IBPS SO Marketing Mains Quiz

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Ques 1. - Which of the following options most closely resemble the definition of a BCG matrix?

a) BCG Matrix is a framework created by the Boston Consulting Group to evaluate employee compensations.

b) BCG Matrix is a framework created by the Boston Consulting Group to evaluate employee workhour arrangements and paydays.

c) BCG Matrix is a framework created by the Boston Consulting Group for governments to investigate social impact of projects.

d) BCG Matrix is a framework created by the Boston Consulting Group to evaluate brand likelihood of success in a saturated market.

e) BCG Matrix is a framework created by the Boston Consulting Group to evaluate strategic position of the business brand portfolio and it's potential.

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- **Answer – E**
- **Definition -** BCG matrix is a framework created by Boston Consulting Group to evaluate the strategic position of the business brand portfolio and it's potential. It classifies business portfolio into four categories based on industry attractiveness (growth rate of that industry) and competitive position (relative market share). These two dimensions reveal likely profitability of the business portfolio in terms of cash needed to support that unit and cash generated by it. The general purpose of the analysis is to help understand, which brands the firm should invest in and which ones should be divested.

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Ques 2- Which of the following holds true in scenario for a high market growth rate?

a) Higher market growth leads to a decrease in earnings and profits.

b) Higher market growth leads to an increase in costs and drives down growth

c) Higher market growth leads to an increase in deflation and drives down consumer satisfaction

d) Higher market growth is not conducive for market expansion and instead, forms should focus on retaining market share.

e) Higher market growth leads to higher earnings which may lead to some profits but also consumes a lot of cash to sustain that growth.

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Explanation

Answer – E

Rationale- High market growth rate means higher earnings and sometimes profits but it also consumes lots of cash, which is used as investment to stimulate further growth. Therefore, business units that operate in rapid growth industries are cash users and are worth investing in only when they are expected to grow or maintain market share in the future.

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Ques 3 - Which of the following is NOT a quadrant in which brands are classified into as per the BCG Matrix?

a) Cash Cows

b) Dogs

c) Stars

d) Supers

e) Question Marks

- **Answer- D**
- **Rationale –** As per the BCG Matrix, all firm brands can be classified into Cash Cows, (Poor) Dogs, Stars and Question mark categories as per their market potential.

Ques 4 - The acquisition of the oil marketing company “HPCL” by the oil exploration and Production Company “ONGC” is a form of –

a) Horizontal Integration

b) Domain Integration

c) Lateral Integration

d) Vertical Integration

e) Divestiture

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- **Answer- D**
- **Rationale-** Vertical integration of two companies takes place when there is a in one firm of two or more stages of production normally operated by separate firms. In this case, ONGC acquired HPCL which is responsible for the refining and marketing of petroleum products which are extracted from their reserves by ONGC.

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Ques 5 -

Which of the following is NOT the correct definition for quadrant classification of a firm brand?

a) The “Dog” brands hold great consumer loyalty and continue to hold high market share when compared to competitors.

b) The “Dog” brands hold low market share compared to competitors and operate in a slowly growing market.

c) The “Cash cow” brands are the most profitable brands and should be “milked” to provide as much cash as possible.

d) The “Star” brands operate in high growth industries and maintain high market share. Stars are both cash generators and cash users.

e) The “Question mark” brands are the brands that require much closer consideration. They hold low market share in fast growing markets consuming large amount of cash and incurring losses.

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- **Answer – A**
- **Rationale –** Self-explanatory. All brands are classified into either of the 4 brands as per the BCG Matrix.

Ques 6 - Which of the following is not a limitation of BCG Matrix?

a) Business can only be classified to four quadrants. It can be confusing to classify an SBU that falls right in the middle.

b) The Matrix helps to understand the strategic positions of a business portfolio.

c) Does not include other external factors that may change the situation completely.

d) Market share and industry growth are not the only factors of profitability. Besides, high market share does not necessarily mean high profits.

e) It denies that synergies between different units exist. Dogs can be as important as cash cows to businesses if it helps to achieve competitive advantage for the rest of the company.

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Answer- B

Rationale- The advantages of a BCG matrix are that (1) It is easy to perform, (2) Helps to understand the strategic positions of business portfolio and (3) It's a good starting point for further more thorough analysis. The disadvantages of the BCG matrix have been listed as options in the question.

Ques 7- Which of the following is a not a part of 5Cs of Marketing strategy?

a) Context

b) Collaborators

c) Customer

d) Channel

e) Company

Answer- D

Rationale- The 5Cs of marketing strategy include Customer, Company, Competition, Collaborators and Context. The 5Cs function as a good guideline for corporates to reach right decisions and formulate a well-defined marketing plan and strategy.

Ques 8- When a corporate evaluates its strategy, what all considerations does it need to include under context?

a) Political issues: legal problems, trade regulations, taxes or labor laws

b) Economic issues: growth rate, labor costs, and business cycle stage

c) Equality Issues: gender, race and caste equality

d) Social impacts: demographics, education, and culture

e) Technological developments: impact on cost structures

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- **Answer- C**
- **Rationale-** A corporate needs to consider the context in terms of Political, Economic, Social and Technological Challenges. This is also known as the PEST Analysis.

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Ques 9- In terms of marketing, which of following is not the part of 7Ps of marketing?

a) Product

b) Place

c) Price

d) People

e) Presentation

- **Answer- E**
- **Rationale-** The 7Ps of Marketing include product, place, price, promotion, people, process, and physical environment. When all these factors are synced together, they form the target goal of a business.

Ques 10 - Which of the following does NOT come under a “Competitor” analysis.

a) Identification of a Competitor i.e. competing firm in the same business domain

b) Identification of all companies operating in the same location

c) Identification of the product offered by other companies in the same vertical

d) Potential Opportunities and Threats, a competing firm may pose in the future

e) Comparison of self and competitor market share in the open market.

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- **Answer- B**
- **Rationale-** The competitor analysis is very important as it determines the present and the future of a business. Competitor analysis focuses on three things in the majority; identifying the competitor is one of the very first and the most important factor in competitor analysis – identifying the product that the competitor offers; whether it's akin to yours and if so then how can you offer better, the potential opportunity for the company and the threat its competitors may post in the near future, and the ratio of market share that its competitors are enjoying and its share in the market – this analysis helps the company focus on areas that would help it enjoy more of the market share and optimize on its present customer. Why would a company need to know about "ALL" the companies operating in the same area?

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