

**VPM's**  
**DR VN BRIMS, Thane**  
**Programme: MMS (2015-17) (Marketing)**  
**Third Semester Examination October 2016**

<b>Subject</b>	<b>Financial Aspects of Marketing</b>		
<b>Roll No.</b>		<b>Marks</b>	<b>60 Marks</b>
<b>Total No. of Questions</b>	<b>7</b>	<b>Duration</b>	<b>3 Hours</b>
<b>Total No. of printed pages</b>	<b>2</b>	<b>Date</b>	<b>24.10.2016</b>

**Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.**

**Q1) 20 Marks (Compulsory)**

- a) Intex has recently launched new range of consumer durables in Indian market. You as a Channel Manager, are required to present pros and cons of two channel options: 'Selling directly to the consumers' and 'Selling through Middlemen' and thereby suggest and explain which channel option would be more beneficial for the company **(10 Marks)**
- b) A leading FMCG company is has received a proposal to launch products in Toys & Games category. You as a Marketing Manager are required to suggest "Yes" or "No" decision regarding the same, on the basis of following details: **(10 Marks)**  
 Cash Investment after tax (Rs. In thousands): 20000  
 Projected Sales Volume (Rs. In thousands):

Year 1	10000
Year 2	16000
Year 3	20000
Year 4	16000
Year 5	13000

- Cost of Goods Sold: 25% of Sales
- Expenses related to Project: Rs. 10,00,000 p.a.
- Depreciation of Equipment: Rs. 20,00,000 p.a.
- Discount Factor: 10% p.a.
- Assume Tax to be 30%

**Attempt Any FOUR from the Remaining SIX Questions**

**Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

- a) Define Sales Revenue. Calculate the Net Sales Revenue from the following data:  
 An automotive components company is having total sales of Rs. 11.50 crores in the financial year 2015 - 16. A 12% discount was offered to Mr. Rakesh, who purchased goods worth Rs. 80 lacs. Another client Mr. Prakash returned goods worth of Rs. 35 lacs stating that quality was not up to the mark.
- b) Define Inventory Management. How ABC analysis can help managing inventory? Explain with suitable example.
- c) "Marketing and Finance are interdependent" Do you agree? Justify your answer with suitable example.

**Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

a) A textile company has received bulk order from a new client who is asking for 60 days of credit period (which is 15 days more than the industry standards). As a Marketing Manager, you are required to suggest, how the company can check his credit worthiness.

b) What is Marketing Cost Analysis? Describe it's purposes.

c) A stationary firm has annual sales of Rs.50 lacs and are currently extending 30 days credit to the dealers. It is felt that the sales can increase considerably if the dealers are willing to carry increased stocks, but the dealers have difficulty in financing the inventory. The firm is therefore, considering shifts in its credit policy. Avg. Collection period is now 30 days, Variable Cost : 80% on sales, Fixed Cost: Rs.6 lacs p.a., Exp. Return on Investment: 20%

Proposed Credit Policy	Avg. Collection Period (Days)	Expected Annual Sales (Rs. Lacs)
A	45	56
B	60	60
C	75	62
D	90	63

- Which credit policy should the company adopt?
- Present your answer in tabular forms.
- Assume 360 days in a year
- Calculations should be made up to 2 digits after decimal

**Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

a) Define Tendering. Describe Phases of Tendering Process

b) An FMCG company is facing problem in recovering and managing its receivables. You as a consultant are required to guide them on how they can improve their receivables management process.

c) Define Distribution Cost Analysis (DCA). Explain in brief various Franchise Strategies under DCA.

**Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

a) What is ROPI? Explain in brief the steps involved in calculating ROPI

b) Describe various approaches of Government Bodies to Develop "Fair Price"

c) A firm has total annual sales (all credit) of Rs. 2,00,00,000 and accounts receivable of Rs. 85,00,000. How rapidly (in how many days) must accounts receivable be collected if management wants to reduce the accounts receivable to Rs. 50,00,000?

**Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

a) How a company should plan its Investment at different stages of PLC? Explain with suitable examples.

b) How Export Costing and Pricing is calculated? Explain with suitable example

c) What do you mean by Turnkey Project? Explain Pricing techniques of Turnkey Projects.

**Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

**Short Notes:**

a) Approaches of Brand Valuation

b) ROI Pricing and Dual Pricing

c) Pricing of Joint Products & New Products