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| **Fundamentals of Management (MG1001)** |
| Date: October 9th, 2024 |
| **Course Instructor(s)** |
| Mr. Ahsan Ali Abbasi |

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| **Final Exam** | |
| **Total Time (Hrs):** | **0.5** |
| **Total Marks:** | **15** |
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***CLO # 1: Demonstrate and apply knowledge of management concepts to solve a management challenge***

**Q.7)** In each of the following scenarios, identify the type of bias and briefly explain the error in decision-making that occurs**. (15 Marks**)

1. A marketing team is convinced that their new advertising campaign is successful because they received several positive comments on social media. They decide to increase the campaign budget without considering the overall sales data, which shows no significant improvement.
2. David is buying a new laptop and initially sees one priced at $1,500. He finds a similar model for $1,200 and thinks it’s a great deal, so he buys it, even though further research would have revealed a comparable model available for $1,000 at another store.
3. Despite declining sales and increasing competition, a business owner refuses to change their pricing strategy because they have already invested a significant amount in marketing materials promoting their current prices.
4. Before a product launch, a marketing team decides to prioritize one marketing strategy over another. After the launch, when sales are lower than expected, the team leader insists they had known all along that the alternative strategy would have been more effective, citing past successes of similar strategies in different markets.
5. Suppose you are looking for a jacket online and encounter two offers: Option A costs the full retail price of $100. Option B is on sale for 50% off the full retail price of $200. Explain why Option B is likely to attract more sales despite both offers costing the same amount.

\*\*\*\*\*\*\*\*\*GOOD LUCK\*\*\*\*\*\*\*\*\*