

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: PRINCIPLES OF MARKETING (IOBM-D205)**

**Date: Sunday 8th November 2015**

**Time Allocated: 3 hours (08:00 – 11:00 am)**

**INSTRUCTIONS TO CANDIDATES**

1 This paper consists of **TWO** Sections, A and B.

2 Section A consists of 4 questions, each question carries 15 marks.

Answer **ALL** questions.

3 Section B consists of 4 questions, each question carries 20 marks.

Answer **ANY TWO** questions.

4 You will be allowed **10 minutes** to go through the paper before the start of the examination, when you may write on this paper but not in the answer book.

5 Being each answer on a new page

6 **Please write your examination number on each answer book used. Answer books without examination number will not be marked**

7 All persons writing examinations without payment will risk expulsion from the Institute.

8 If you are caught cheating, you will be automatically disqualified in all subjects seated this semester.

9 DO NOT open this question paper until instructed to do so.

**SECTION A (60 MARKS)**

Answer **ALL** questions from this section.

**QUESTION 1**

With the aid of relevant examples to Malawi, discuss any **five** economic environmental factors that a bank must continuously monitor in order to remain viable on the business environment. **(Total 15 marks)**

**QUESTION 2**

The commonly used pricing method by businesses is cost plus (mark-up). Briefly explain the advantages and disadvantages of this method.  **(Total 15 marks)**

**QUESTION 3**

a) Define the term segmentation. *(3 marks)*

b) Explain any **four** benefits of market segmentation to a bank. *(12 marks)* **(Total 15 marks)**

**QUESTION 4**

Place (Distribution/Logistics) strategies are increasingly becoming popular and are producing tangible results for businesses including banks. Briefly explain, giving examples, three place strategies that banks can pursue in order to enjoy these good results. **(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer **ANY TWO** questions from this section

**QUESTION 5**

a) Draw and clearly label the Ansoff’s Growth Matrix. *(4 marks)*

b) As the Marketing Manager of the Bank, your Chief Executive Officer has asked you to explain when and why the bank can apply Ansoff’s growth strategies. *(16 marks)*

**(Total 20 marks)**

**QUESTION 6**

Arnold (1992) offers a five stage brand planning process. As the Marketing Consultant of a local commercial bank, explain the stages of this process to the management of the bank. **(Total 20 marks)**

**QUESTION 7**

Banks are increasingly realising the need to spread their business wings to markets abroad. Your Chief Executive Officer is thinking of taking your bank abroad. Provide any **five** justifications for going international. **(Total 20 marks)**

**QUESTION 8**

The Product Life Cycle (PLC) and the type of communication/promotion applied at each stage of this cycle are closely linked. As the Communications and Marketing Manager of a Bank, explain to the CEO, the communication objective and the promotional tool(s)/mix used at each stage of the PLC.  **(Total 20 marks)**

**END OF EXAMINATION PAPER**