



PG – 1140

III Semester M.B.A. Degree Examination, February 2016  
(2007-08 Scheme)  
**MANAGEMENT**  
**Paper – M-3 : Sales and Marketing Channel Management**

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** from the following. **Each** sub-question carries **two** marks. **(6x2=12)**

- a) Name different sales management positions.
- b) What is a sales territory ?
- c) What is transformational leadership ?
- d) Differentiate between logistics and physical distribution.
- e) What are Channel levels ?
- f) What is a horizontal marketing system ?
- g) What is Inventory management ?
- h) What is Transactional selling ?

SECTION – B

Answer **any three** of the following. **Each** question carries **eight** marks. **(8x3=24)**

2. American Marketing Association's definition of Sales Management is nearly same as "The management of sales force". It is said that this definition is not in line with the broader responsibilities of modern sales manager. Do you agree with this view ? Explain with reasons.
3. Describe the methods used to determine optimum size of the sales force.
4. Illustrate the components of logistics plan. How are a logistics plan and marketing plan related ?
5. Describe the prominent channel systems with suitable examples.
6. Discuss the criteria for selecting channel members.

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## SECTION - C

Answer **any two** of the following. **Each** question carries **12** marks.

(12×2=24)

7. How do you evaluate salespeople's performance ?
8. Discuss the various technologies used in logistics management.
9. Write an essay on various marketing channels.

## SECTION - D

10. Read the following case and answer the questions given at the end.

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**STI Ltd. : Incentive Scheme for Sales Force**

"Sir, I think, we need to have an incentive scheme for our field salespeople, so as to motivate them to put more than normal effort. This will help us to increase our market share and also make it possible for us to become number one player from number three position that we are currently at. We have declared in our last annual marketing conference that we would become the leader in the precision steel tube industry in three years. I believe we have to start working on that goal immediately. Do you agree, Sir, ?" asked Krishna Kumar, the newly appointed head of sales and marketing to the Executive Director of STI Ltd., B. G. Gururaja Rao.

"I agree to the extent that we have to work on our long-term goal. That does not mean that we have to work without considering the long-term impact on the company's profitability. So far, in last 15 years of our company's operation, sales and other functional employees have been paid a fixed salary, fringe benefits, and once a year bonus (as per government regulations on bonus). Why should we pay incentives to pay only salespeople ? Why not people in production, which is also a line function ? What about other support functions like accounts,



administration and human resource ? We need extra efforts from all employees, not only Salespeople. If we try to motivate salespeople by paying commission on achieving their sales quotas, other employees and particularly shop-floor workers and supervisors will demand extra money by some kind of incentive scheme. If we deny incentive payments to other employees, they will not only get demotivated, but may even go on a strike. Besides, the profit contribution per unit of our product sold is very low and any increase in cost due to incentive payments without substantial increase in sales volume will wipe out the thin profitability of our company. We have to consider the various factors before we take a decision on the incentive scheme for sales people. I hope you understand this," responded Gururaja Rao.

"Yes, Sir, I suggest we discuss this subject later in our monthly budget review meeting, when other Managers and also our Chairman and Managing Director will be present. In the meantime, I will also apply my mind and prepare a specific proposal, which I will discuss with you before the budget review meeting." Krishna Kumar said and thereafter left for his office.

**Questions :**

- i) Do you think this company needs an incentive scheme for motivating their salespeople ?
- ii) Suggest a suitable compensation plan for the salespeople.