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Serial No.....

## Society of Certified Management Accountants of Sri Lanka

### Professional- I Stage Pilot paper

#### Instructions to Candidates.

1. Time allowed is **three (3) hours**.
2. **Section A-** Answer **all** questions **in Part I** and any **three (3)** questions from **Part II**.  
**Section B-** Answer any **five (5)** questions.
3. The answers should be given in the **English Language**.

<u>Subject</u>	<u>Subject Code</u>
<b>Operations Management &amp; Marketing</b>	<b>(OMM)</b>

#### **Section A – Operations Management**

Answer all questions in part I and any three (3) questions from part II

#### **Part I**

#### **Question No .01 (14 Marks)**

The Fantasy Products Company is a manufacturer of high-quality small appliances intended for home use. Their current product line includes irons, a small hand-held vacuum, and a number of kitchen appliances such as toasters, blenders, waffle irons, and coffeemakers. Fantasy Products has a strong research and development department that continually searches for ways to improve existing products as well as developing new products.

Currently, the research and development department is working on the development of a new kitchen appliance that will chill foods quickly much as a microwave oven heats them quickly, although the technology involved is quite different. The product will initially target the market of upper income groups. Fantasy Products Marketing Vice President has recently learned from reliable sources that a competitor is also in the process of developing a similar product, which it intends to bring out at almost exactly the same time. In addition, her source indicated that the competitor plans to sell its product to upper-middle as well as upper income groups. Since Fantasy Products has been through the product introduction process a number of times, the R&D department has developed a list of the tasks that must be accomplished and the order in which they must be completed.

- a) Identify the current issue that Fantasy Products has faced and discuss the significance of product design process to address the same. **(05 Marks)**
- b) Describe how concurrent engineering helps to reduce the time of new product design and development process. **(05 Marks)**
- c) Based on what operations strategy that the competitor has decided to differentiate his new product? How should Fantasy Products react to this situation? **(04 Marks)**

**(Total 14 Marks)**

*End of Part I*

**Part II**

**Question No. 02 – (12 Marks)**

Process is comprised of physical facilities such as machinery and equipment, methods and technology and people who operate the conversion. In order to organize the resources in a facility, describe what type of process structures are available and how they have to be selected for different volume and variety requirements. **(Total 12 Marks)**

**Question No. 03 – (12 Marks)**

- a) Define the types of cost of quality and describe each by providing suitable examples. **(8 Marks)**
  - b) What is meant by benchmarking and how it can be used in quality management of a manufacturing organization? **(4 Marks)**
- (Total 12 Marks)**

**Question No. 04 – (12 Marks)**

- a) State the difference between qualitative forecasting and quantitative forecasting. You can use your own examples to elaborate the answer. **(4 Marks)**
- b) Identify two types of capacity strategies and describe the importance of forecasting in capacity decisions. **(4 Marks)**
- c) The following table shows the demands for sales of last five months. Compute the exponential smoothing forecast for May by using the smoothing constant as 0.2.

Month	Demand	Forecast
January	605	590
February	670	
March	655	
April	680	

**(4 Marks)**  
**(Total 12 Marks)**

**Question No. 05 – (12 Marks)**

- a) Describe how facility location decision criteria differ from manufacturing organization to service organization. State at least four criteria which cause to make such differences. **(8 Marks)**
  - b) How does an organization face the short-run demand? What short term strategies can be implemented? **(4 Marks)**
- (Total 12 Marks)**

**Question No. 06 – (12 Marks)**

Write short notes on **any three (03)** of the following.

- a) Supply Chain Management
- b) Job design and work measurement
- c) Just-in-time production
- d) Inventory Control System

**(04 Marks x 3 = 12 Marks)**

*End of Part II*  
*End of Section- A*

## **Section B – Marketing Management**

Answer any five (05) questions

### **Question No.1 - (20 Marks)**

- (a) What are the limitations of geography and demography based market segmentation? How can these limitations be overcome. **(10 Marks)**
- (b) Compare and contrast between consumers buying behaviour (B2C) and business-to-business buying behaviour (B2B). **(10 Marks)**
- (Total 20 Marks)**

### **Question No. 2 - (20 Marks)**

- (a) Explain the concept of “brand positioning” and discuss the different positioning strategies. **(10 Marks)**
- (b) What is meant by NPD (new product development)? Briefly explain the categorisation of new products and the NPD process. **(10 Marks)**
- (Total 20 Marks)**

### **Question No. 3 – (20 Marks)**

- (a) The Product Life Cycle (PLC) concept is very popular, but limited in practical applications. Why is this case? What are the advantages and disadvantages of the concept? **(10 Marks)**
- (b) Why is the marketing mix for services, different from products? Briefly explain the services marketing mix. **(10 Marks)**
- (Total 20 Marks)**

### **Question No. 4- (20 Marks)**

- (a) What is meant by “push” and “pull” communication strategies? Provide examples to illustrate. **(10 Marks)**
- (b) “Packaging is a silent salesman”. Discuss and illustrate with examples of your choice. **(10 Marks)**
- (Total 20 Marks)**

### **Question No. 5- (20 Marks)**

- (a) Briefly explain the following concepts:
- Personal Selling
  - Relationship Marketing
  - Brand Loyalty
  - Customer Loyalty
  - Branding
- (2 x 5 = 10 Marks)**
- (b) What is meant by e Marketing? Briefly explain and examine how the internet can be used as a distribution channel? **(10 Marks)**
- (Total 20 Marks)**

### **Question No. 6 – (20 Marks)**

- (a) How can an organization become more marketing oriented? What are the benefits of being marketing oriented? **(10 Marks)**
- (b) What are the models/frameworks that can be used to formulate marketing strategy? (A clear description and application of models are required). **(10 Marks)**
- (Total 20 Marks)**

**Question No.7- (20 Marks)**

- (a) In the Sri Lankan market price is an important element of the marketing mix. Discuss how an effective pricing strategy can be formulated, with reference to pricing principles. **(10 Marks)**
- (b) Why is PR (Public Relations) considered to be more believable than advertising? Briefly explain and highlight the benefits of PR. **(10 Marks)**
- (Total 20 Marks)**

*End of Section B*  
*End of question paper*

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