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| **PT1/BSAK/1222/A 23-MAY-2022** | | | | | | | |
| **PERIODIC TEST – I (2022-23)** | | | | | | | |
| **Subject: Business Studies(Answer key)**  **Grade: XII** | | | | | | Max. Marks:35Time: 1hr 10 min | |
| 1. | a | **Marketing planning** | | b | Packing and labelling | |  |
|  | c | Product designing and development | | d | Standardisation and Grading | |  |
| 2. | a | **Product** | | b | Price | |  |
|  | c | Place | | d | Promotion | |  |
| 3. | a | Marketing planning | b | | Gathering and analyzing Market information | |  |
|  | c | Standardizing and grading | d | | **Customer support services** | |  |
| 4. | a | Advertising |  | | **Personal Selling** | |  |
|  | c | Sales Promotion |  | | Public Relations | |  |
| 5. | Merits of Advertising:  (i) Mass Reach: Advertising is a medium through which a large number of people can be reached over a vast geographical area. For example, an advertisement message placed in a national daily reaches lakhs of its subscribers. (ii) Enhancing Customer Satisfaction and Confidence: Advertising creates confidence amongst prospective buyers as they feel more comfortable and assured about the product quality and hence feel more satisfied. (iii) Expressiveness: With the developments in art, computer designs, and graphics, advertising has developed into one of the most forceful medium of communication. With the special effects that can be created, even simple products and messages can look very attractive. (iv) Economy: Advertising is a very economical mode of communication if large number of people are to be reached. Because of its wide reach, the overall cost of advertising gets spread over numerous communication links established. As a result the per-unit cost of reach comes low. | | | | | |  |
| 6. | Help in Promotion of Products: (1 mark)  An important function of label is to aid in promotion of the products. A carefully designed label can attract attention and give reason to purchase. (1 mark) | | | | | | 2 |
| 7 | **Indirect channel:** One level channel of distribution adopted by the company cbse-class-12-case-studies-in-business-studies-marketing-management-5  Manufacturer-Retailer Consumer (One Level Channel): In this form of arrangement one intermediary i.e., retailers is used between the manufacturers and the customers. That is, goods pass from the manufacture to the retailers who, in turn, sell them to the final users. | | | | | | 3 |
| 8 | 1. In the above case the function of marketing which has been highlighted is ‘Standardisation’ and ‘Grading’. 2. Standardisation and Grading: Standardisation refers to producing goods of predetermined specifications, which helps in achieving uniformity and consistency in the output. Standardisation ensures the buyers that goods conform to the predetermined standards of quality, price and packaging and reduces the need for inspection, testing and evaluation of the products. Grading is the process of classification of products into different groups, on the basis of some of its important characteristics such as quality, size, etc. | | | | | | 3 |
| 9 | 1. Product: Product means goods or services or ‘anything of value’, which is offered to the market for sale.  2. Price: Price is the amount of money customers have to pay to obtain the product.  3. Place: Place or Physical Distribution include activities that make firm’s products available to the target customers.  4. Promotion: Promotion of products and services include activities that communicate availability, features, merits, etc. of the products to the target customers and persuade them to buy it.  (any 2 variables- 1 ½ marks each) | | | | | | 3 |
| 10 | 1. Pubic relations (1 mark) 2. Role:   Press relations, Product publicity, Corporate Communication, Lobbying, Counselling (any 3) | | | | | | 4 |
| 11 | The following are the major limitations of advertising as a tool of promotion: (i) Less Forceful: Advertising is an impersonal form of communication. It is less forceful than the personal selling as there is no compulsion on the prospects to pay attention to the message. (ii) Lack of Feedback: The evaluation of the effectiveness of advertising message is very difficult as there is no immediate and accurate feedback mechanism of the message that is delivered. (iii) Inflexibility: Advertising is less flexible as the message is standardised and is not tailor made to the requirements of the different customer groups. (iv) Low Effectiveness: As the volume of advertising is getting more and more expanded it is becoming difficult to make advertising messages heard by the target prospects. This is affecting the effectiveness of advertising. | | | | | | 4 |
| 12 | (a) The concept of Marketing used above is 'PRICE MIX'. (1 mark)  (b) Four factors affecting price determination are: (4 marks)  1. Production cost: The price should recover all costs viz. fixed costs, variable costs and semi variable costs apart from obviously including a fair return for undertaking the marketing effort and risk.  2. Utility and demand: While determining the price of any product, the utility provided by it and the intensity of demand should not be ignored. If buyer is a\satisfied that the given product meets his/her requirement, he would also be ready to pay the cost and reasonable margin to the producer.  3. Extent of competition in the market: In case of monopoly, a firm can enjoy complete freedom in fixing prices. However if it is facing competition, it should consider the prices charged by the competitors also.  4. Government and Legal Regulations: In order to protect the interest of public against unfair practices in the field of price fixing, Government can intervene and regulate the price of commodities. Government can declare a product as essential product and regulate its price.  5. Pricing Objectives: Pricing objectives are another important factor affecting the fixation of the price of a product or a service. Generally the objective is stated to be maximise the profits. But there is a difference in maximizing profit in the short run and in the long run. If the firm decides to maximize profits in the short run, it would tend to charge maximum price for its products. But if it is to maximize its total profit in the long run, it would opt for a lower per unit price so that it can capture larger share of the market and earn greater profits through increased sales  6. Marketing methods used: Pricing of products also gets affects by the elements of marketing such as amount spent on advertisement, type of packaging, discounting policies, credit or finance facilities, etc. | | | | | | 5 |
| 13 | 1. Production concept 2. Product concept 3. Societal marketing concept 4. Marketing concept. 5. Selling concept. | | | | | | 5 |

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