

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA - SEMESTER- 3 - EXAMINATIONS – WINTER 2016**

**Subject Code: 2830103****Date: 05/01/2017****Subject Name: Sales and Distribution Management****Time: 02.30 PM TO 05.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

**Q.1 (a)** From the four alternative answers given against each of the following cases, indicate the correct answer: (Just state A,B,C or D) **06**

1, What is the full form of CIS?

- A. Channel information system
- B. Channel induced system
- C. Channel information system
- D. Channel incorporated system

2, When the manufacturer establishes two or more channels catering to the same market, then ..... occurs.

- A, Vertical channel conflict
- B, Horizontal channel conflict
- C, Multi channel conflict
- D, None of the above

3, From the economic system's point of view, the role of marketing intermediaries is to transform:

- A, raw products into finished products.
- B, consumer needs into producer needs.
- C, consumer needs and wants into product desires.
- D, assortments of products made by producers into the assortments wanted by consumers.

4, A large marketing intermediary, but not as large as a sole selling agent in terms of size, resources and territory of operation is known as.....

- A. Wholesaler
- B. Sole selling agent
- C. Direct marketing channel
- D. Semi-wholesalers

5, Which of the following is an advantage of using a commission

- A, The salesperson will be highly motivated.
- B, Marketing information will be regularly collected by the salesperson.
- C, The account will be serviced on a regular basis.
- D, All of the above

6, \_\_\_\_\_ is a marketing channel that has no intermediary levels.

- A. Direct marketing channel
- B. Indirect marketing channel
- C. Forward channel
- D. Hybrid channel

- (b) Define Following Terms: 04
- 1, Vertical Marketing System
  - 2, Distribution Structure
  - 3, Semi Wholesalers
  - 4, Routing and Scheduling

- (c) Explain types of retailers. 04

- Q.2** (a) Need satisfaction method of sales presentation is effective with the use of FAB approach. Identify a feature, an advantage, and benefit for the following products and services: 07

**A-Passenger Car**

**B-Television**

- (b) Suggest sales strategy for a hotel operating in the your city. Make suitable assumptions, if needed 07

**OR**

- (b) What is sales forecast? Explain different methods of forecasting in detail 07

- Q.3** (a) What is a sales territory? What are the major differences between build-up and break-down methods, which are used for designing sales territories? 07

- (b) Why are distribution channels required? Explain in detail the different kinds of channel partners. 07

**OR**

- Q.3** (a) Assume you are a branch manager of a company, which has recently introduced a sales quotas system. Company found out that because of poor implementation of these sales quotas, sales people easily achieve their targets. What kind of different methods are there for setting sales quotas that helps to your organization? 07

- (b) List down the channel flows with a brief explanation of each of 07

them. What are the FirstRanker formats possible and their characteristics?

- Q.4 (a)** What are the functions of wholesaler? What is the expectation of company from its distributors and how do the distributors discharge these responsibilities? **07**
- (b)** Explain the channel flows required for a company selling electric motors and pumps and identify the channel intermediaries who can best perform these flows. **07**

**OR**

- Q.4 (a)** What are channel conflicts? What are the four stages in which it evolves? Enumerate the various methods used to resolve conflicts? **07**
- (b)** What are the major functions of warehouse? How is warehousing related to inventory decisions? **07**

**Q.5** **MM Marketing Company –** **14**  
**Territory and Quotas for a NEW Product.**

Krishna Kumar, the marketing manager of MM marketing company was thinking how to go About designing sales territories, assigning salespeople to the territories and setting sales quotas, particularly as the product was new. The new product, called swishflow fan was a unique kind of a table fan with attractive air-conditioner like looks. Considering the initial production capacity of 1,00,000 numbers in the first year, Krishna Kumar decided to market the product in and around Mumbai, where the marketing and sales office was located. The target consumers were household as well as commercial organizations, who could use this product as table fan and wall mounted fan.

Krishna Kumar thought that the territory design should include geographical areas with high market potential for achieving the sales budget of 1,00,000 numbers in the first year and a growth of 25 per cent per year for subsequent four years. He calculated a salesforce size of seven numbers, and decided to launch the product initially in major metros and cities in Maharashtra and Gujarat. Krishna kumar was of the view that sales quotas should consider sales volume, selling expense, and also number of sales calls per day, in order to have a proper control on salespeople. He wondered how to design sales territories, what criteria he should consider while assigning salespersons to territories, and how to design the sales quotas considering the factors mentioned above.

**Question:**

[www.FirstRanker.com](http://www.FirstRanker.com)

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**1, Define Sales territory, what is territories design?**

**2, If you were Krishna Kumar, what will you do and why?**

**OR**

**Q.5**

**AG Refrigerators Ltd-Developing Sales Forecast.**

**14**

“The company’s sales forecast for the year 2006-07 will be 880000 numbers of refrigerators.” Said Satish Kumar, General Manager (Sales) of AG Refrigerators, in the budget meeting held on January 20, 2006 at the company’s headquarter at Bangalore.

“For determining the company’s sales budget, we also need the information about market segments, such as the share of household and institutional customers as well as that of rural and urban markets. Production function would like to know product type share between frost-free and direct-cool, as well as different sizes from 55 litres to 310 litres. These figures are absolutely essential for working our marketing and production plans, and thereafter, overall company’s budget for the year 2006-07,” intervened Vinod Dhavan, President of AG Refrigerators, before Vice president (Sales and Marketing) could say something.

Satis Kumar responded, “yes, we can estimate the break-up of total numbers of refrigerators into product types and sizes, as well as market segments, but we have to first decide whether our sales budget would be equal to or lower than the sales forecast.”

“I think, before we take that decision, we would like to know how accurate is your sales forecast, and which forecasting method have you used,” asked Vice President (Sales and Marketing).

“Well, the method used by us was moving averages and the accuracy of our sales forecasting is good for short-term forecasting with stable market conditions and availability of historical data,” said a confident Satis Kumar.

**Questions:**

**1, What do you suggest to improve the accuracy of the sales forecast and to get the break-up of the sales forecast into product types and sizes, and market segments.**

**2, Should the company’s sales budget be lower, higher, or equal to the sales forecast and why?**

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