

Principles of Marketing
MCQ
B.Com. I (IT) Sem. –II

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1. Which of these is true about marketing?

- A. Marketing is used to promote the product and services
- B. Marketing is concerned about the sales only
- C. Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.
- D. Marketing considers only the needs of the organization and not the society

Answer: C) Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

2. Which one is not a part of the 4 Ps?

- A. Product
- B. People
- C. Price
- D. Place

Answer: B) People

Explanation:

People are a part of the 7 Ps. The concept of the 7 Ps is used in service marketing.

3. Who is the Father of Modern Marketing?

- A. Philip Kotler
- B. Peter F Drucker

- C. Abraham Maslow
- D. Raymond Kroc

Answer: A) Philip Kotler

Explanation:

Philip Kotler is the father of modern marketing. He is an American marketing author and professor emeritus.

4. ____ defined marketing as the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit?

- A. Steve Jobs
- B. Philip Kotler
- C. Peter Drucker
- D. Abraham Maslow

Answer: B) Philip Kotler

Explanation:

Philip Kotler is the father of modern marketing. He is an American marketing author and professor emeritus.

5. The term "Marketing" refers to?

- A. Promotion of the product
- B. Focusing on sales and profit
- C. Strategizing and implementing the organization process
- D. Set of activities to deliver customer value and satisfaction

Answer: D) Set of activities to deliver customer value and satisfaction

Explanation:

The latest idea of marketing is that it is a set of activities to deliver customer value and satisfaction. There were different phases when marketing was considered more about production and selling.

6. ____ is the key term in AMA's definition of marketing?

- A. Sales
- B. Promotion
- C. Value
- D. Profit

Answer: C) Value

Explanation:

In its standard definition of marketing, the American Marketing Association focuses on Value to the customers.

7. Why must the marketers monitor the competitor's activities?

- A. The competitor may destroy the organization
- B. The competitor may threaten the monopoly position of the company
- C. New offerings of a competitor may need alterations in one or more components of the company's marketing mix
- D. The competitor may be violating the law to gain an advantage

Answer: C) New offerings of a competitor may need alterations in one or more components of the company's marketing mix

Explanation:

Monitoring the competitor's activities helps the company to modify its plans and activities to remain profitable and sustained in the market.

8. Different price points for a different level of quality for a company's related products is a part of which pricing strategy?

- A. Product line pricing
- B. Incremental pricing
- C. Optional product pricing

D. By-product pricing

Answer: A) Product line pricing

Explanation:

In product line pricing the company adds features to the base product and charges more for the features, as compared to the base product.

9. In today's time marketing must be understood and developed as?

- A. Getting the first mover's advantage
- B. Creating value for the customers
- C. Pushing for higher sales and profits
- D. Creating innovative products

Answer: B) Creating value for the customers

Explanation:

The concept of marketing has evolved from production to creating value for the customers. Today the customers don't buy the product simply because they are available, but if they add value to the customer.

10. Which one of these is an appropriate definition of "want"?

- A. The desires of consumers
- B. Needs related to society
- C. Basic human needs
- D. Needs directed to the product

Answer: D) Needs directed to the product

Explanation:

When a buyer sees a gap or problem it is a need. Only when the buyer decides that his need can be fulfilled by a particular product does it become a want.

11. In the evolution of marketing the production period ended in ?

- A. Late 1800s
- B. After the second world war
- C. In the 1920s
- D. Early 20th century

Answer: C) In the 1920s

Explanation:

Before the 1920s demand was related to production. The companies focused on producing new products and a demand was created automatically.

12. According to Philip Kotler marketing is_____?

- A. A science
- B. An art
- C. Both science and art
- D. None of the above

Answer: C) Both science and art

Explanation:

Marketing, according to Philip Kotler, is neither a science nor an art. It is a mix of both. A smart marketer understands when to depend on data and when to use intelligence.

13. Which concept holds that consumers will favor the products that are easily available at an affordable price?

- A. Production concept
- B. Product concept
- C. Marketing concept
- D. Production cost concept

Answer: B) Product concept

Explanation:

In the Product Concept the marketers believed that if a product is readily available at a lower price, the customers will prefer to buy it over a product that is difficult to find and expensive.

14. What does the term "marketing" refer to?

- A. New product development
- B. Advertising and other promotional activities
- C. Achieving sales and profit targets
- D. Creating customer value and satisfaction

Answer: D) Creating customer value and satisfaction

Explanation:

The latest idea of marketing is to focus on creating customer value and satisfaction. When you can create value for customers, they will prefer your products and services over others.

15. Which part of the consumer's income interests the marketers?

- A. Gross Income
- B. Disposable Income
- C. Inflationary Income
- D. Discretionary Income

Answer: D) Discretionary Income

Explanation:

Discretionary Income is the amount of income that is left for spending or investing after the customer has paid for the personal necessities and taxes.

16. Catalogues, sponsored events, and digital media presence are closely associated with the marketing mix activity of?

- A. Product development
- B. Pricing
- C. Promotion
- D. Sales

Answer: C) Promotion

Explanation:

These mediums are primarily used to spread awareness among consumers and promote the products and services among the target consumers.

17. Early adopters and opinion leaders tend to?

- A. Buy new products in their circles first and voice their opinion
- B. Buy tried and tested products
- C. Being from upper class, users from other classes are followers
- D. Don't take risks easily

Answer: A) Buy new products in their circles first and voice their opinion

Explanation:

The early adopters are willing to take the risk and try new things. They often buy new products in their circles first. They also share their opinions about the products among their social circles.

18. To achieve market expansion a company must?

- A. Use distribution channels more effectively
- B. Use advertising campaigns more effectively
- C. Price their products more strategically
- D. All of the above

Answer: D) All of the above

Explanation:

Focusing on only one or two will not yield the desired results. For market expansion, the marketer must take a broader approach and focus on all the activities to achieve the goals of expansion.

19. In an organization strategic marketing planning must begin with?

- A. Hiring a senior planning consultant
- B. Establishing organizational goals and objectives
- C. Writing the mission statement
- D. Writing the vision statement

Answer: C) Writing the mission statement

Explanation:

Writing the mission statement is essential to create a successful marketing plan. A well-written mission statement gives a clear direction and the marketing plan can be developed to achieve the goals.

20. In the service industry how many Ps comprise the marketing mix?

- A. 4 Ps
- B. 7 Ps
- C. 10 Ps
- D. 8 Ps

Answer: B) 7 Ps

Explanation:

The concept of 7Ps is followed in the service industry. The product industry mainly uses 4Ps.

21. Which period worked on the marketing philosophy of "A good product will sell itself"?

- A. Marketing
- B. Production

- C. Sales
- D. Relationship

Answer: B) Production

Explanation:

During the Production Period the marketers focused more on the quality of their products. Whether the products add value to the customers was not considered much.

22. Which of the following describes "diversification"?

- A. New products in new markets
- B. New products in existing markets
- C. Existing products in an existing market
- D. Existing products in new markets

Answer: A) New products in new markets

Explanation:

Diversification is a concept where a company not only focuses on new products but also explores new markets.

23. Which traits are desired of marketers today?

- A. Only creativity
- B. Only critical thinking
- C. Both creativity and critical thinking
- D. Neither creativity nor critical thinking

Answer: C) Both creativity and critical thinking

Explanation:

In today's time a marketer has to be both a creative and critical thinker. With these two capabilities, the marketer can better understand the consumers and come up with solutions that add value.

24. What is motive development?

- A. The imbalance between the customer's actual and desired state in which gap or problem-solving is recognized
- B. The gap between the customer's current state and past state
- C. The balance between the customer's actual and desired state
- D. The gap between the customer's and his colleague's current state

Answer: A) The imbalance between the customer's actual and desired state in which gap or problem-solving is recognized

Explanation:

There is always an imbalance between the customer's actual and desired state. A marketer's key role is to recognize this gap and recognize a feasible solution.

25. Producers, wholesalers, and retailers act as a unified system to form a?

- A. Vertical marketing system
- B. Horizontal marketing system
- C. Traditional marketing system
- D. Hierarchical marketing system

Answer: A) Vertical marketing system

Explanation:

The producers, wholesalers, and retailers work in a straight chain and fulfill the task to make the products available to the end user.

26. Select the strategic marketing planning tool?

- A. A BCG matrix
- B. Market analysis
- C. Consumer analysis and scanning model

D. Market vulnerability/business opportunity analysis

Answer: A) A BCG matrix

Explanation:

BCG matrix uses market share and market growth to understand a product's position in the market to its competing products.

27. Achieving strategic marketing objectives using marketing plans and strategies is called?

- A. Target achievement
- B. Marketing implementation
- C. Market penetration
- D. Goal setting

Answer: B) Marketing implementation

Explanation:

When the marketing goals are achieved through successful utilization of strategies and plans it is said to be well implemented.

28. Using a successful brand name to launch a new product in a different category is called?

- A. Line extension
- B. Brand expansion
- C. Brand extension
- D. Branding

Answer: C) Brand extension

Explanation:

When a company uses an established brand name and launches a new product category that may or may not relate to the existing product it is called Brand extension.

29. The marketer focuses on product awareness, trial, and expansion in this stage of the product life cycle?

- A. Growth Stage
- B. Decline Stage
- C. Maturity stage
- D. Introduction stage

Answer: D) Introduction stage

Explanation:

At the Introduction stage the marketer should not focus on profits or sales. The main objective at this stage should be to make customers aware of the product and willing to try it.

30. The major objective of any marketing activity is to?

- A. Sell
- B. Promote
- C. Create
- D. Increase awareness

Answer: A) Sell

Explanation:

All marketing activities have one primary objective. This aim is to achieve sales. If the product is not selling despite all the marketing activities, either the marketing plan or the product is at fault.

31. When a firm believes that competitive edge depends purely on its ability to innovate, it is following?

- A. Competitive model
- B. Conventional model
- C. Out-of-the-box thinking
- D. None of the above

Answer: B) Conventional model

Explanation:

In the Conventional model a marketer believes that a better product will sell itself. Whether the product adds value to the customer or not is not a consideration under the conventional model.

32. Which of the following is important for the success of a differentiated product with unique customer benefits?

- A. Early recognition of the need
- B. Large scale promotion
- C. Product superiority
- D. Detailed analysis

Answer: C) Product superiority

Explanation:

When a product is offering some unique benefits to the customers it must be superior to its counterparts. If the solutions offered are not superior to its competitors, customers may not show interest in switching to that product.

33. Choose the correct sequence of activities for brand building?

- A. Selecting brand elements > Leveraging secondary associations > Developing a marketing program
- B. Developing marketing program > Selecting brand elements > Leveraging secondary associations
- C. Leveraging secondary associations > Developing marketing program > Selecting brand elements
- D. Selecting brand elements > Developing marketing program > Leveraging secondary associations

Answer: D) Selecting brand elements > Developing marketing program > Leveraging secondary associations

Explanation:

Selecting brand elements > Developing marketing program > Leveraging secondary associations.

34. Which marketing channel makes the products available to end users without intermediaries?

- A. Indirect channel
- B. Direct channel
- C. Dynamic channel
- D. Flexible channel

Answer: B) Direct channel

Explanation:

In Direct Channel the company does not depend on intermediaries like distributors, wholesalers, or retailers to make the products available to the customers.

35. One company adjusts its marketing budget by observing another company's budget. This process is called?

- A. Objective and task method
- B. Competitor analysis
- C. Competitive parity method
- D. Affordable budget allocation

Answer: C) Competitive parity method

Explanation:

A company does competitor analysis and makes changes to its budget and plans to stay competitive in the market by adjusting to the practices of the competitor.

36. At which stage of the product cycle is the profit typically negative?

- A. Decline stage

- B. Growth stage
- C. Maturity stage
- D. Growth stage

Answer: D) Growth stage

Explanation:

At the Growth stage the product gains market share and the sales go high. However, a lot of efforts and expenses are occurred to achieve this growth. The net profit is generally negative at this stage.

37. Which of the following facts defines the break-even point?

- A. Total revenue is less than the total cost
- B. Total revenue is the same as the total cost
- C. Total profit is more than the total cost
- D. The total cost is less than the total cost

Answer: B) Total revenue is the same as the total cost

Explanation:

A company is said to have achieved the breakeven point when the total revenue generation is the same as the total cost incurred.

38. The expenses paid to workers for overtime are considered as?

- A. Fixed cost
- B. Variable cost
- C. Dependent cost
- D. Total cost

Answer: B) Variable cost

Explanation:

The overtime done by workers changes and depends on the emphasis to achieve goals. Thus it qualifies as a Variable cost.

39. During the societal marketing period what was firms' main concern for marketing?

- A. Producing high-quality products
- B. Social and ethical concerns in marketing
- C. Achieving sales target
- D. Understanding consumer insights

Answer: B) Social and ethical concerns in marketing

Explanation:

The companies focused on social and ethical concerns in their marketing activities during this period. In the current times, the focus has shifted to adding value to the customers.

40. _____ is achieved when customer expectations are met regarding the quality of products and services along with the value-based price?

- A. Quality excellence
- B. Customer satisfaction
- C. Value proposition
- D. None of the above

Answer: B) Customer satisfaction

Explanation:

The customer is satisfied with his purchase when the quality of the product is par with expectations and he feels he is not being over-charged for the product or the service.

41. Dividing the market into homogeneous groups is called?

- A. Segmentation
- B. Classification
- C. Analysis
- D. Grouping

Answer: A) Segmentation

Explanation:

In segmentation, the target customers are combined together considering some common factors like age, income, gender, etc. The ones having similar values are put together and there is homogeneity in the data.

42. Good marketing is a result of careful planning and ____?

- A. Research
- B. Sales
- C. Execution
- D. Strategies

Answer: C) Execution

Explanation:

A good marketing plan is important to successfully achieve the objective. Execution of a good plan is equally important to achieve these objectives.

43. Logistics management is mainly concerned about?

- A. Promotion
- B. Production
- C. Supply chain management

D. Sales

Answer: C) Supply chain management

Explanation:

Logistics management focuses majorly on Supply chain management. It does not cover production, promotion, or sales.

44. What do you understand by Marketing buzz?

- A. Social marketing
- B. Traditional marketing
- C. Digital marketing
- D. Viral marketing

Answer: D) Viral marketing

Explanation:

Viral Marketing is used by marketers to create a buzz about the product or service in the market. The aim is to achieve maximum reach and spread the word as fast as possible.

45. Which markets buy goods or services to further process them or use them in the production process?

- A. Secondary markets
- B. Consumer markets
- C. Government markets
- D. Business markets

Answer: D) Business markets

Explanation:

The Business Markets purchase goods or services, not for consumption. The intent is to use these products or services and create a new product or service to be sold to the customers.

46. What do you understand by brand loyalty?

- A. Consumer's emotional attachment to the brand
- B. Consumer's social attachment toward the brand
- C. Fulfillment of consumers needs
- D. Feel good factor when using a brand's product

Answer: A) Consumer's emotional attachment to the brand

Explanation:

Consumer's emotional attachment towards a brand. A brand loyal customer has emotional reasons to buy a product rather than logical reasons.

47. A description of people and their place in society is covered under?

- A. Geographic segmentation
- B. Demographic segmentation
- C. Income group
- D. Age group

Answer: B) Demographic segmentation

Explanation:

Demographic Segmentation describes the target customer with respect to their age, income, gender, location, and place in society.

48. When a firm sets high initial prices which fall with entry of competitors in the market, it is called?

- A. Competitive pricing
- B. Price skimming
- C. Entry barrier
- D. Monopolistic competition

Answer: B) Price skimming

Explanation:

In a Price skimming strategy a company sets high prices for its products eventually reducing the price to meet the market average.

49. Who gave the concept of Five forces?

- A. Seth Godin
- B. Michael Porter
- C. Tim Ferriss
- D. None of the above

Answer: B) Michael Porter

Explanation:

Michael Porter, the father of modern marketing gave the concept of Five forces to analyze a company's competitive environment.

50. Which of the following is not a part of Barriers to Entry?

- A. Government policies
- B. Patents
- C. High capital requirements
- D. New Entrants

Answer: D) New Entrants

Explanation:

New Entrants are competitors which bring new dimensions to the market competitors. They are not a barrier to entry.

51. In the buying process, when a customer recognizes a need or a problem, what is the stage called?

- A. Information search
- B. Alternative evaluation
- C. Purchase
- D. Need recognition

Answer: D) Need recognition

Explanation:

Need recognition is the stage when a customer realizes a problem and then starts to search for a solution available in the market.

52. At which stage of the product life cycle do the sales slow down and profits level off or decline?

- A. Introduction
- B. Growth
- C. Maturity
- D. Decline

Answer: D) Decline

Explanation:

When a product reaches the Decline stage, it is typically characterized by a fall in sales and subsequent profits. At this stage, the product needs to be renewed or replaced.

53. When adopting a new product, the customer does not go through which of the following?

- A. Interest
- B. Comparison
- C. Culture
- D. Awareness

Answer: C) Culture

Explanation:

A customer product adoption cycle comprises of Awareness > Interest > Evaluation/ Comparison > Trial > Adoption

54. The evaluation of the difference between total benefits and total costs of one marketing offer in comparison to competitive offers is known as?

- A. Customer satisfaction
- B. Customer perceived value
- C. Customer expectation
- D. Customer relationship

Answer: B) Customer perceived value

Explanation:

Customer perceived value is a customer's perception of a product's advantages and desirability in comparison to a competitor's products.

55. Which company created Great Value for the customer using technology innovation and became a game changer?

- A. Apple
- B. Nokia
- C. Samsung
- D. Oneplus

Answer: A) Apple

Explanation:

While every other company was focusing on new features and technological advancements, Apple focused on creating great value for the customer through innovation in its products.

56. In general political campaigns are examples of ?

- A. Digital marketing
- B. Social marketing
- C. Personal marketing
- D. Conventional marketing

Answer: C) Personal marketing

Explanation:

While political campaigns talk about social and economical issues they primarily focus on how the suggested leader will be able to achieve those goals thus becoming an example of Personal marketing.

57. What is the major factor that differentiates a service from a product?

- A. Availability
- B. Intangibility
- C. Price
- D. Experience

Answer: B) Intangibility

Explanation:

A product can be measured and evaluated on various measurable parameters. On the other hand, a service cannot be measured on any standard parameters. The acceptance of service as good or bad purely depends on a customer's personal experience and expectations.

58. "Everyone likes a Mercedes car but few can buy it." This is an example of?

- A. Demand
- B. Desire
- C. Want
- D. Need

Answer: A) Demand

Explanation:

Need is recognition of a gap or problem. It becomes a Want when the customer decides that the need can be fulfilled by a specific product. Demand is when the want is backed by purchasing power.

59. In which technique does a company use the social network on the internet to create the brand image?

- A. Community outreach
- B. Viral marketing
- C. Social Marketing
- D. Traditional Marketing

Answer: B) Viral marketing

Explanation:

In Viral Marketing a company uses social media platforms to bring awareness and create a brand image among the masses on a large scale.

60. Re-marketing is used for creating demand for which of the following?

- A. Non-usable product
- B. Reusable products
- C. The renewed use of existing products
- D. New Products

Answer: C) The renewed use of existing products

Explanation:

When a company tries to reposition an existing product with new uses it is called Re-marketing.

61. What does demographic segmentation stand for?

- A. Geographic locations

- B. Description of people and their place in society
- C. People living in diversified areas
- D. Location of target customers

Answer: B) Description of people and their place in society

Explanation:

Demographic segmentation identifies a market segment based on the physical and social traits of target customers such as age, gender, income, etc.

62. Choose the factor which is not included as a part of the physical supply?

- A. Storage
- B. Standardization
- C. Transport
- D. Packaging

Answer: B) Standardization

Explanation:

Standardization is a component of production. The other three are a part of the supply chain.

63. In demographic segmentation which of these factors is not considered?

- A. Age
- B. Income
- C. Interests
- D. Gender

Answer: C) Interests

Explanation:

Demographic segmentation identifies a market segment based on the physical and social traits of target customers such as age, gender, income, etc.

64. When a customer buys a product without logical thinking, his decision is?

- A. Emotional
- B. Rational
- C. Patronage
- D. All of the above

Answer: A) Emotional

Explanation:

When a customer does not evaluate a product or service based on the merits and price he is displaying emotional buying behavior.

65. Charging low prices from the introduction stage to gain growth in the market is?

- A. Premium
- B. Penetration
- C. Skimming
- D. Rational pricing

Answer: B) Penetration

Explanation:

At the introduction stage many companies keep their prices low as a part of the strategy to penetrate the market.

66. Which of the following is also called a supermarket?

- A. Self-service store
- B. Retail store
- C. Hypermarket
- D. All of the above

Answer: A) Self-service store

Explanation:

The concept of supermarkets developed with the idea of Self-service. Where a customer picks and buys a product without any sales assistance.

67. What is the full form of MPR?

- A. Marketing Public Relations
- B. Monitoring Public Relations
- C. Management of Public Relations
- D. Measurement of Public Relations

Answer: A) Marketing Public Relations

Explanation:

Marketing Public Relations focus on building the brand indirectly by engaging in campaigns that are not purely commercial.

68. Who used the term Meta Marketing for the first time?

- A. Philip Kotler
- B. Eugene J Kelly
- C. Robert Kiyosaki
- D. None of the above

Answer: B) Eugene J Kelly

Explanation:

Eugene J Kelly coined the term Meta marketing during a discussion on the issue of ethics and science in marketing. This widened the horizon of marketing by including not-for-profit organizations.

69. Which of the following is the best distribution channel for vacuum cleaners?

- A. Telemarketing
- B. Retail Stores
- C. Direct Marketing
- D. All of above

Answer: C) Direct Marketing

Explanation:

Direct Marketing is the best distribution channel for vacuum cleaners.

70. E-marketing is a part of which of the following?

- A. E-payment
- B. E-commerce
- C. E-mail marketing
- D. Traditional marketing

Answer: B) E-commerce