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ASSIGNMENT-4

-:QUESTION/ANSWERS:-

1). What is marketing, and what are its main objectives?

Ans

- Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.

- The main objectives of marketing are:

i). To analyse marketing problems and suggest suitable solutions.
ii). To develop policies and their implementation for a good result.
iii). To derive intelligent appreciation of modern marketing practices.
iv). To develop successful distribution.
v). To analyse existing marketing function and remove unnecessary procedures.

2). What are the Key functions of marketing ?

Ans

- The Key functions of marketing are :

i). Functions of exchange

a). Buying
b). Assembling
c). Selling

ii). Functions of Physical Distribution

a). Transportation
b). Inventory
c). Warehousing
d). Material Handling

iii). Functions of facilities

a). Financing
b). Risk taking
c). After Sales Services

3). How does selling differ from marketing ?

Ans

No.	Selling	Marketing
i).	Selling begins with the seller and the emphasis is on the product	Marketing starts with the consumer and the emphasis is on the needs of the customers.
ii).	Narrow in scope.	Considers business as a consumer satisfying process.
iii).	Considers business as a goods producing process	Considers business as a consumer satisfying process.
iv).	The product that is to be offered is determined by the seller.	The product that is to be offered determined by the buyer.
v).	Packaging is considered as a mere protection or a mere container for the goods.	Packaging is designed to provide the maximum satisfaction and convenience to the customer.

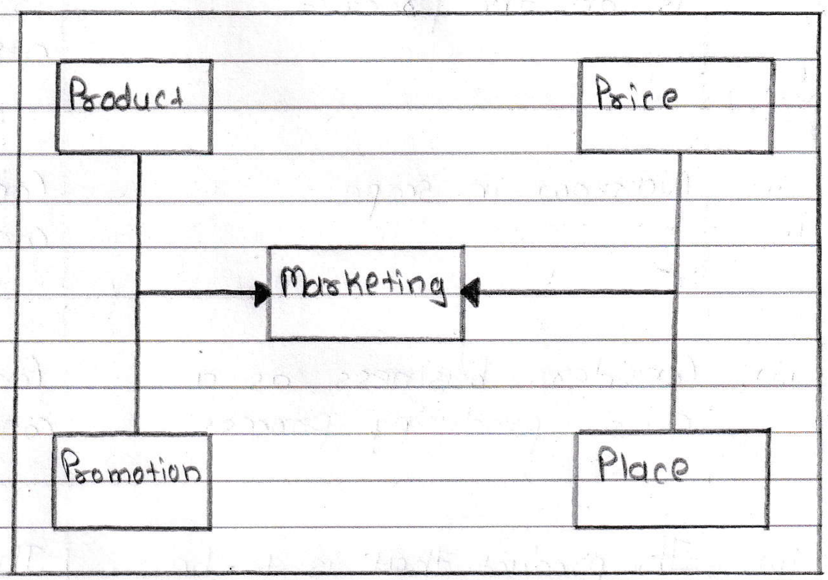
4). What are the 4Ps of marketing? Explain each briefly.

Ans
- The 4Ps of marketing are:

i). Product,
ii). Price,
iii). Place,
iv). Promotion

i). Product :-

- Brand
- Style
- Color
- Design
- Product
- Line
- Package
- Warranty
- Service



ii). Price :-

- Price Strategy,
- Pricing policy,
- Basic Price,
- Terms of Credit,
- Discount
- Allowances

iii). Place :-

- Distribution Channels
  a). Wholesalers
  b). Retailers
  c). Mercantile Agents
- Physical Distribution
  a). Transport
  b). Warehouse
  c). Inventory

iv). Promotion :-

- Personal Selling
- Advertising
- Publicity
- Sales promotion.

5). What is market segmentation, and what are its different methods ?

Ans

- Market segmentation is the process of dividing the total heterogeneous market for a product into several submarkets or segments each of which tends to be homogeneous in all sufficient aspects.

- The different methods of market segmentation are :

i). Geographic Segmentation
ii). Demographic Segmentation
iii). Psychographic Segmentation
iv). Behavioural Segmentation
v). Benefit Segmentation

- Segmentation helps in grouping these consumers having similar wants or desires.

6). Why is market segmentation important for businesses?

Ans

- Marketing segmentation is the process of dividing the total heterogeneous market for a product into several submarkets or segments each of which tends to be homogeneous in all sufficient aspects.

- The methods of market segmentation are:

i). Geographic Segmentation
ii). Demographic Segmentation
iii). Psychographic Segmentation
iv). Behavioural Segmentation
v). Benefit Segmentation

- The importance of market segmentation are:

i). Markets have a variety of product needs and preferences.
ii). Marketers can better define customer needs.
iii). Decisions makers can define objectives and allocate resources more accurately.

7). What is demand forecasting, and what are its key characteristics ?

Ans

- Forecasting customer demand for products and services is a proactive process of determining what products are needed where, when, and in what quantities. Consequently, demand forecasting is a customer-focused activity.

- Demand forecasting is also the foundation of a company's entire logistics process. It supports other planning activities such as capacity planning, inventory planning, and even overall business planning.

- The characteristics of demand forecasting are :

i). Average : Demand tends to cluster around a specific level.

ii). Trend : Demand consistently increases or decreases over time.

iii). Seasonality : Demand shows peaks and valleys at consistent intervals. These intervals can be hours, days, weeks, months, years or seasons.

iv). Cyclicity : Demand gradually increases and decreases over an extended period of time, such as years. Business cycles, product life cycles influence this component of demand.

8). What are the different steps involved in demand forecasting ?

Ans

- Demand forecasting is also the foundation of a companys entire logistics process. It supports other planning activities such as capacity planning, inventory planning, and even overall business planning.

- The steps involved in demand forecasting are :

Step-1 : Determine purpose of forecast

Step-2 : Establish a time horizon

Step-3 : Select a forecasting technique

Step-4 : Gather and analyze data

Step-5 : Prepare the forecast

Step-6 : Monitor the forecast

9). Why is demand forecasting important for businesses?

Ans

- Demand forecasting is also the foundation of a company's entire logistics process. It supports other planning activities such as capacity planning, inventory planning, and even overall business planning.

- The importance of demand forecasting for businesses are :

i). Reduces future uncertainties, helps study markets that are dynamic, volatile and competitive.
ii). Allows operating levels to be set to respond to personnel, operations of purchasing and finance for better control over wastes inefficiency and conflicts.
iii). Inventory control - reduces reserves of slack resources to meet uncertain demand.
iv). Effective forecasting builds stability in operations.
v). Setting Sales Targets, Pricing policies, establishing controls and incentives.

10). What is financial management, and what is its scope?

Ans

- Financial management means planning, organizing, directing and controlling the financial activities such as procurement and utilization of funds of the enterprise. It means applying general management principles to financial resources of the enterprise.

- The scope of financial management are:

i). <u>Investment</u> <u>Decisions</u> :-

- It includes investment in fixed assets. Investment in current assets are also a part of investment decisions called as working capital decisions.

ii). <u>Financial</u> <u>Decisions</u> :-

- They relate to the raising of finance from various resources which will depend upon decision on type of source, period of financing, cost of financing and the returns thereby.

iii). <u>Dividend</u> <u>Decisions</u> :-

- The finance manager has to take decision with regards to the net profit distribution.

11). What are the key objectives of financial management?

Ans

- The financial management is generally concerned with procurement, allocation and control of financial resources of a concern. The objectives are :

i). To ensure regular and adequate supply of funds to the concern.

ii). To ensure adequate returns to the shareholders which will depend upon the earning capacity, market price of the share, exceptations of the share holders.

iii). To ensure optimum fund utilization. Once the funds are procured, they should be utilized in maximum possible way at least cost.

iv). To ensure safety on investment

v). To plan a sound capital structure. There should be sound and fair composition of capital so that a balance is maintained between debt and equity capital.

12). What are the functions of financial management ?

Ans

- The functions of financial management are :

i). Estimation of capital requirements :-

- A finance manager has to make estimation with regards to capital requirements of the company. This will depend upon expected costs and profits and future programmes and policies of a concern. Estimations have to be made in an adequate manner which increases earning capacity of enterprise.

ii). Determination of capital composition :-

- Once the estimation have been made, the capital structure have to be decided. This involves short-term and long-term debt equity analysis. This will depend upon the proportion of equity capital a company is possessing and additional funds which have to be raised from outside parties.

iii). Investment of funds :-

- The finance manager has to decide to allocate funds into profitable ventures so that there is safety on investment and regular returns is possible.

iv). Management of Cash :-

- finance manager has to make decisions with regards to cash management. It is required for many purposes like payment of wages and salaries, payment of electricity and water bills, payment to creditors, meeting current liabilities, maintainance of enough stock, purchase of raw materials, etc.