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Serial No.....

Institute of Certified Management Accountants of Sri Lanka

Managerial Level May 2015 Examination

Examination Date : 24th May 2015 **Number of Pages :** 04
Examination Time: 1.30 p.m. - 4.30 p.m. **Number of Questions:** 06

Instructions to candidates:

1. Time allowed is **three (3) hours**.
2. Total: **100 Marks**.
3. Answer **five (5)** questions selecting at least **two (2)** questions each from Sections A and B.
4. **Section A:** Marketing and **Section B:** People Management.
5. The answers should be given in **English Language**.

<u>Subject</u>	<u>Subject Code</u>
Marketing and People Management	(MPM – ML 3 / 303)

SECTION A: Marketing

Question No. 01 (20 Marks)

Excellent Trading Company (ETC) is a large trading organization dealing in a variety of consumer durables and industrial products, importing and distributing island wide. Products under consumer durable category and industrial products are marketed by two separate divisions that function under two deputy general managers with proven marketing track record. The company chairman, a dynamic marketer himself is a firm believer of innovation and new product introduction as an essential driver of competitive superiority. Every year along with senior sales and marketing team; he undertakes an overseas trade tour in search of innovative new products that come within the purview of his product portfolio.

During his recent visit the team identified two new products that interested ETC management and an immediate plan of action was under preparation to launch such products. The consumer durable division is entrusted with marketing a range of ceiling and pedestal fans and the product assigned to the industrial products division is marketing a range of 'rammers', a kind of machinery that is used in road construction from a Swedish company considered to be a very high quality equipment that produces higher compaction levels (an indicator of productivity of road compaction equipment such as rammers) compared to Korean equipment, the closest competitive option.

The chairman of the company, an astute businessman is a keen believer of systematic marketing planning and strategy and has assigned this task to a multi-disciplinary team comprising marketing, finance, technical and HR professionals.

You are required to:

- (a) “The formula – segmentation, targeting and positioning (STP) is the essence of marketing strategy”- Dr. Philip Kotler (1994).

Explain the concept of ‘positioning’ in strategic marketing. Illustrate your answer in relation to the new marketing initiative of introducing rammers in Excellent Trading Company.

(05 Marks)

- (b) Define and briefly explain the term ‘marketing mix’. **(03 Marks)**

- (c) Explain in comparison, the main features of each of the elements of the marketing mix during the ‘introduction’ stage of the product life cycle in the marketing programs of ‘fans’ in comparison to that of ‘rammers’.

(12 Marks)

(Total 20 Marks)

Question No. 02 (20 Marks)

- (a) Understanding buyer behaviour of a company’s target market is of great importance to an organization. State four reasons as to why it is important to understand buyer behavior.

(04 Marks)

- (b) Explain the manner in which cultural factors influence a person’s buying behavior. Supporting your answer with a practical example. **(04 Marks)**

- (c) Briefly explain the relevance of a buyer’s age and stage of life-cycle to a firm marketing milk foods and a firm marketing consumer electrical goods, respectively. **(04 Marks)**

- (d) Amongst psychological factors that affect the consumer decision making process, perception is an important factor. Briefly explain what is meant by ‘perception’ in relation to buyer behavior citing an example that you are familiar with. **(04 Marks)**

- (e) Explain why it is important for a company constructing and marketing houses to carefully follow developments in the economic environment in particular. **(04 Marks)**

(Total 20 Marks)

Question No. 03 (20 Marks)

Modern Convenient Products (MCP), a company dealing in fitness equipment has learnt the discovery of a product development employing a new technology that helps consumers reduce fat levels with much easier body movements, and the company’s marketing manager has requested the chairman of the company to order sufficient quantities to distribute island wide.

In your capacity as the finance manager, you are requested by the managing director to organize a ‘test marketing’ exercise before the company proceeds with placing the order.

You are required to:

- (a) (i) Briefly explain the meaning of the term ‘test marketing’ and the purpose of such an exercise. **(04 Marks)**

(ii) Explain how you will proceed to carry out this exercise. **(06 Marks)**

- (b) The marketing manager of a furniture manufacturing company, at a recent management meeting made the following comment-“In this modern era, it is advisable for organizations to practice ‘selling concept’ as their business philosophy as opposed to ‘product concept’, because if we cannot sell our products at a higher price there is little meaning of manufacturing quality products”.

Explain and compare ‘product concept’ vs. ‘selling concept’ as alternative business philosophies and Comment on the above statement by the marketing manager.

(06 Marks)

- (c) Discuss two benefits of ‘branding’ to a company marketing walking shoes targeted at working professionals. **(04 Marks)**

(Total 20 Marks)

End of Section A

SECTION B: People Management

Question No. 04 (20 Marks)

- (a) Briefly explain and differentiate the following terms from a Human Resource (HR) perspective.
- Delegation
 - Empowerment
- (06 Marks)**

- (b) Provide an example of each such term in application, in a working environment that you are familiar with. **(06 Marks)**

- (c) Explain the term “Benchmarking of HR Management Practices” with a suitable example. **(08 Marks)**

(Total 20 Marks)

Question No. 05 (20 Marks)

- (a) Mr. Srimal Perera is an Electrical Foreman in XYZ steel company and is in charge of three subordinates who overlook the three main areas namely; main step down, maintenance and electrical fittings. As the sectional head, Srimal is required to make an assessment of his three main subordinates for the purpose of granting annual increments.

Briefly discuss the principle objective factors that should be used to assess Srimal’s subordinates. **(10 Marks)**

- (b) Discuss the basic principles that are usually associated with sound remuneration systems in organizations. **(10 Marks)**

(Total 20 Marks)

Question No. 06 (20 Marks)

You are required to briefly discuss the meaning and the purpose of the following activities in the field of human resource management.

(a) Orientation & Induction. **(05 Marks)**

(b) Selection Tests. **(05 Marks)**

(c) Preparation of 'Job Descriptions' and 'Job Specifications'. **(05 Marks)**

(d) Job Enlargement and Job Enrichment. **(05 Marks)**

(Total 20 Marks)

End of Section B

End of Question Paper
