



(MARKS 100)

**BUSINESS MANAGEMENT**

**Module E**

**(3 hours)**

Q.1 (a) What do you understand by the concept of **Ethical Marketing**? (02)

What possible ethical issues do you see in the following areas?

- Fixing of prices in collaboration with competitors.
- Premium pricing for brands versus unbranded generic products.
- Advertising. (06)

(b) Employees are important stakeholders and responsible organizations lay down appropriate rules/principles to govern their conduct towards the employees. Give any four examples which you consider important for inclusion in the Code of Ethics relating to employer and employee relationship. (08)

Q.2 Sterling Corporation is an integrated manufacturing and marketing concern dealing in industrial chemicals. The company employs a large number of staff which is mainly engaged in manufacturing, office support services and outdoor sales. The occupational health and safety record of the company has been quite poor with regular incidents occurring across the organisation. Typical incidents reported are:

- Factory Floor: Inhalation of toxic fumes; cuts & burns in handling machines; slips and falls due to poor housekeeping.
- Office: Ergonomic ailments due to poorly designed furniture; eyesight impairment due to extended hours of computer work.
- Road Travel: Road accidents and resulting injuries.

The management has woken up to the need to improve health and safety performance of its employees. It wants to champion zero-tolerance for unsafe and unhealthy work practices and understands that this requires joint ownership of responsibility by management and employees.

You are assigned to:

- Draft a Corporate **Health & Safety Policy** statement stating the management's vision and everyone's responsibilities. (03)
- Recommend some safety measures to be undertaken by the company for the employees to help reduce accidents. (03)
- Suggest some measures, against which to monitor safety performance in the following three areas: (06)
  - Factory Floor
  - Office
  - Road Travel

- Q.3 Despite the proven advantages of specialisation in terms of gaining comparative advantage, many countries actively try to avoid specialising their economies. What might be some of the arguments against pursuit of **specialisation**? (08)
- Q.4 Marketing Research is a powerful tool that helps in improving the quality of marketing decisions. There are different approaches available to pre-test a marketing idea or strategy. Some of these **pre-testing tools** are:
- Motivational Research
  - Laboratory Tests
  - Ratings Tests
  - Test Marketing
  - Simulated Store Technique
  - Controlled Test Marketing
- Describe any four of the above types of pre-tests. (08)
- Q.5 (a) What is meant by forecasting and why is it done by business managers? (02)
- (b) What may be the most common reasons for failures in forecasting? (03)
- Q.6 (a) Why, in your opinion, are properly designed Job Application Forms important and what is their main purpose? (03)
- (b) What are the main objectives of undertaking Performance Appraisal exercises at regular intervals? (06)
- Q.7 Ahmer and Company manufactures and markets motor cycles in Pakistan. It has started facing severe price competition from some of the new entrants in the industry. Some of the competitors' prices are very low according to the company. These new entrants are mostly local companies which operate with Chinese collaboration. They are attempting to change the rules of the game by bringing in new model of business focusing on 'Best Cost Strategy'. Ahmer, the owner of the company is quite concerned about this situation. It is putting pressure on both profitability and market share of his company. He can manage some cost reduction by better negotiation with his existing vendors and component manufacturers but these do not seem sufficient to fight against the new competition. He is of the opinion that he cannot compromise on quality to the extent that it earns his brand a bad name in the market.
- (a) Please make a brief assessment of the above situation highlighting the importance of cost management as an on going activity of organizational strategic fit. (03)
- (b) What other options do you think Ahmer has, to fight the new competition? Please present a case to Ahmer for strategic cost management to make a breakthrough. (08)
- Q.8 Research proves that most successful companies have 'Purpose Beyond Profit' which give them better return on investment and shareholder value.
- (a) Explain your understanding of the concept of 'Purpose Beyond Profit'. (03)
- (b) Give three examples of purpose beyond profit which a business organization could have. (03)

(3)

- Q.9 Many top executives believe in 'Constant Re Invention', as they remark, "the minute you have developed a new business model, it's extinct, because somebody is going to copy it". Hence, the organizations should develop Sustainable Competitive Advantage (SCA).
- (a) What do you understand by Sustainable Competitive Advantage? Explain. **(03)**
  - (b) How can product innovation and technology up gradation result in developing an SCA? **(03)**
  - (c) In the context of product development, list the different types of 'new products'? **(03)**
  - (d) List various sources of 'new products'. **(03)**
  - (e) While bringing a new product in the market, what important marketing considerations should be taken into account to make it successful? Explain briefly. **(03)**
- Q.10 What are global (multi-national) companies? What are the different threats and opportunities these companies face? Please explain briefly. **(10)**

**(THE END)**