CLO1&2]

- i. Both Partners should gain from the relationship
- ii. Promise only what can be delivered
- iii. Each side should take the time to understand the other partners' culture
- iv. Each side should develop champions of the relationship

- A. i, ii, iii
- B. ii, iii, iv
- C. iii, iv
- D. All of the above

14. Average inventory level is one of the criteria used to evaluate performance of channel members. The key basic questions for evaluating channel members inventory performance are: [CLO1&2]

- i. What is the total level of the channel member's inventory?
- ii. How much shelf or floor space is being devoted to the inventory?
- iii. How adequate is the channel member's inventory control and record-keeping system?
- iv. How much old stock is on hand and what efforts have been made to move it?

- A. i, ii, iii
- B. ii, iii, iv
- C. iii, iv
- D. All of the above

15. Cooperative arrangement is one of the approaches used to motivate channel members. Cooperative means: [CLO1&2]
- i. Stress a continuing and mutually supportive relationship between the manufacturer and its channel members
 - ii. The most common means of motivating channel members in conventional
 - iii. Diverse and limited only by the creating of the manufacturer.
 - iv. Deals with usually all aspects of the channel relationship
- A. i, ii, iii
B. i, iii, iv
C. iii, iv
D. All of the above
16. Producers must regularly check channel members performance against specific standards such as [CLO1&2]
- A. Sales Quotas.
B. Average Inventory Levels.
C. Customer Delivery Time
D. All of the above.
17. _____ marketing systems are professionally managed and centrally coordinated marketing channels designed to achieve channel economies and maximum marketing impact. [CLO1]
- A. Integrated
B. Horizontal
C. Vertical
D. Functional

18.

J

Julie Newmar recognizes that her company needs to provide better customer service and trim distribution costs through teamwork, both inside the company and among all the marketing channel organizations. Julie will begin the practice of [CLO1]

- A. disintermediation
- B. Supply chain management
- C. horizontal marketing system management
- D. integrated logistics management

19.

Products from each member can be marketed and/or distributed together, such as a bottle manufacturer combining with a producer of dehydrated salad dressing preparations. The two products are marketed together, allowing the two companies to combine their marketing resources and accomplish much more than either one might accomplish alone. [CLO1]

This statement refers to:

- A. Integrated
- B. Horizontal marketing systems
- C. Vertical marketing systems
- D. Functional

20.

H

Hybrid marketing systems are also called [CLO1]

- A. dual distribution systems
- B. horizontal multichannel systems
- C. administered franchises
- D. multichannel distribution systems

21. _____ means conflict between different levels within the same channel.
[CLO1&3]
- A. Vertical channel conflict
 - B. Circular channel conflict
 - C. Multichannel conflict
 - D. None of the above
22. All the following causes contribute to channel conflict, **EXCEPT** [CLO1&3]
- A. Differences in perception
 - B. Dependency
 - C. Unclear goals and rights
 - D. Channel power usage
23. Strategies to resolve channel conflict is negotiation, problem solving, legalistic and _____ strategies. [CLO1&3]
- A. negotiation
 - B. promotion
 - C. pricing
 - D. corporate
24. Logistics involves the integration of information, _____, inventory, _____, material handling, and packaging, and often security. [CLO1]
- A. promoting; transportation
 - B. transportation; warehousing
 - C. labeling; promoting
 - D. promoting; warehousing

25. Marketing logistics also called [CLO1]

- A. marketing distribution
- B. promoting distribution
- C. physical distribution
- D. warehousing management

SECTION B**ESSAY (75 Marks)**

Instruction: This section consists of **THREE (3)** essay questions. Answer **ALL** questions.

QUESTION 1

- a) Minimizing uncertainties refer to the responsibilities of intermediaries reducing the uncertainties. Explain **THREE (3)** types of uncertainty which occurred naturally in all market settings. [CLO1]

(15 marks)

- b) To select the best channel design, organizations need to understand their customers very well. Customers seek certain need-satisfying benefits from whatever goods and services they purchase or use. List down **FIVE (5)** benefits that desired by customers. [CLO1]

(10 marks)

QUESTION 2

With the aid of a diagram, explain **FIVE (5)** different marketing functions and its flows in an automobile channel. [CLO1&2]

(25 marks)

QUESTION 3

a) Describe administered vertical marketing systems. [CLO1]

(10 marks)

b) Explain how the horizontal marketing system works in the marketing channel?

[CLO1]

(15 marks)