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Name: Shafeel Anwer LMS ID: 32936

Q3

Introduction:

The Marketing Mix is a combination of key elements that a company uses to promote and sell its product or services in the market. It is traditionally represented by the 4Ps - Product, Price, Place and Promotion and later expanded to include People, Process and Physical Evidence. Each of these components play a crucial role in influencing customer behaviour and boosting sales volume. By effectively, managing these elements, companies can attract more customers, enhance their satisfaction, and drive higher sales.

Marketing Mix

The Marketing Mix is a combination of key elements that a company uses to promote and sell its products or services in the market.

Day:

Product

Price

4Ps

Place

Promotion

In modern marketing, the mix often includes 7Ps:

7Ps

Product

The goods or services offered to satisfy customer needs

Price

The amount charged for the product

Place

The locations and channels where products are made available to customers.

Promotion

Activities that communicate the value of product to customers, such as advertising

People

Employees or representatives involves in delivering the product or service

Process

The systems used to deliver the product or service efficiently

Physical Evidence

Tangible elements of packaging or store environment

Effect of Marketing Mix on Increasing Sales Volume

Product :

A product that fulfills customer needs and offers value is more likely to succeed in the market. Companies can increase sales by improving product quality, adding unique features, or introducing innovative designs. **For Example,** launching a new version of popular products or customizing offerings for specific customer segments can attract more buyers and boost sales.

Price :

Setting the right price is crucial for attracting customers while maintaining profitability. Competitive pricing, discounts, and value for money offers can appeal to price sensitive customers and encourage higher sales volume. **For Example,** companies offering seasonal sales or flexible payment options often experience a significant increase in customer purchases.

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Place :

Making products easily accessible to customers through convenient locations or online platforms directly impacts sales volume. **For Example,** expanding distribution networks or using e-commerce platforms ensures that more customers can access the product, leading to increased sales. Many companies partner with local retailers to reach a wider audience.

Promotion :

Promotional strategies such as advertising, sales promotion and social media campaigns create awareness about a product and its benefits. **For instance,** limited-time discounts, membership coupons, and influencer marketing can significantly boost sales.

People :

Employees and customer service representatives play a key role in enhancing the customer experience. Skilled and knowledgeable staff can build trust and create

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a positive impression, leading to higher customer satisfaction and increased sales. **For Example,** a helpful sales-person can encourage customers to make additional purchases.

Process:

A smooth and efficient purchasing process makes it easier for customers to buy products. Streamlined processes, such as fast checkouts, easy returns, and reliable delivery services improve customer satisfaction and drive higher sales. **For instance,** companies with efficient online shopping systems often attract more customers.

Physical Evidence:

Tangible elements such as packaging, store environment, and website design. Attractive packaging or a professional store environment can create a positive impression and encourage customers to make purchases. **For Example,** premium brands often use elegant packing to convey quality and attract buyers willing to pay price.

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Components	Impact on Sales Volume
Product	Meets customer needs, quality and
"	innovation increase demand.
Price	Competitive pricing, discounts and flexible
"	payment options attract price sensitive customers.
Place	Availability through stores & online platforms increases reach.
Promotion	Ads, discounts, and social media creates awareness
"	and drive sales.
People	Skilled staff improve customer satisfaction and drive sales.
Process	Efficient checkout and fast delivery encourage repeat business.
Physical Evidence	Packaging and store design create positive
"	impressions and attract buyers.

Conclusion:

The marketing mix is essential for driving sales volume. By aligning product offerings, pricing strategies, distribution channels, and promotional efforts, business can better meet customer needs and attract more buyers. Regularly adapting the marketing mix to reflect customers preferences and market trends ensures that companies can maintain a competitive edge and continue to grow their sales over time.

Q5

Introduction:

Integrated marketing communication is a process to promote a message through multiple strategies that re-inforce one another. Each medium may be slightly different for the specific medium but they all direct the audience to the same message. If a company wants to promote a logo, slogan or strategy, they will use multiple communication channels such as T.V, social media, newspapers and websites. The major components of integrated marketing communications are advertising, sales promotion, direct marketing, personal selling, public relation activities and many other approaches.

Integrated Marketing Communication

Integrated marketing communication is a process to promote a message through multiple strategies that works on each other and re-inforces one another. For example, if a company wants to promote a logo,

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slogan, or strategy, they will use multiple communication channels such as T.V, radio, websites, and social media. Each media may be slightly different for the specific medium but they all direct the audience to the same message.

Integrated marketing communications have proven to be reliable because it incorporates the best of both worlds by using traditional and modern marketing. Communication is considered effective when it reaches all relevant stakeholders without any disruptions and have the best clarity.

Major Components of Integrated Marketing Communication

Integrated marketing communications refers to incorporating various marketing tools for effective communication. It includes advertising, sales promotion, direct marketing, personal selling, public relation activities and many different approaches.

1 Advertising

2 Sales Promotion

3 Direct Marketing

4 Personal selling

5 Public-Relation, activities

6 Differincent Approaches

Advertising :

Advertising is one of the most effective component of integrated marketing communication as it helps reach a wider audience within a shortest possible time-frame. Advertisements in bill-boards, commercials, and median help users to believe in brand and also motivates them to purchase the same and remain loyal towards the brand. Advertisement not only increases the consumption of a particular product or service but also creates awareness among customers.

Sales Promotion :

Brand's product or service increases the sales by providing value to customers through discount coupons, membership coupons, loyalty programmes, incentive, lucrative schemes, special packages for loyal customers and specially designed deals to attract more customers and so on.

Direct Marketing

Direct marketing enables organizations to communicate directly with audience. Direct marketing tools are text messages, emails, and brochures. The message to the audience reaches directly through direct marketing.

Personal selling

Personal selling is also one of the most effective tools for integrated marketing communication. Personal selling takes place when marketer or sales representative sells products or services to clients. Personal selling goes a long way in strengthing the relationship between the organization and the end-users.

Public-Relation Activities

Public-relation activities help promote a brand through press releases, news, events, and public appearances. The role of public relations officer is to present the organization in the best light.

Different Approaches

Not all marketing plans are the same because different plans have different objectives. These are common types of integrated marketing communications plans:

- **External IMC Plans**

  External IMC plans focus on engaging with external stakeholders such as customers, suppliers, and distributors. The goals is to create a unified brand image.

- **Internal IMC plans**

  Internal IMC plans aligning internal stakeholders, including employees, management, and departments. These plans aim to ensure that everyone within the organization understands and communicates the brand message accurately.

- **Horizontal IMC Plans**

Horizontal IMC plans emphasize coordination among departments at the same organizational level, such as marketing, sales, and R & D. This approach streamlines operations and prevents conflicting messages.

- **Vertical IMC Plans**

Vertical IMC plans focus on aligning communication and strategies across hierarchical levels within the organization.

Conclusion:

Integrated marketing communications help promote a message to wider audience by using multiple strategies such as advertising, sales promotion, and personal selling. Integrated marketing communications have proven to be reliable because using traditional and modern marketing guarantees that it incorporates the best of both worlds and reach all relevant stakeholders. Communication is considered effective when it is passed without disruption and have clarity.

Q8 (a)

Scope of Financial Management

Financial management is the process of planning, organizing, directing, and controlling financial activities to achieve an organization's financial objectives. It involves managing the company's finances efficiently and effectively, ensuring its financial health and growth. Its scope includes:

- **Investment Decisions**

  Choosing long term assets that will generate returns and enhance the firm's value.

- **Financing Decisions**

  Determining how to raise funds (equity or debt) to support investment activities

- **Dividend Decisions**

  Deciding the proportion of profits to retain for growth and the portion to distribute as dividends.

- **Working Capital Management**

  Ensuring the firm maintains sufficient liquidity for day-to-day operations.

• **Risk Management**

Identifying and mitigating financial risks for example, interest rates and currency exchange.

These areas ensure that an organization uses its financial resources efficiently to achieve its goals.

Types of Financial Markets

Financial markets are platforms where buyers and sellers trade financial instruments like securities, currencies, and commodities. They are crucial for economic growth, as they facilitate the flow of capital. Financial markets include:

Capital Markets

Capital markets are markets for long-term debt and equity securities. The primary function of capital markets is to provide businesses with access to long-term funding through the issuance of stocks (equity) and bonds (debt)

• **Primary Market**

where new securities are issued, such as in Initial Public Offering (IPO)

Secondary Market

where existing securities are bought and sold, like NYSE.

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Money Markets

These markets deal with short-term debt instruments, typically with maturities of one year or less. They are used for managing short-term funding needs. Examples include Treasury bills, and commercial paper.

Foreign Exchange Markets (Forex)

Forex markets are where currencies are traded. This market allows businesses and investors to exchange one currency for another. It plays a crucial role in international trade and investments and operates 24/7.

Derivatives Market

Derivatives are financial contracts whose value is derived from an underlying asset, such as commodities, stocks or bonds.

Commodities Markets

In commodities markets, raw materials or primary agricultural products like gold, oil, and agricultural goods are traded.

Types of Financial Securities

Financial securities are tradable financial assets that represent ownership, creditor relationships, or rights to future income. Financial securities include:

- **Equity Securities**

  Represent ownership in a company, such as common and preferred stock.

- **Debt Securities**

  Represent loans to entities, including bonds and debentures, offering fixed interest payments.

- **Derivatives**

  Financial contracts (for examples options, futures) whose value is derived from an underlying asset.

- **Hybrid Securities**

  Combine features of debts and equity, such as convertible bonds.

Q8(b)

(a) Sol:-

Year	Cashflows	D.F 15%	NPV
0	(7,00,00)	1	(7,00,000)
1	(10,00,000)	.870	(870,000)
2	250,000	.756	189,000
3	300,000	.658	197,400
4	350,000	.572	200,200
5	400,000	.497	198,800
6	4,00,000	.432	172,800
7	4,00,000	.376	150,400
8	4,00,000	.327	130,800
9	4,00,000	.284	113,600
10	4,00,000	.247	98,800
			-118,200

Net Present value

= Total cash inflows - total cash outflows

= 1451,800 - 15,70,000

= -118,200

The project is not acceptable as it is giving negative value on return of 15%.

(b)

Sol:-

Internal rate of return:

$$IRR = L + \left[\frac{N_L}{N_L - N_H} \times (H-L) \right]$$

L = lower rate

H = Higher rate

N_L = NPV at lower rate

N_H = NPV at higher rate

Year	Cashflows	DF 15%	NPV	DF 10%	NPV
0	(7,00,000)	0	(7,00,000)	0	(7,00,000)
1	(10,00,000)	.870	(870,000)	.909	(909,000)
2	250,000	.756	189,000	.826	206,500
3	3,00,000	.658	197,400	.751	225,300
4	3,50,000	.572	200,200	.683	239,050
5	4,00,000	.497	198,800	.621	248,400
6	4,00,000	.432	172,800	.564	225,600
7	4,00,000	.376	150,400	.513	205,200
8	4,00,000	.327	130,800	.467	186,800
9	4,00,000	.284	113,600	.424	169,600
10	4,00,000	.247	98,800	.386	154,400
			-118,200		112,850

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$$IRR = L + \left[\frac{N_L}{N_L - N_H} \times (H - L) \right]$$

$$'' = 10 + \left[\frac{112,850}{112.850 - (118200)} \times (15 - 10) \right]$$

$$'' = 10 + \left[\frac{112,850}{112,850 + 118,200} \times 5 \right]$$

$$'' = 10 + \left[\frac{112,850}{231,050} \times 5 \right]$$

$$'' = 10 + [0.49 \times 5]$$

$$'' = 10 + 2.45$$

$$IRR = 12.45\%$$

Q7(b)

1) Working Capital

WC = Current Assets - Current liabilities

" = Cash + Avg A/R + Marketable securities + Avg Inventory - A/P - B/P

" = 108,000 + 365,000 + 142,000 + 135,000 - 2,00,000, -50,000

WC = 5,00,000

2) Current Ratio

$$C.R = \frac{\text{Current Assets}}{\text{Current liabilities}}$$

$$C.R = \frac{\cancel{750,000}^{3}}{\cancel{250,000}_{1}}$$

C.R = 3:1

3) Quick Ratio

$$Q.R = \frac{\text{Quick Asset}}{\text{Current liabilities}}$$

QA = Cash + Marketable securities

$$Q.R = \frac{\cancel{250,000}^{1}}{\cancel{250,000}_{1}}$$

Q.R = 1:1

4) Inventory turnover

$$\text{Inv turnover} = \frac{\text{Cost of goods sold}}{\text{Avg inventory}}$$

$$" = \frac{540,000}{135,000}$$

Inv. turnover = 4 times

5) Account Receivable Turnover.

$$AR\ turnover = \frac{Credit\ sales}{Avg\ A.R}$$

$$= \frac{18,25,000}{365,000}$$

A/R turnover = 5 times

6) Gross profit Percentage

$$GP\% = \frac{GP}{Sales} \times 100$$

$$= \frac{12,85,000}{18,25,000} \times 100$$

GP% = 70% of sales

7) Net Profit Percentage

$$NP\% = \frac{NP}{Sales} \times 100$$

$$= \frac{685,000}{18,25,000} \times 100$$

NP% = 37% of sales

8) Operating Expenses rate

$$OER = \frac{Credit\ sales}{Operating\ Exp} \times 100$$

$$= \frac{1825,000}{6,00,000} \times 100$$

OER = 304%