



Question 31. How does the nature of products affect the Distribution Mix?

Answer: Nature of product plays an important role in Distribution Mix. This can be explained using following:

1. Shelf-life: Normally shorter is the shelf-life quicker is the distribution. As more and more time is consumed while distributing, more is the loss in quality and quantity of the product. Thus perishable goods are distributed quickly through direct mode whereas non-perishable items are distributed through indirect mode.
2. Capital goods: Goods manufactured by producers for producers are normally sold directly. Here direct mode of selling is preferred for avoiding delay in supply, for taking the maximum share of the profit and for providing efficient after sales service.
3. Size of product: Larger is the size of product; shorter is the channel of distribution. This is preferred for quick delivery, safe transportation and easy approach to the customers.

Question 32. Why is direct selling preferred for a monopolistic market?

Answer: Direct selling is preferred in monopolistic competition due to following reasons:

1. More number of competitors: As the number of competitors are more therefore, direct selling mode is convenient method for reaching the consumers easily and quickly.
2. Views: Customers' views can be obtained easily. The feedback of customers can be used to make further changes in the product.
3. Convenience: It is convenient from the customers point of view. Delay in supply is avoided by using direct method.

Question 33. What is business failure?

Answer: Business failure refers to a firm or business enterprise ceases its operations due to inability to make a profit or to bring in sufficient revenue to cover its expenses. The hidden and open reason for business failure is failure of the firm to generate adequate cash flow to meet its expenses.

Question 34. What is trade secret? Give examples.

Answer: Trade secret refers to any confidential business information which provides an enterprise a competitive edge may be referred as trade secret.

Example:

1. Formula of Coca Cola.
2. Formula of Pepsi Cola.
3. Proportion of ingredients of veg. and non-veg masalas.

Question 35. What do you understand by Place Mix?

Answer: Place mix basically means distribution of the product. It deals with the trade channel or channel of distribution i.e. movement of product from producer/ production unit to final consumers of the product. The channel of distribution comprises of

wholesalers, selling agents, retailers, dealers, who are intermediaries between producers and consumers. Time, place and possession utilities are created due to the linkage between point of production and point of consumption.

Question 36. Which are the types of flows of channel of distribution?

Answer: Channel of distribution as a part of place mix comprises of following types of flows—:

1. Downward Flow: Here, the goods flow from producers of the commodity to the final consumers of the commodity.
2. Upward Flow: This refers to the flow of cash from consumers of the commodity to the producers of the commodity.
3. Both Directions: Information flows from consumers to producers and producers to consumers. The information that flow is related to new products, various uses of the product, choices of the consumers, desired changes in the product, etc.

Question 37. What do you mean by promotion?

Answer: Promotion refers to all the activities undertaken by the producers to make the commodity known to the final users and trade.

It includes advertising, word of mouth, press reports, incentives, commissions, awards, etc.

Consumer schemes, direct marketing, contests, prizes, etc. also included in promotion.

Question 38. “Goals need action.” Explain.

Answer: Goals can only be achieved through series of actions. The series of actions or goal setting strategy if are absent then achieving the goals is a blind chance. For a successful business, entrepreneur has to make things happen and not just let things happen. Setting business goals provide direction and motivation to the entrepreneur. Right goals keep the business on right track and so business moves in the right direction. Thus, goals need action for achieving the desirable.

Question 39. What is a product?

Answer: Product reference to the item actually being sold by the firm or entrepreneur.

Question 40. What are the various aspects related to product/service?

Answer: Following are the various aspects or features related to product/service—:

1. What does customer want from the product/service?
2. Product/service satisfy's what needs of the customer?
3. What features does it have to meet these needs?
4. How and where will the customer use it?
5. What does the product look like?
6. What physical features like, size colour, shape, etc. should the product have?
7. What is to be called?
8. How is the product branded?
9. How is the product different from the competitors?

Question 41. State any two points of importance of 'Goal Setting'.

[CBSE Delhi 2015]

Answer:

1. It is an important exercise for ensuring the appropriate performance.
2. It ensures clarity of vision and alignment to the organisational goals.

Question 42. With its help the consumers are able to identify the

products of a firm and are also able to differentiate them from those of the competitors. Identify the concept and state its components. [CBSE Delhi 2015]

Answer:

1. Brand.
2. It has the following components: brand name; brand mark; trade mark.

Question 43. State any two rules for goal setting. [All India 2015]

Answer: Rules for goal setting are as follows:

1. Business goals need to be relevant,
2. Business goals need to be actionable.

Question 44. In U.K., they are called 'end lines', 'endlines', or 'straplines'. Germans call them as 'claims', French refer them as 'signatures', while Belgians call them 'base lines'. Identify the concept and name its forms. [All India 2015]

Answer:

1. The concept is Taglines.
2. It's various forms are: questions, statements and exclamations.

Question 45. State any two factors which lead to effective employee relationship.[CBSE Sample Paper 2016]

Answer: Factors which lead to effective employee relationship:

1. Determining employee needs:  
It is not enough to assume that a company or even its HR professionals know what is important to employees. Needs vary greatly depending on employee characteristics-age, gender, etc. as well as the type of job being performed. It is a good idea to find out directly from employees what their needs are.
2. Balancing work and life needs: That means taking steps to ensure that the employee's work-life needs are well balanced. This can occur through creative staffing that might involve part-time, flex-time or even off-site work assignments.

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