



*NURTURING INNOVATORS*

**RIARA SCHOOL OF BUSINESS  
MAY –AUGUST 2023 TRIMESTER  
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION  
DAY PROGRAMME**

**RMK 304: BUSINESS MARKETING**

**AUGUST 2023**

**TIME: 2 HOURS**

**GENERAL INSTRUCTIONS:**

Students are NOT permitted to write on the examination paper during reading time.  
This is a closed book examination. Textbook/Reference books/notes are not permitted.

**SPECIAL INSTRUCTIONS:**

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question One and ANY other TWO questions.
3. Questions in all sections should be answered in the answer booklet(s).
4. Marks allocated to each question are shown at the end of the question.
5. PLEASE start the answer to EACH question on a NEW PAGE.
6. For the questions, write the number of the question on the answer booklet(s) in the order you answered them.
7. Write your answers in paragraph form unless stated otherwise.
8. Keep your phone(s) SWITCHED OFF at the front of the examination room.
9. Keep ALL bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination.
10. You are only allowed to leave the examination room 30minutes to the end of the Examination.

## QUESTION ONE

Njoro Ltd. has been manufacturing and selling three products in Nairobi. The market demand for the products on average has been as follows.

Product	Annual demand	Selling price.
	Units	per unit
X	200,000	Kshs 350
Y	250,000	Kshs 450
Z	480,000	Kshs 400

The company has a plan to introduce a new product, called M, to expand their market, sell their products to other major towns in Kenya and to increase the selling price of product Z from the current kshs 400 to kshs 500 in the next one month. However, the environmental expert has warned the company that product M is likely to produce toxic substance to the environment.

Required

- Describe **FOUR** factors that the company will consider when setting up the prices of product M. **(8marks)**
- Discuss **FOUR** functions of marketing channels the company will use to promote their products in other major towns in Kenya. **(10marks)**
- Identify any **THREE** factors that will have an implication to buyers' behavior in the change of selling prices from kshs 400 to kshs 500 of product Z. **(6marks)**
- Evaluate any **THREE** likely impact of product M producing toxic substances on the company? **(6marks)**

## QUESTION TWO

- Discuss any **FOUR** marketing philosophies that exist. **(8marks)**
- Explain any **FOUR** roles of a marketing manager in the organization? **(8marks)**
- For marketing to be effective in any organization, there has to be a link between marketing and change. Required to describe the link between marketing and change? **(4marks)**

### QUESTION THREE

- a) The time taken to make a purchase decision is key for a marketer. Describe any **FOUR** factors that determine such purchase decisions: **(8marks)**
- b) Market segmentation is the process of dividing a total heterogeneous market for a goods or service into several segments. Each of which tends to be homogeneous in all significant. Discuss any **THREE benefits** of market segmentation. **(6marks)**
- c) Discuss any **FOUR** factors that a company will consider when segmenting its market. **(6marks)**

### QUESTION FOUR

- a) A demand forecast is the prediction of what will happen to your company's existing product sales. Describe the various Steps in Demand forecast. **(6marks)**
- b) The product life cycle is defined as the period over which an item is developed, brought to market, and eventually removed from the market. It has 4 very clearly defined stages, each with its own characteristics that mean different things for business that are trying to manage the life cycle of their products. Describe the **FOUR** stages of product development. **(8marks)**
- c) Identify any **SIX** reasons why a new product in the market may fail to penetrate the market. **(6marks)**