



SIR ARTHUR LEWIS COMMUNITY COLLEGE
ACADEMIC YEAR (2024/2025) - SEMESTER ONE
END OF SEMESTER EXAMINATION

COURSE CODE : BUS107
COURSE TITLE : Fundamentals of Business Development
LECTURER(S) : Jacqueline Charlemagne
DATE : December 20, 2024
TIME : 1 p.m.
DURATION : 1 hour 45 minutes
STUDENT ID # : _____

GENERAL INFORMATION AND INSTRUCTIONS

- Students must sign **IN** and **OUT** on the examination class list.
- Write your ID Number on *each* answer sheet.
- Please number your responses accurately.
- **Part 1: 40 multiple choice questions** on Components of a business plan, the marketing plan and the financial plan. Weighting 25%.
- **Part 2: Data response on Components of a business plan, the marketing plan and the financial plan. Total: 25 marks; weighting 15% of final grade**

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Part 1: 40 multiple choice questions on Components of a business plan, the marketing plan and the financial plan. Weighting 25%.

Instructions: Answer ALL the questions in this section.

1. Which of the following BEST describes the stages in the life cycle of a product?
 - A. Introduction, growth, saturation, maturity, decline
 - B. Introduction, growth, maturity, saturation, decline
 - C. Introduction, maturity, growth, saturation, decline
 - D. Introduction, saturation, growth, maturity, decline
2. In addition to selling furniture, Delmar's Furniture Ltd. Offers delivery, installation and repair services, warranties, showrooms and waiting areas. Their offer can BEST be described as
 - A. A core product
 - B. A hybrid product
 - C. An actual product
 - D. An augmented product
3. At which stage of the product life cycle does a product rapid market acceptance and increase profits?
 - A. Growth
 - B. Maturity
 - C. Introduction
 - D. Product development
4. ABC Co. Ltd has decided to use advertising, personal selling, and sales promotion to inform customers of the company's product. These techniques can BEST be described as
 - A. Marketing mix
 - B. Promotional mix
 - C. Marketing channels
 - D. Direct advertising mix
5. The primary components of the promotional mix are
 - A. Personal selling, potential customers, advertising
 - B. Personal selling, advertising, and information
 - C. Personal selling, advertising, word of mouth
 - D. Personal selling, advertising, sales
6. Which of the following is an overall goal of the promotional mix?
 - A. To decrease operating expenses
 - B. To persuade consumers to buy
 - C. To convey a message inexpensively
 - D. To have the right goods available
7. Contests, samples and coupons are all examples of
 - A. Personal selling
 - B. Premiums
 - C. Novelty items
 - D. Sales promotions
8. CheTitos place, a new store for children, wanted to attract more customers. To do so the manager planned a puppet show, put up a new window display and bought balloons to give to children. This is an example of
 - A. Sales promotion
 - B. Personal selling
 - C. Advertising
 - D. Publicity

9. Which of the following statements is False about the promotional mix
- A. The promotional mix may need to be changed from time to time
 - B. Advertising is the best promotional mix element
 - C. The promotional mix plays a key role in obtaining customers
 - D. A variety of communication channels can be used to promote goods, services or ideas
10. Personal selling would be a cost-effective form of promotion for which of the following products
- A. Newspapers
 - B. Laptop computer
 - C. Garden Rake
 - D. Soft drink
11. When planning the promotional mix, a business should consider which of the following target market factors
- A. Company history
 - B. The type of product
 - C. The stage of the product life cycle
 - D. The number of customers in the target market
12. _____ is a major promotion function whose objective is to build good relations with the company's various publics.
- A. Advertising
 - B. Direct marketing
 - C. Public relations
 - D. Specialty events
13. There is an increasing amount of commerce being done via the internet. With respect to the promotional mix, which of the following categories would be most directly concerned with internet commerce?
- A. Advertising
 - B. Public relations
 - C. Sales promotion
 - D. Direct marketing
14. The first step in developing an advertising campaign should be to;
- A. Set advertising budget
 - B. Set advertising objectives
 - C. Evaluate advertising campaigns
 - D. Develop advertising strategies
15. Communication activities which provide incentives to a customer is known as
- A. Advertising
 - B. Sales promotion
 - C. Personal selling
 - D. Publicity
16. Which of the following is not a traditional form of digital marketing?
- A. Radio
 - B. Television
 - C. Billboards
 - D. All of the above
17. Which of the following podcasts are least likely to target?
- A. Sales
 - B. Branding
 - C. Customer loyalty
 - D. Customer delivery

18. A pricing strategy aimed at increasing the market share of a product would most likely be:
- A. Premium pricing
 - B. Penetration pricing
 - C. Psychological pricing
 - D. Loss leading
19. The way a product is made distinctively compared with competition is known as
- A. Product promotion
 - B. Product mapping
 - C. Product differentiation
 - D. Product branding
20. Which of the following is NOT an extension strategy?
- A. Developing new uses for the product
 - B. Changing the promotional strategy
 - C. Increasing the price of the product
 - D. Develop new Unique Selling Points for the product
21. Which of the following BEST describes the stages in the life cycle of a product?
- A. Introduction, growth, saturation, maturity, decline
 - B. Introduction, growth, maturity, saturation, decline
 - C. Introduction, maturity, growth, saturation, decline
 - D. Introduction, saturation, growth, maturity, decline
22. In addition to selling costumes, Delmar's Ltd. offers delivery, repair services, showrooms and waiting areas. Their offer can BEST be described as
- A. A core product
 - B. A hybrid product
 - C. An actual product
 - D. An augmented product
23. In product management, the costumes itself is considered
- A. A core product
 - B. A hybrid product
 - C. An actual product
 - D. An augmented product
24. Which of the following is NOT a pricing strategy?
- A. Price skimming
 - B. Competition-based pricing
 - C. Price penetration
 - D. Direct distribution
25. Temporarily reducing prices to increase short- run sales is an example of which of the following?
- A. Segmented pricing
 - B. Promotional pricing
 - C. Dynamic pricing
 - D. Geographical pricing
26. What pricing strategy is *most* closely associated with pricing that is based on what competitors' charge for similar products, sometimes with less attention paid to the company's own cost or demand?
- A. Profit-based pricing
 - B. Competition-based pricing
 - C. Price skimming
 - D. Price penetration

27. _____ is a general pricing strategy which includes all techniques that attempt to elicit a certain reaction from consumers, based on the price of the product.
- A. Pricing Default
 - B. Psychological pricing
 - C. Consumer goods pricing
 - D. New product pricing
28. _____ are the innumerable pricing strategies which can be adopted by marketers in order to fulfill specific marketing objectives.
- A. Pricing policies
 - B. Pricing samples
 - C. Pricing for profit
 - D. None of the above
29. _____ marketers seek to influence customer demand primarily through changing the price of their products and services.
- A. Non-price competition
 - B. Brand competition
 - C. Service competition
 - D. Price competition
30. _____ is/are important internal factors influencing pricing decisions.
- A. Demand
 - B. Buyers' perception
 - C. Other marketing mix variables
 - D. Brand name
31. Where does after-sales service fit into the total product offering?
- A. Core product
 - B. Basic product
 - C. Augmented product
 - D. Perceived product
32. Which of the following is an example of a cash outflow?
- A. Creditor payments
 - B. Debtor payments
 - C. Credit sales
 - D. Cash sales
33. A cash flow forecast is best defined as:
- A. A statement of cash inflow and outflow over the past trading period.
 - B. An estimate of future cash inflows and cash outflows
 - C. An estimate of future costs and revenues
 - D. An estimate of future profit
34. An income statement
- A. summarizes the changes in retained earnings for a specific period.
 - B. reports on the changes in assets, liabilities, and stockholders' equity over a period.
 - C. reports the assets, liabilities, and stockholders' equity at a specific date.
 - D. presents the revenues and expenses for a specific period.
35. The right to receive money in the future is called a(n)
- A. account payable.
 - B. account receivable.
 - C. liability.
 - D. revenue.
36. Another name for your accounts receivables would be
- A. Current assets
 - B. Fixed accounts
 - C. Creditors
 - D. Debtors

37. Which of these business components help in understanding how the business's plans to expand in the future?
- A. Growth strategy
 - B. Competitor's analysis
 - C. Company description
 - D. Revenue plan
38. Which of the following is NOT a component of the Business Plan?
- A. Company Description
 - B. Competitive Analysis
 - C. Marketing Plan
 - D. Downsizing strategy
39. Which of these business statements provides an explanation of the organization's reason for existence?
- A. Executive summary
 - B. Objective Statement
 - C. Mission Statement
 - D. Company description
40. Name the section of the business plan which helps in understanding competitors' distribution strategy.
- A. Market analysis
 - B. Financial analysis
 - C. Growth plan
 - D. Operational plan

Part 2: Data response on Components of a business plan, the marketing plan and the financial plan. Total: 25 marks; weighting 15% of final grade

Instructions: Choose either question 1 or 2 to Answer in this section.

Question 1.

Simo John operates a small production company in Castries where various concerts are held with concessions booths for food and drinks. The capacity for hosting Jazz and other large events is insufficient. Simo is in doubt as to what he needs and needs some advice as to how to move forward. Simo is also considering which channel of distribution is appropriate for ticket sales.

- a) Explain the term market research. [3 marks]
- b) Explain TWO (2) ways market research can assist Simo in his final decision. [6 marks]
- c) Discuss TWO (2) ways Simo can promote the concerts hosted by his production company. [8 marks]
- d) Discuss, with TWO (2) points, the suitability of Castries as a location for this production business. [8 marks]

TOTAL: 25 marks

OR

Question 2.

- a) Explain why pricing is important to the creative industries. [3 marks]
- b) Explain TWO (2) methods of pricing for a new product in this industry. [6 marks]
- c) Discuss TWO differences between advertising and sales promotion. [8 marks]
- d) Discuss TWO differences between direct and indirect distribution channel. [8 marks]

TOTAL: 25 marks

END OF EXAMINATION