



CENTRAL UNIVERSITY

FAITH • INTEGRITY • EXCELLENCE

RESIT EXAMINATIONS 2021/2022

DEPARTMENT OF MARKETING

MANAGEMENT INFORMATION FOR MARKETING (CBMK 301)

JULY 2022

DURATION: 2½ HOURS

STUDENT ID NUMBER:

INSTRUCTIONS

This examination is in **two** sections **A and B**

SECTION A

This section consists of multiple-choice questions and each of the questions has two or four answer choices. For each of these questions, select the best of the answer choices given. Answer **ALL** questions in this section and is worth **60 marks**. (Answers should be provided in the answer booklet)

SECTION B

This section consists of essay type questions. Answer only **ONE** question from this section for **40 marks**. All questions in this section carry equal marks. (Answers should be provided in the answer booklet)

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Course Lecturer : Clemence Alomenu

SECTION B (40 MARKS)

Answer **ALL** questions in this section. Each of the questions has two or four answer choices. For each of these questions, select the **best** of the answer choices given. Write the right answer in the answer booklet provided i.e. A, or B, or C, or D.

1. The knowledge regarding markets, products, technologies, resources, skills, systems that a business owns or controls and which enable it to achieve its objectives is called
 - A. Explicit knowledge
 - B. Knowledge asset
 - C. Knowledge superior
 - D. Tacit knowledge

2. All of the following are key ingredients of good marketing information system in any given organization, **except**:
 - A. External records
 - B. Internal records
 - C. Marketing research system
 - D. Marketing intelligence system

3. In the context of systems implementation, the conversion process in which a firm abandons the old system and start up the new system is called
 - A. Direct approach
 - B. Pilot approach
 - C. Parallel approach
 - D. Phased approach

4. Information as marketing asset, impacts on business performance in following ways.
 - I. It helps to increase responsiveness to customer demands
 - II. It helps to identify new customer opportunities
 - III. It helps to anticipate competitive attacks
 - A. I, II
 - B. I, III
 - C. II, III
 - D. I, II, III

5. The expertise that is held by employees within the firm that has **not** been formally documented is called
 - A. motivational knowledge
 - B. tacit knowledge
 - C. unshared knowledge
 - D. innovative knowledge

6. What name is given to category of information worker who uses data within the system to produce reports?
- A. Information creator
 - B. Information processor
 - C. Information provider
 - D. Information technician
7. According to Wilson (2002), the role of marketing information that attempts to explain customer behaviour is referred to as:
- A. Descriptive information
 - B. Diagnostic information
 - C. Projective information
 - D. Predictive information
8. One of the ways by which marketing managers can view information needs in marketing management is to consider the following key strategic questions, **except**:
- A. How do we determine strategy?
 - B. Where do we want to be?
 - C. How might we get there?
 - D. Where are we now?
9. Benefits an organization's marketing information system could deliver include the following:
- I. Contribute to the shaping of the marketing strategy
 - II. Helps to target appropriate segment of the market(s)
 - III. Provides essential information on customer opinions.
- A. I, II
 - B. I, III
 - C. II, III
 - D. I, II, III
10. Which of the following is an example of tactical information?
- A. Budget allocation figures
 - B. Market penetration figures
 - C. Manpower changes
 - D. Overdue purchase order
11. The component of marketing information system that is concerned with systematic collection of information that is specific to a particular problem is termed
- A. Internal records
 - B. External records
 - C. Marketing research system
 - D. Marketing intelligence system

12. The ability of a given market to absorb everything an organization may produce over a specific period of time is known as

- A. Sales forecast
- B. Sales potential
- C. Market potential
- D. Market forecast

13. All the following are examples of time series technique, **except**:

- A. Exponential smoothing
- B. Econometric method
- C. Decomposition method
- D. Trend projection

14. Time horizon for naive forecasting technique is

- A. Short range
- B. Medium range
- C. Long range
- D. All the above

Use this information to answer questions 15 and 16

From past history, the number of customers who have eaten lunch at Adom restaurant for the six Sundays is:

<u>Date</u>	<u>Number Of Customers</u>
Six Sundays ago	120
Five Sundays ago	110
Four Sundays ago	100
Three Sundays ago	130
Two Sundays ago	180
Last Sunday	120

15. With the following weights, use a weighted moving average to forecast the number of customers for next Sunday's lunch.

<u>Date</u>	<u>Weight</u>
Three Sundays ago	0.20
Two Sundays ago	0.45
Last Sunday	0.35

- A. 143 customers
- B. 145 customers
- C. 149 customers
- D. 151 customers

16. Using single exponential smoothing with $\alpha = 0.3$ and a forecast for last Sunday's lunch of 110 customers, estimate the forecast for this Sunday's lunch.

- A. 112 customers
- B. 113 customers
- C. 114 customers
- D. 115 customers

17. The following are reasons why it may be impossible for firms to achieve full sales potential in any given market, **except**:

- A. Production constraints
- B. Strong competition
- C. Insufficient return on investment
- D. High data requirement

18. What name is given to quantitative analysis tool that allows management to simultaneously managed capacity and demand with goal of maximizing profit?

- A. Yield management
- B. Yield assessment
- C. Demand management
- D. Demand assessment

19. Which of the following statements about inadequate forecasting are true?

- I. Excessive material cost
- II High expediting costs
- III Lost revenues

- A. I and II
- B. I and III
- C. II and III
- D. I, II and III

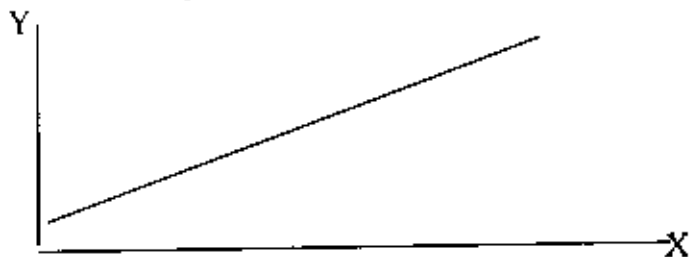
20. Here is list of steps involved in the forecasting process. Which step should come second?

- A. Establish a time horizon
- B. Select a forecasting technique
- C. Determine the purpose of the forecast
- D. Monitor the forecast

21. The cost (relative) involved in using historical analogy method in determining sales forecast of a given product can be described as:

- A. High
- B. Medium
- C. Low to medium
- D. Medium to High

22. Which of the options listed below is **not** illustrated by the following diagram?



- A. Trend
- B. Positive correlation
- C. Negative correlation
- D. Line graph

23. The following are quantitative forecasting techniques, **except**:

- A. Decomposition method
- B. Moving average
- C. Historical analogy
- D. Leading indicators

24. The forecast error which occurs when a consistent mistake is made, that is the forecast is always two high or low is called

- A. Absolute deviation
- B. Biased error
- C. Cumulative deviation
- D. Random error

25. An example of short- term financial tool is:

- A. Net present value technique
- B. Cost-volume-profit analysis
- C. Internal rate of return
- D. Payback period technique

26. The ratio of current assets less stocks to current liabilities is known as

- A. Return on assets
- B. Return on liabilities
- C. Current ratio
- D. Quick ratio

27. The market price per share divided by earning per share is referred to as

- A. Dividend per yield
- B. Dividend per share
- C. Market- earning ratio
- D. Price-earning ratio

28. At the break-even point, contribution equals:

- A. Fixed expenses
- B. Sales revenue
- C. Selling expenses
- D. Variable costs

29. When ratios are used to make comparisons within the same firm for different time periods it is termed:

- A. Intra-firm comparison
- B. Inter-firm comparison
- C. Firm-firm comparison
- D. Comparison with benchmarks

30. The business statement that describes the financial position of a business at a particular point in time is called:

- A. Income statement
- B. Balance Sheet
- C. Cash flow statement
- D. Chairperson's review statement

31. The level of output above the break-even point which provides a measure of the output range within which profit is made is referred to as:

- A. Margin-of-safety
- B. Relevant range
- C. Contribution
- D. Marginal range

32. Break-even analysis assumes that over the relevant range:

- A. Total fixed costs are nonlinear
- B. Unit revenues are nonlinear
- C. Unit variables are unchanged
- D. Total costs are unchanged

Use this information to answer question 33 and 34

The following data in the table below represent some financial performance indicators extracted from year 2013 financial statements of FAITH Ltd

Performance Indicator	Amount (GH¢' In Millions)
1. Sales Turnover	1,82,692
2. Fixed Assets	11,917
3. Current Assets	60,807
4. Current Liabilities	42,736
5. Long-Term debt	5,763
6. Stock	39,216

33. Calculate FAITH Ltd current ratio

- A. 1.64
- B. 1.54
- C. 1.42
- D. 0.70

34. FAITH Ltd debt-to-asset ratio for the period means
- A. 4.7% of the firm's asset is financed by interest paying debt
 - B. 6.3% of the firm's asset is financed by interest paying debt
 - C. 7.9% of the firm's asset is financed by interest paying debt
 - D. 20.9% of the firm's asset is financed by interest paying debt
35. Which of the following statements about limitation of financial ratios are true?
- I. Non-financial information underlying financial statement item are not considered in ratios
 - II Ratios rely on accounting figures that can be manipulated by creative accounting
 - III Ratios deal with future events, investors need past information for decision
- A. I and II
 - B. I and III
 - C. II and III
 - D. I, II and III
36. To obtain the break-even point stated in terms of Ghana cedis of sales, total fixed expenses are divided by which of the following?
- A. Variable cost per unit
 - B. Fixed cost per unit
 - C. Variable cost per unit ÷ sales price per unit
 - D. (Sales per unit – variable cost per unit) ÷ sales price unit
37. ABA Ltd margin-of-safety is 28% and it intends to increase it to 43%. Which of the following measures should ABA Ltd adopt to achieve its intended margin of safety of 43%.
- I. In the relevant range ABA's total cost should be non-linear.
 - II. ABA Ltd should increase its budgeted sales through promotional campaigns prior to the use of CVP analysis.
 - III. For subsequent year ABA Ltd should control its cost element by reviewing selling price through service augmentation.
- A. I and II
 - B. I and III
 - C. II and III
 - D. I, II and III
38. A class of database applications that look for hidden patterns in a group of data is known as:
- A. Data mining
 - B. Data warehousing
 - C. Data groupware
 - D. Data repositories

39. Joy Ltd sells in body care products in units. The following information pertains to Joy Ltd cost – volume – profit relationships.

Selling price per unit = GH¢7.00; Marginal cost = GH¢3.00; Total fixed expenses = GH¢80,000; Budgeted sales = 50,000 units

If the taxation rate is 25%, estimate the number of units Joy Ltd needs to sell to make a target profit GH¢30,000.

- A. 50,000 units
- B. 30,000 units
- C. 27,500 units
- D. 25,625 units

40. Decisions made by a decision support system are likely to be better than decisions made by a manager.

- A. True
- B. False

SECTION B (40 MARKS)

Answer only **ONE** question from this section.

Question 1 Fafa Takyi Fish Pies

After following his football team to an away fixture at Kumasi last year, Fafa Takyi discovered Fish pie on sale at half-time at the ground. These are pies, filled with fish, a curry fish dish for which Kumasi is famous. Fafa decided that fish pies could provide him with a new and successful opportunity. He thought he could make the pies himself and sell them in the Accra-Tema Metropolis. Fafa did some research and found that there were few outlets in the Accra-Tema Metropolis where fish pies were sold. He made some pies at home and took them to various retailers, pubs and clubs to see whether they would be interested. People who liked curry (an overwhelming majority) loved them. Those that had no taste for curry were uninterested. But Fafa was sure he had a winner. He found a disused kitchen unit in Achimota-Accra, previously used for pie-making. A week before he signed a 12-month lease for the unit, Fafa put some figures together to help him assess the possible profitability of the venture. Fafa planned to produce pies in batches of 100 and sell pies for 50 pesewas each. He also prepared a business plan to help in the setting-up process. Some financial information is shown below.

Fixed costs

Lease	GHC 2,500 per year
Other fixed cost	GHC 500 per year

Variable costs

Food ingredients	GHC 14 per batch
Fuel	GHC 2 per batch
Other variable costs	GHC 4 per batch

REQUIRED:

- Calculate the contribution per batch of pies. **(4 Marks)**
- How many batches would Fafa need to produce in his first year of trading to break-even? **(6 Marks)**
- How much profit would Fafa make if he sold 55,000 pies in his first year? **(5 Marks)**
- In the second year of trading the landlord raised the lease for the kitchen unit to GHC 4,500 per year. Fafa responded to this by raising the price of his pies to 70 pesewas each. What effect would this have on the break-even level output? **(6 Marks)**
- Advice Fafa Takyi on how he can improve upon his breakeven-even level output. **(9 Marks)**
- Comment on the limitations of break-even analysis as an aid to Fafa's strategic marketing decision making. **(10 Marks)**

Question 2

You are the Marketing Manager of a large universal bank in-charge of the bank's marketing information system. Your company has recently recruited a team of new sales executives who have limited experience in recent Information Communication Technologies (ICTs). One of your responsibilities as the Marketing Manager is to help newly recruited staff understand the use of following in enhancing the bank's retail operations:

- (i) Internet
- (ii) Intranet
- (iii) Extranet
- (iv) Data Warehousing

Write a **memo** to the newly recruited sales executive explaining how each of the above tools may be used improve the quality of marketing decisions. **(40 Marks)**

Question 3

You are the Head of Sales Department of a large fruit juice manufacturing company, and your company has recently recruited a team of new sales executives who have limited experience in use of qualitative forecasting techniques. One of your responsibilities as a Head of Sales is to help newly recruited staff understand the following:

- (i) Executive judgment
- (ii) Expert opinion
- (iii) Sales force composite
- (iv) Delphi technique

Write a **memo** to the new sales executives explaining how each of the above forecasting technique can be used to undertake sales forecast and also indicate their corresponding time horizon and relative cost. **(40 Marks)**