

**TRIBHUVAN UNIVERSITY**  
**FACULTY OF MANAGEMENT**

Office of the Dean  
2014

Full Marks: 60  
Time: 3 Hrs.

**BIM / Sixth Semester / MKT 201: Principles of Marketing**

*Candidates are required to give their answers in their own words as far as practicable.*

**Group "A"**

*Brief answer questions:*

*[10 × 1 = 10]*

1. How marketing is defined in modern days?
2. Name four requirements of market segmentation.
3. What are the sources of information for consumers?
4. Give two examples of green marketing in Nepal.
5. Define promotion.
6. What are the components of internal environment?
7. Name three modern marketing concepts.
8. What are the components of MIS?
9. Name five variables to segment the industrial market.
10. Differentiate consumer and customer.

**Group "B"**

*Short answer questions:*

*[6 × 5 = 30]*

11. Discuss the marketing environment in Nepal.
12. Explain the market segmentation process.
13. Describe new product development process.
14. Explain five popular pricing strategies adopted by Nepalese companies.
15. Why channel conflict arises and how it is resolved?
16. Explain the determinants of industrial buying process.

**Group "C"**

*Comprehensive answer questions:*

*[4 × 5 = 20]*

17. Read the following case carefully and answer the questions given below:

The manufacturing unit of Royal Drug Research Laboratory established in 1964 was converted into Nepal Drug Limited (NDL) after the second Jan-Aandolan. At the time of establishment, the authorized capital was Rs 1 crore and 50 lakhs. At present, this capital has exceeded Rs 15 crores. From the period of its establishment, the factory was under the control and supervision of the Ministry of Forest but afterward, it has been running under the Ministry of Industry. The head office of NDL locates at Babar Mahal in Kathmandu. It distributes more than 100 types of medicine in almost all zones, mostly through stockiest. It also directly supplies needed medicines to Health Service Department, different hospitals, health posts and to many other Government organizations as well as NGOs. It has also set up some depots in mid-western

development region and many remote parts for distribution purpose. Most of the raw materials are imported from South Asian Countries.

Considering competitive market position and accepting demands of different sectors, NDL is trying to expand its production ten times than the present production to fulfill the 80% need of the country's demand.

In spite of such a pious effort, NDL faced many problems during the last 10 years. Most of the problems rounded around employment and remuneration which are posed by the political instability. As a result, the factory failed to meet even 50% of the country's demand. The local markets are dominated by legally or illegally imported drugs.

In course of distribution, the factory has been facing a lot of problems such as political anarchy and vandalism, insecurity in distribution routes, channel members' conflicts, management conflicts, free move across border for foreign drugs, unstable government policies, strong private sector and so on. Because of such problems, NDL is suffering from cumulative losses and the government is considering to put it into the privatization process.

**Questions:**

- a. What are the major issues in the above case?
- b. Critically evaluate the distribution strategies of NDL.
- c. What made the company suffer from cumulative losses? Among them which factor is dominant for such losses?
- d. Do you think the government converting NDL into private ownership is a right option? Justify your answer.

