

MANAGEMENT PROGRAMME**Term-End Examination****June, 2007****MS-62 : SALES MANAGEMENT***Time : 3 hours**Maximum Marks : 100**(Weightage 70%)*

Note : *This paper consists of two Sections A and B. Attempt any **three** questions from Section A. Section B is **compulsory**. All questions carry equal marks.*

SECTION A

1. (a) What are the various theories of Selling ? Compare and contrast these personal selling theories.
- (b) You are a Sales Manager of a company marketing consumer appliances. What are the various sources that you can look for enlisting the potential prospects for your products ? Would your answer differ in case of a car manufacturer ? Discuss.

2. (a) "Sales display has acquired a place of significance in modern retailing." Do you agree with the statement ? Discuss and briefly explain the various types of display arrangements that can be used to build traffic at retailer outlets.
- (b) How will the display arrangements differ in the following cases :
- (i) Footwear Store
 - (ii) Beauty Parlour
 - (iii) Furniture Store
3. (a) "Careful selection is important in building an effective sales force." Do you agree ? Discuss the commonly used tools for selecting the salesmen.
- (b) Do you think the selection method would differ in the following cases :
- (i) Salespersons for a manufacturer of breakfast cereal.
 - (ii) Salespersons for a manufacturer of office furniture and equipment.
- Explain.

4. What are the different methods used for sales forecasting for new products ? What are the distinct advantages of sales forecasting ? In your opinion, does forecasting help even when there is a recession in the industry ? Discuss.

5. Write notes on any **three** of the following :

- (a) Measures that can be taken to improve territory productivity
- (b) Functions of Sales Manager
- (c) BDI system and its specific advantages
- (d) Methods of closing the sales in Personal Selling process
- (e) Basic types of Sales Reports to be filled by salespersons

SECTION B

6. Read the case study carefully and answer the questions that follow :

ABC Pharmaceutical Co. is into marketing of drugs. For daily coverage it has kept a team of medical representatives (MR). Each MR is required to make 10 doctor calls and 5 chemist calls a day. In these visits, the MR has not only to make them aware of the company's product and its benefits but it also has to check stocks with chemists and observe competitors' activity.

The findings are sent in a daily report to the Area Sales Manager. A 45 day cycle has been assigned to each MR.

The field control measures exercised by the Area Sales Manager consist of insisting on completed daily reports on time. The evaluation of MR is done on a more or less objective criteria with subjectivity involved in certain parameters. The evaluation is done on an annual basis.

A total of 150 marks is assigned to each MR. The weightage given to different parameters is as under :

— Primary Sales	50 (Sales to stockists)
— Redistribution	30
— Collection	20
— Merchandising	15
— Stock Rotation	10
— Reporting	10
— Market Servicing	5
— Market Information	10
	<u>150</u>

Subjective judgement is exercised towards parameters like attitude towards job; analytical ability; integrity; initiative and adherence to company guidelines.

Incentive system has been developed. An achievement of 105% over budgeted targets entitles the MR to incentives in the form of awards given by company. Awards, medals are awarded at a public function held in a hill resort in the presence of foreign dignitaries. This gives the necessary encouragement to

further the targets by the MRs. Regular training is also provided to the MRs from time to time. In spite of these efforts, the turnover rate of the MRs, for the Company is high and the Company has to live with this industry phenomenon.

Question :

- (a) Critically evaluate the monitoring and performance appraisal system followed by ABC Pharmaceutical Company.
- (b) What steps would you recommend in the compensation system, so that the turnover rate of MRs goes down ?