

KATHMANDU UNIVERSITY  
End Semester Examination  
July/August, 2017

JUL 24 2017

Level : B.E.  
Year : IV  
Time : 2 hrs. 30 mins.

Course : MGTS 402  
Semester : II  
F.M. : 55

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SECTION "B"

1. Explain *ANY FIVE* of the followings. [5 × 2=10]
  - a) Strategic management
  - b) Competitive Strategic options in pricing
  - c) Features and benefits in a product
  - d) Marketing Strategy
  - e) Potent forces in pricing
  - f) Difference between vision and mission
  
2. Explain/Define *ANY THREE* of the following terms: [3 × 1 = 3]
  - a) Leveraging
  - b) Statement of cash flows
  - c) Cash budget
  - d) Balance score board

SECTION "C"

[5Q × 4 = 20 marks]

Attempt *ANY FIVE* questions. Assume suitable data where necessary.

3. Describe critical components of your business plan and what you will do avoid the risk of failure in your business venture.
4. What is and, why we should do feasibility analysis?
5. Discuss how to build competitive edge in marketing including relational marketing.
6. For your new product launching elaborate the list of (types) capital needs and how you will handle them.
7. List the challenges you face while introducing a new product including pricing and how you will tackle them?
8. Proper cash flow and its management is even more important than making profit. Elaborate this statement, if you agree with this statement.

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SECTION "D"

[1Q × 7 = 7 marks]

9. Your competition continues to lower price of the product you share the market with and it appears s/he wants to get into price war. How will you handle the situation without losing customers or facing bankruptcy? Will you get into price war or not?

OR

Management experts suggest in today's knowledge economy, intellectual capital and innovation are critical components for survival and growth. Briefly explain creativity, intellectual capital and how you will enhance creativity and innovation and what will you do to promote creativity- individually and organizationally.

Marks Scored:

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SECTION "A"

[20 Q. × 0.5 = 10 marks]

Choose the most appropriate answer.

1. Customer experience management is about:
  - a) Collecting data on customer feed-back
  - b) Watching/recording spending habit
  - c) Ensuring positive experience in customer interactions
  - d) Providing discounts even below the cost
2. Business prototype means;
  - a) A final product ready to ship to market
  - b) A proven product
  - c) A defective product
  - d) Testing business/product in small scale before committing full resources in production.
3. Benchmarking marketing means:
  - a) Builds customer loyalty by marketing in a unique way
  - b) Builds customer loyalty by advertising in a different way
  - c) Builds customer loyalty by becoming a price leader in comparison with others
  - d) Comparing product/services with a golden standard in industry/services.
4. Critical numbers in "business plan" signify:
  - a) When the numbers are moving in right direction, a business is on track to reach its objectives.
  - b) It guarantees a profit of over 5% per annum
  - c) The owner's equity
  - d) Cost of the product
5. Revenue at risk is:
  - a) Sales revenue loss when customers leave because of poor quality of a product
  - b) Sales revenue loss when customers leave because of poor reliability of a product
  - c) Sales revenue loss when customers leave because of poor service
  - d) Sales revenue loss when customers leave because of poor marketing
6. Preemptive rights means;
  - a) Right of general stock holders to buy unlimited share of company's stocks
  - b) Right of original investors to split stocks as they wish
  - c) Right of original investors to purchase enough shares of future stock to maintain original percentage of ownership of the company
  - d) Right of stock holders to buy shares of other companies as they wish

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7. Cycle billing means ( to smooth cash receipts);
  - a) Billing to customer every week
  - b) Billing every three months
  - c) Billing every two weeks
  - d) Billing each day
8. Equity capital/financing means
  - a) Bank loans
  - b) Funds from angel investors
  - c) Foreign company investment
  - d) Personal investments
9. Working capital represents:
  - a) Funds for growth
  - b) Funds to buy fixed assets
  - c) Investments in other businesses
  - d) Capital for short term needs
10. Balance score cards looks at
  - a) Finance, growth, history, revolutionary products
  - b) Evolutionary products, finance, growth, price/cost leadership
  - c) Maximizing profits, advertising, first to market a product
  - d) Finance, people, innovation, customer and growth
11. Copreneuers mean
  - a) Every member of a family is an entrepreneur
  - b) Every family member has financed the business
  - c) All family members have equal stake in profit and loss
  - d) Couple work together as co-owners of a business
12. Time compression management in marketing is based upon are
  - a) Shortening delivery time of a product
  - b) Shortening production time of a product
  - c) Speeding product, shortening customer response time, reducing administrative time
  - d) Speeding product, shortening customer response time, reducing customer interaction time
13. To prove that a product meets customer's needs and wants it is recommended that
  - a) Business growth is shown
  - b) Financial stability is shown
  - c) Quality, reliability is proven
  - d) Prototype be delivered for evaluation
14. Which one of these is not the significant reason for developing business plan
  - a) Reality test
  - b) Competitive test
  - c) Excellence test
  - d) Value test
15. Porter's five forces for corporate strategy does not include.
  - a) Threat of substitutes
  - b) Rivalry among competition
  - c) Business financing
  - d) Power of suppliers
16. A product "feature" is
  - a) Diagram, drawing, illustration, description
  - b) Defines reliability of a product
  - c) Defines competitive advantage
  - d) Aesthetic look of a product

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17. Which one of these is not one of the deadly mistakes to avoid
  - a) Poor location
  - b) Poor marketing effort
  - c) Managers with no academic degrees
  - d) Failure to develop strategies for the business
  
18. An example of benefit from the product is:
  - a) Lowers energy bill
  - b) Faster access to data and speed
  - c) It is more beautiful, has superior looks
  - d) Both a and b are correct
  
19. "Image" in pricing means
  - a) Differentiation
  - b) Focus
  - c) Customer acceptance of the assigned price
  - d) Maximization of profit by overcharging
  
20. This is not one of the deadly mistakes to avoid when starting a business.
  - a) Poor financial control
  - b) Poor location
  - c) Weak marketing efforts
  - d) Recover investments within six months

