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## Q#2

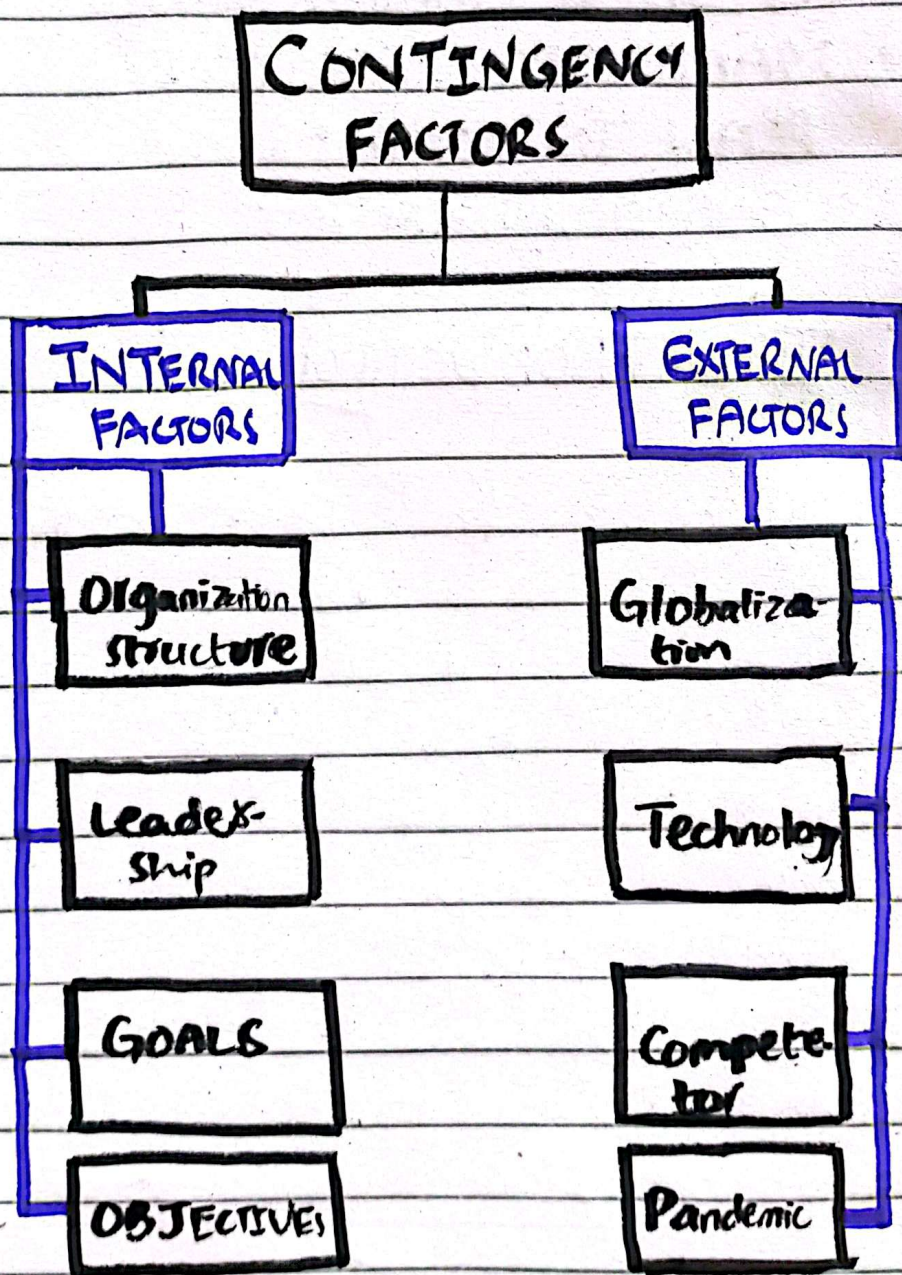
### CONTINGENCY FACTORS AFFECTING PLANNING AND MANAGER'S EFFECTIVE PLAN IN TODAY'S ENVIRONMENT

#### I. INTRODUCTION

Planning has been essential in the profit maximization of the organization. It plays a role in meeting objectives and aims of an organization. However, it gets affected by various internal and external contingency factors including organizational structure, leadership, technology, globalization. The manager plays an effective role

in planning by effective leadership catering to organizational needs, by allocating resources efficiently and by motivating employees to adopt to change.

## II. CONTINGENCY FACTORS AFFECTING PLANNING



The contingency factors include those factors which are not universally same and differ according to organization. Following are some internal factors affecting planning:

### A. INTERNAL FACTORS

- **Organization structure:** plays crucial role in planning for the organization. The hierarchical divide along with different roles played within organization need strategic planning for smooth functioning.
- **Leadership:** It plays decisive role in the planning. Authoritative leadership focuses on concentration of power while with laissez-faire leadership, employees are held responsible for the progress of the organization.
- **GOALS:** Goals of the organization play essential role in setting plan for the year.
- **OBJECTIVES:** Clearly defined objectives

of the organization help in setting long-term and short-term plans to achieve them

### B. EXTERNAL FACTORS

Following are the external factors defining planning

- **GLOBALIZATION:** With more interconnected world, planning for the organization becomes effected effective for smooth functioning.
- **TECHNOLOGY:** Advancement of technology pose affects planning. With the introduction of Artificial Intelligence, planning becomes essential.
- **COMPETITOR:** The introduction of competitor affects the planning allowing more strategic planning for profit maximization.

- **PANDEMIC:** Pandemic affects the world globally severely affecting planning of the organization. COVID-19 is the example which affected the working of the organizations severely.

### III. HOW MANAGERS CAN EFFECTIVELY PLAN IN TODAY'S ENVIRONMENT

Managers can play effective role in planning for today's environment by following:

- **EXHIBITING EXCEPTIONAL LEADERSHIP SKILLS** to build confidence among employees.
- **ARRANGING TRAININGS FOR CAPACITY-BUILDING** among employees.
- **ENSURING THE BENEFITS OF ADOPTING TO TECHNOLOGY** by mitigating uncertainty attach to it.

Golden Handshake by PTCL is the classical example where employees were given either handsome amount of money to leave the organization to avoid uncertainty or stay and reap technological benefits.

- **MOTIVATING EMPLOYEES** by appraisal and incentives based on performance
- **ALLOCATING RESOURCES EFFECTIVELY** for dealing with unforeseen circumstances
- **PLANNING ALTERNATIVE METHODS** to deal with disasters and pandemic
- **PLANNING LONG-TERM AND SHORT-TERM OBJECTIVES TO BE MET SUCCESSFULLY**
- **TRICKLING DOWN VISION OF THE ORGANIZATION TILL LAST LEVEL IN HIERARCHY TO MEET ORGANIZATION GOALS**

## IV. CONCLUSION

Planning of the organization proves instrumental in meeting organizational requirement. It gets affected by contingency factors including leadership, technology, pandemic. To deal with these factors, effective manager role is needed to in efficient resource distribution, adapting to technological change and in motivating employees. By manager's effective role, the planning can be saved from getting affected by contingency factors.

# Q#3

## DEFINING MARKETING MIX AND EXPLAINING ITS EFFECTS ON SALES VOLUME INCREASE OF A COMPANY

### I. INTRODUCTION

Marketing mix is the term central in marketing. It refers to the processes which are not universal and can change over time. It includes 4Ps Product, Price, Promotion and Place which are integrated and <sup>are</sup> play interplayed between. It affects increasing the sales volume of a company by providing penetration price versus premium price concepts, making product appeal and by promoting using considering demographic factors and discounts. The interplay of 4Ps is significant in



advertising, marketing and increasing consumer base.

## II. DEFINING MARKETING MIX

Marketing mix is the crucial approach which employs selling and advertising of the product for improved sales.

It encapsulates 4Ps, the definitions of which are given below.

## III. UNDERSTANDING 4Ps IN MARKETING MIX

• **PRICE:** Product is the value associated with the product for profit maximization. Two types of prices included are:

• **PENETRATION PRICE:** The price of the product is set low to attract

Commonness.

- **PREMIUM PRICE:** The price at which product is valued high due to its superiority in the market.

### A. HOW PRICE AFFECTS INCREASING THE SALE VOLUME OF A COMPANY

Prices play essential role in increasing sale volumes by either setting premium prices as is the case with Apple phones or by setting penetration prices as are evident in launching of new product by brands. Playing with the prices sometimes high, sometimes low increases the sale volume of a company.

### b. PRODUCT IN MARKETING MIX

Product refers to tangible and intangible goods and services offered to the consumers.

**Features of Product:** The product should

- appeal the consumers
- holds competitive edge over other products in the market
- has comparative advantage i.e. specialized features than others in the market

### A. HOW PRODUCT AFFECTS INCREASING THE SALE VOLUME OF A COMPANY

Product plays role in increasing the sale volume as competitive product offers attract more consumers. Additionally, eco-friendly products, animal-cruelty-free products attract the consumers increasing the sales volume of a company.

### C. PLACE IN MARKETING MIX:

Place indicates the area at which the products are sold. Starbucks, for instance, has opened its outlet at

traffic-busy areas to cater to the needs of more customers.

## A. PLACE AFFECTS THE SALE VOLUME OF A COMPANY.

Like other Ps, place also plays a role in increasing the sales volume. By opening outlets at either inaccessible areas or busy areas of a city, the sales can increase. Reaching to untapped audience by opening franchise in remote areas, McDonalds has increased its sales. Therefore, demographic features and topology increase sale volume of a company.

## d. PROMOTION IN MARKETING MIX

Promotion includes strategies to increase sales by providing coupons, discounts etc.

## A. PROMOTION AFFECTS SALES VOLUME INCREASE

Like other Ps, Promotion aids

in increasing sales volume of a company by selling the product at lower prices than actual one. Lowering prices for greater consumer reach have helped in increasing sales volume of a company.

#### IV. WHAT CAN BE DONE FURTHER TO INCREASE SALE VOLUME OF A COMPANY: INTERPLAY OF 4Ps

##### • ADVERTISING:

Advertising by striking a balance between 4Ps can increase sales.

Developing product according to consumer demand, setting prices affordable for them, placing them where they are most needed and promoting the product by appealing to consumer emotions can increase the sales.

##### • UNIFIED PROMOTION

Promotion of the product by

employing unified approach which is same advertisement for print and electronic media increases sales prices.

### • UNDERSTANDING COMPETITION

Analysis of competition of in the market helps better striking a balance between 4Ps.

### • MARKET NEEDS ANALYSIS

Market needs analysis helps in identifying consumer requirement allowing better use of 4Ps.

### • LISTING EXTERNAL FACTORS

Listing external factors like inflation, consumer purchasing power parity also aids in understanding market analysis allowing employment of effective strategies to increase sales.

- **EXPLORATION OF NEW MARKETS FOR CHEAP RAW MATERIAL**

Exploration of new market for cheap raw material helps in increasing sales. Raw material cheaper than before helps in interplaying between UPs improving sales.

## **V. CONCLUSION**

Marketing mix is essential strategy for improved selling and advertising products. It utilizes UPs for improving sales by setting prices affordable by consumer, promoting the product, placing it for greater reach. and Other strategies like advertising, market need analysis also help in increasing sales volume of a company.

# Q#5

## INTEGRATED MARKETING COMMUNICATION AND ITS COMPONENTS

### I. INTRODUCTION

Marketing holds significance in improving sales of a company. Integrated Marketing Communication, using unified <sup>message across</sup> channel of communication helps in promoting the product and increasing sales. Its components include advertising, personal relation, customer relation management, direct messaging etc. Using integrated marketing communication, the reach of the product to wider audience can be improved resulting in improved figures of sales.



## I. WHAT IS INTEGRATED MARKETING COMMUNICATION?

Integrated marketing communication means spreading same message across multiple channels for unified marketing.

The technique is helpful for companies or organizations operating globally like McKinsey and Co., McDonalds, Kentucky Fried Chicken (KFC).

## II. SIGNIFICANCE OF INTEGRATED MARKETING COMMUNICATION

The significance of such communication lies in

- unified messaging approach showing connectivity
- setting same standard across to avoid competition within
- providing same level of customer satisfaction across the globe.

### III. COMPONENTS OF INTEGRATED MARKETING COMMUNICATION

Following are the components of integrated marketing communication:

**A. ADVERTISING:** Advertising is the important component as it allows greater market reach of the products. Coca-Cola uses FIFA - World Cup to reach to greater audience by advertisement.

**B. DIRECT MESSAGING:** Personalized emails sent over gmail or google accounts with discount and promotions are another component of integrated marketing communication.

**C. PERSONAL RELATION (PR):** Personal relation promotion by setting boot camps in universities and markets is another component of integrated communication.

## D. RECRUITMENT DRIVES AND GIVING

### GOODIE BAGS FOR PRODUCT PROMOTION

Recruitment drives are conducted by multinational organizations in the universities. The <sup>eligible</sup> Latteenideen are not only given job but also goodie bags for promoting products.

## E. SOCIAL MEDIA AS TOOL: Solid.

media is used as tool as well as a component of integrated marketing communication. Posting photos of products with Hashtag(#) increases the promotion of the product.

## F. CUSTOMER-MANAGER RELATION:

Customers are provided with open-door policies to meet manager (first-line management) to develop interconnected relation.

Such relation gives rise to integrated marketing communication.

## G. SALES PROMOTION: Sales

promotion is another component of the communication. Sales are promoted by reaching to larger audience by appealing to the emotions of consumers using advertisement.

## H. CONTENT MANAGEMENT: Local

as well as global channels are used to spread unified content of a product of an organization so that unity is ensured throughout.

~~Consist~~ In this regard, content management becomes another essential component of integrated communication.

## I. ONLINE MOBILE MARKETING:

Running sponsored ad on mobile application ~~is~~ is a component of integrated marketing communication. Through online mobile marketing, ads are run on platform like Youtube, VPN application to earn money.

## IV - IS INTEGRATED MARKETING COMMUNICATION RELEVANT IN TODAY'S TIME

With more interconnected world, integrated marketing communication has held significance owing to its effective employment of technology and social media.

Advancement of technology has unleashed the benefits of integrated marketing communication making it even more relevant to the contemporary world.

## V - CONCLUSION

Integrated marketing communication, using unified approach, holds significance due to its unity. The components of it include advertisement, personal relation, online mobile marketing making it ~~also~~ relevant in the contemporary world.

# Q#7

## (A) FINANCIAL RATIOS

### A) A BANKER CONSIDERING FINANCES OF SEASONAL INVENTORY

**a. CURRENT RATIO:** The ratio explains liquidity of current assets. How quickly current assets are used to pay-off current liabilities helps in considering finances of seasonal inventory.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

**b. INVENTORY TURNOVER:** Inventory turnover is better ratio to consider how quickly inventory is utilized.

$$\text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Net Inventory}}$$

## B) A WEALTHY EQUITY INVESTOR

A wealthy equity investor would consider:

a. **Debt to Equity Ratio:** How quickly equity is utilized to pay-off debts with before maturity period.

$$\text{Debt - Equity Ratio} = \frac{\text{Debts}}{\text{Equity}}$$

b. **TIMES EARNED INTEREST EARNED:**

The ratio helps in identifying how many times equity can be utilized to pay-off interest.

c. **RETURN ON EQUITY:** The ratio helps in analyzing how much return on equity can be achieved by utilizing current assets.

## C) A MANAGER OF A PENSION FUND CONSIDERING THE PURCHASE OF A FIRM'S BOND

Bonds refer to long-term securities. They deal with stakeholder equity. The profit earned on bonds is called dividend which is used to generate wealth in the business. Therefore, for a manager of a pension fund considering the purchase of a firm's bonds, the following ratios need to be considered:

a. **Debt to Equity Ratio:** The ratio compares debts to equity helping in evaluating standing of the firm.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debts}}{\text{Total Equity}}$$

b. **TIMES <sup>INTEREST</sup> EARNED:** How many times current income can be



used to meet interest obligation.

## D) THE PRESIDENT OF A CONSUMER PRODUCTS FIRM

The president of a consumer product firm will consider following:

**a. GROSS PROFIT:** The profit is calculated after deducting net sales from cost of goods sold.

$$\text{Gross Profit} = \text{Net Sales} - \text{Cost of Goods Sold.}$$

**b. NET PROFIT:** Net Profit is calculated by dividing gross profit by net sales.

All these ratios tell about the current standing of the firms which help in evaluating consumer products firms.

# Q#7

## B) CALCUTATIONS

GIVEN:

$$\begin{aligned}\text{Current Assets} &= \text{Cash} + \text{Account Receivable} \\ &\quad + \text{Marketable securities} \\ &\quad + \text{Merchandise Inventory} \\ &= 108,000 + 350,000 + \\ &\quad \cancel{142,000} + 142,000 + 150,000 \\ &= \text{Rs. } 750,000\end{aligned}$$

$$\begin{aligned}\text{Current Liabilities} &= \text{Account Payable} + \\ &\quad \text{Bills payable} \\ &= 200,000 + 50,000 \\ &= \text{Rs. } 250,000\end{aligned}$$

$$\text{Credit Sale (Net)} = 18,25,000$$

$$\text{Cost of Goods sold} = 540,000$$

$$\text{Total Operating Expense} = 600,000$$

REQUIRED:

$$\text{Working Capital} = ?$$

$$\text{Current Ratio} = ?$$

$$\text{Quick Ratio} = ?$$

## SOLUTION:

Working Capital = Current Assets -  
Current Liabilities

$$= 750,000 - 250,000$$

① WORKING CAPITAL = Rs. 500,000.

CURRENT RATIO = CURRENT ASSETS  
CURRENT LIABILITIES

$$= \frac{750,000}{250,000}$$

$$= 3:1$$

~~CURRENT RATIO = 2.78:1~~

② CURRENT RATIO = 3:1

QUICK RATIO = CURRENT ASSETS - INVENTORY  
CURRENT LIABILITIES

$$= \frac{750,000 - 150,000}{250,000}$$

$$= 2.4:1$$

③ QUICK RATIO = 2.4:1

④ INVENTOR TURNOVER = COST OF GOOD SOLD  
NET INVENTORY

$$\therefore \text{Net Inventory} = \frac{\text{Inventory beg} + \text{Inv. end}}{2}$$

$$= \frac{120,000 + 150,000}{2}$$

$$= \frac{270,000}{2}$$

$$= 135,000$$

$$= \text{Rs. } 135,000$$

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

$$= 4$$

Inventory Turnover = 4 times

5. Account Receivable Turnover =  $\frac{\text{NET CREDIT SALES}}{\text{Av. Account Receivable}}$

$$\text{Average Account Receivable} = \frac{\text{A/c Receivable beg} + \text{A/c Receivable end}}{2}$$

$$= \frac{380,000 + 350,000}{2}$$

$$= \frac{730,000}{2}$$

$$= 365,000$$

Account Receivable - Net Sales

Turnover = Av. A/c Receivable

$$= \frac{1,825,000}{365,000}$$

$$= 5$$

Account Receivable Turnover = 5:1

6. GROSS PROFIT PERCENTAGE

GROSS PROFIT = NET SALES - COST OF GOODS SOLD

PERCENTAGE

$$= \frac{(1,825,000 - 540,000)}{1,825,000}$$

$$\text{Gross Profit} = 1285000$$

$$\begin{aligned} \text{GROSS PROFIT PERCENTAGE} &= \frac{\text{GROSS PROFIT}}{\text{NET SALES}} \times 100\% \\ &= \frac{1285000}{1825000} \times 100\% \end{aligned}$$

$$\boxed{\text{Gross Profit \%} = 70\%}$$

### 7. NET PROFIT PERCENTAGE

$$\begin{aligned} \text{Net Profit} &= \text{Gross Profit} - \text{Operating Expenses} \\ &= 1285000 - 600000 \\ &= 685000 \end{aligned}$$

$$\begin{aligned} \text{Net Profit Percentage} &= \frac{\text{Net Profit}}{\text{Net Sales}} \times 100\% \\ &= \frac{685000}{1825000} \times 100\% \end{aligned}$$

$$\boxed{\text{Net Profit Percentage} = 37.5\%}$$

### 8. OPERATING EXPENSE RATES

$$\begin{aligned} \text{Operating Expenses Rate} &= \frac{\text{Operating Expense}}{\text{Net Sales}} \\ &= \frac{600000}{1825000} \\ &= 0.33 \end{aligned}$$