

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (PART TIME) – SEMESTER II – EXAMINATION – SUMMER 2018

Subject Code: 3529902

Date: 23/05/2018

Subject Name: Fundamentals of Marketing (FOM)

Time: 10.30 AM TO 01.30 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 Explain the term:

(14Marks)

1. Corporate Entrepreneurs
2. Technological Environment
3. Women's India Trust (WIT)
4. Project Scheduling
5. Project Financing
6. Limited Liability Partnership [LLP]
7. Khadi and Village Industries Commission[KVIC]

Q-2 (a) Explain the concept of entrepreneur. How does an entrepreneur differ from a manager? (7 Marks)

(b) Comment on the statement, "Developing countries are a fertile ground for imitative rather than innovative entrepreneurs." (7 Marks)

OR

(b) According to you, what are the factors hindering the development of entrepreneurship in India? (7 Marks)

Q –3 (a) Discuss the concept, objectives, and stages of entrepreneurship development programmes (EDPs)

(b) Discuss five strategies to promote the development of MSME in India. (7 Marks)

OR

(a) What is a business plan? What does the reader expect to learn from a business plan? (7Marks)

(b) Explain John Mullin's seven-domain framework. (7Marks)

Q –4 Case study – POST-IT @ NOTES (14Marks)

One way new products are developed is to take a current product and modify it in some form. Another way is to determine how a previously developed product can be marketed or used by a particular group of customers.

The 3M Company is famous for many products, among them adhesives and abrasives. In one of 3M's most famous innovative stories from the 1980s, a 3M manager, who was a member of a church choir, wanted to mark the pages of his hymnal so he could quickly find them. A bookmark would not do, because the piece of paper could easily fall out. The manager needed something that would adhere to page but not tear it. Back at work, the manager asked one of the members of the research and development department if an adhesive existed that would do this. One did, but it never had been marketed because the company found that, the adhesive was not strong enough for industrial use. At the manager's request, a batch of the glue was prepared and applied to small pieces of paper that could be used as bookmarks.

As the manager who had requested the product began to think about the new product, he concluded it had used other than as a bookmark. Secretaries could use it to attach message to files, and managers could use it to send notes along with letters and memos. In an effort to spur interest in the product, the manager had a large batch of these "attachable" notes – now called Post-it notes-made, and he began distributing them to secretaries throughout the company. Before long, more people began to ask for them. The manager then ordered the supply cut off and told everyone who wanted them that they would have to contact the marketing department. When that department became inundated with calls for Post-it notes, it concluded that a strong demand existed throughout the industry for these notes, and full production began. Today, Post-it notes are one of the largest and most successful product lines at the 3M company.

- (a) How did the creative thinking process work in the development of this product? Describe what took place in each of the four steps.
- (b) Why did the manager have the Post-it notes sent to secretaries throughout the company?

OR

- (a) What type of innovation was this-invention, extension, duplication, or synthesis? Defend your answer.
- (b) Which of sources of innovative ideas discussed in the chapter help account for this product's success? Explain in detail.

Q –5 Case study – A NEW SPIN ON MUSIC (14Marks)

Following his graduation from an excellent university with a degree in entrepreneurship, Brian Pinto was eager to launch a business. Brian always enjoyed working with new technologies as well as watching movies, playing video games, and listening to music. Because of the proliferation of online movie and video game rental services, he believed that a service providing the online rental of DVDs made perfect sense.

Brain was confident that the success of the order online rental services proved that there was a market for the online rental of entertainment media; therefore, renting DVDs online would be an easy concept for customers to grasp. Although MPs and MP3 players were growing in popularity, Brain knew that he and his friends preferred to listen to an album in its entirety; after all, Brain believed that “any true fan of an artist would want the entire album.”

When calculating potential revenue, Brain concluded that the average retail price of DVD was approximately Rs.30 per DVD per rental – which would offer a 90 percent savings to the customer based on the full retail price of a DVD-he could recoup his costs within ten rentals. In addition, Brain believed that he could negotiate contracts with the music labels to purchase DVDs in bulk at a discount, which would in turn reduce the time it would take for him to reach breakeven. He knew enough about music encryption technologies to know that restrictions could be built into the DVDs to deter people from copying songs from them. He decided that taking such precautions would alleviate any concerns that the music labels might have regarding piracy.

As Brain began discussing his idea with his friends, their enthusiasm convinced him that he needed to act quickly before someone else seized the opportunity. At Rs.30 per rental and an estimated two rentals per customer per week, he would only need a little over 1,000 customers to reach Rs.1,20,000 per month revenue. After looking at his financial forecasts, Brain decided that it was time to bring online DVD rental service to market.

- (a) Has Brain completed the proper marketing research for this potential opportunity? Why or why not? Explain.
 - (b) Based on the case, are there key mistakes that you would caution Brain about? Explain
- OR**
- (a) What specific steps would you recommend to Brain for him to better assess this opportunity?
 - (b) How you see this case? Describe in short summary form.
