



Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

**POST GRADUATE DIPLOMA IN MANAGEMENT (2024-26)**  
**MID TERM QUIZ EXAMINATION (TERM -V)**

Subject Name: Distribution Management

Time: **0.30 hrs**

Sub. Code: PGM51

Max Marks: **20**

**Note:**

- 1. Writing anything except Roll Number on Quiz paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. There is no negative marking for wrong answers.**
- 3. Tick marks the correct answer.**

Attempt all questions. All questions are compulsory.

**40×0.5 = 20 Marks**

**Q. 1.** What is the primary economic purpose of using marketing intermediaries? **(CO-1 L-1)**

- To increase the manufacturer's production capacity
- To reduce the number of direct contacts between producers and consumers
- To take over the marketing responsibilities completely
- To set the final price for end consumers

**Ans: b) To reduce the number of direct contacts between producers and consumers**

**Q. 2.** Which of the following is a core function performed by all intermediaries? **(CO-1 L-1)**

- Manufacturing
- Transactional Function (buying, selling, risk-bearing)
- Product design
- Quality control

**Ans: b) Transactional Function (buying, selling, risk-bearing)**

**Q. 3.** Selecting an intermediary based on their financial strength and market coverage is part of: **(CO-1 L-2)**

- Channel conflict resolution
- Intermediary motivation
- Intermediary selection criteria
- Channel power dynamics

**Ans: c) Intermediary selection criteria**

**Q. 4.** The business model where an independent operator pays fees to use a parent company's brand and business system is a: **(CO-1 L-1)**

- Wholesale operation
- Direct marketing system
- Franchise
- Retail chain

**Ans: c) Franchise**

**Q. 5.** A key difference between multi-channel and omni-channel design is: **(CO-1 L-2)**

- The number of products sold
- The number of intermediaries used
- The level of integration and data sharing between channels
- The geographic area covered

**Ans: c) The level of integration and data sharing between channels**

**Q. 6.** The financial difference between an intermediary's cost price and selling price is there: **(CO-1 L-1)**

- a) Turnover
- b) Overhead
- c) Margin (or Markup)
- d) Royalty

**Ans: c) Margin (or Markup)**

**Q. 7.** A primary responsibility of a Channel Manager is to: **(CO-1 L-1)**

- a) Manage the company's advertising campaigns
- b) Train, motivate, and resolve conflicts with channel partners
- c) Handle final consumer complaints directly
- d) Design the product packaging

**Ans: b) Train, motivate, and resolve conflicts with channel partners**

**Q. 8.** For smooth operations, the distribution function must closely interface with which function to align production with sales forecasts? **(CO-1 L-2)**

- a) Human Resources
- b) Production/Operations
- c) Public Relations
- d) Legal

**Ans: b) Production/Operations**

**Q. 9.** A retailer is an intermediary who sells goods primarily to: **(CO-1 L-1)**

- a) Other businesses for resale
- b) The final consumer
- c) Government institutions
- d) Export markets

**Ans: b) The final consumer**

**Q. 10.** The first step in a structured channel designing approach is usually: **(CO-1 L-2)**

- a) Selecting channel partners
- b) Setting channel member margins
- c) Analyzing target customer needs and service outputs
- d) Evaluating competitor channels

**Ans: c) Analyzing target customer needs and service outputs**

**Q. 11.** For expensive, high-image products like luxury cars, the most suitable distribution strategy is: **(CO-1 L-2)**

- a) Intensive Distribution
- b) Selective Distribution
- c) Exclusive Distribution
- d) Direct Online Sales Only

**Ans: c) Exclusive Distribution**

**Q. 12.** The 'Cost of Channel Systems' includes: **(CO-1 L-2)**

- a) Only the cost of goods sold (COGS)
- b) The total capital and ongoing costs of establishing and running the channel
- c) Only the advertising budget
- d) The cost of raw materials

**Ans: b) The total capital and ongoing costs of establishing and running the channel**

**Q. 13.** 'ROI' for a channel partner stands for: **(CO-1 L-1)**

- a) Return on Inventory
- b) Rate of Interest
- c) Return on Investment
- d) Reach of Influence

**Ans: c) Return on Investment**

**Q. 14.** When meeting customer needs through channel design, companies aim to provide desired: **(CO-1 L-2)**

- a) Service Outputs (e.g., lot size, waiting time)
- b) Product features only
- c) Employee benefits
- d) Shareholder dividends

**Ans: a) Service Outputs (e.g., lot size, waiting time)**

**Q. 15.** Using both a company sales team for large accounts and distributors for smaller accounts is an example of: **(CO-1 L-2)**

- a) A single channel
- b) A multi-channel strategy
- c) An illegal practice
- d) A franchising model

**Ans: b) A multi-channel strategy**

**Q. 16.** A wholesaler who takes title to the goods they sell is known as a: **(CO-1 L-1)**

- a) Agent or Broker
- b) Merchant Wholesaler
- c) Manufacturer's Representative
- d) Retailer

**Ans: b) Merchant Wholesaler**

**Q. 17.** Providing cooperative advertising funds to intermediaries is a method of: **(CO-1 L-2)**

- a) Selecting them
- b) Evaluating them
- c) Motivating them
- d) Replacing them

**Ans: c) Motivating them**

**Q. 18.** The concept of 'Channel Alternatives' involves deciding on the: **(CO-1 L-2)**

- a) Types, number, and responsibilities of intermediaries
- b) Product's warranty terms
- c) Company's recruitment policy
- d) Annual profit-sharing ratio

**Ans: a) Types, number, and responsibilities of intermediaries**

**Q. 19.** Intensive distribution is typically used for: **(CO-1 L-2)**

- a) Specialty goods
- b) Convenience goods (like toothpaste)
- c) Industrial machinery
- d) Custom-made furniture

**Ans: b) Convenience goods (like toothpaste)**

**Q. 20.** The margin in a distribution system must cover the intermediary's costs and provide a: **(CO-1 L-2)**

- a) Guaranteed sale

- b) Profit
- c) Tax rebate
- d) Discount for the manufacturer

**Ans: b) Profit**

**Q. 21.** A startup manufacturing innovative smart home devices wants maximum control over customer education and branding. Which channel alternative is most appropriate? **(CO-2 L-3)**

- a) Selling through all major electronics retailers (intensive)
- b) Using a direct online sales model
- c) Appointing one exclusive distributor per region
- d) Selling through supermarket chains

**Ans: b) Using a direct online sales model**

**Q. 22.** A channel partner invested ₹5,00,000 and earned a net profit of ₹75,000 from the business in a year. What is their ROI? **(CO-2 L-3)**

- a) 6.67%
- b) 15%
- c) 66.7%
- d) 150%

**Ans: b) 15%**

**Q. 23.** A company finds its distributors are not pushing their new product line. To motivate them, the channel manager should FIRST: **(CO-2 L-4)**

- a) Threaten to terminate their contract
- b) Analyze if the margin is sufficient and if distributors need sales training
- c) Bypass them and sell directly online
- d) Reduce the product's quality to lower cost

**Ans: b) Analyze if the margin is sufficient and if distributors need sales training**

**Q. 24.** When evaluating the "Cost of Channel Systems" for two alternatives—using distributors vs. a company sales force—which cost is likely HIGHER for the direct sales force option? **(CO-2 L-4)**

- a) Cost of goods sold
- b) Fixed overhead costs (salaries, offices)
- c) Distributor margins
- d) Packaging costs

**Ans: b) Fixed overhead costs (salaries, offices)**

**Q. 25.** A beverage company wants its product available at every possible grocery store, petrol pump, and kiosk. This indicates a need for: **(CO-2 L-3)**

- a) Exclusive distribution
- b) Intensive distribution
- c) Selective distribution
- d) Franchising

**Ans: b) Intensive distribution**

**Q. 26.** If customers in a market highly value the ability to buy in very small quantities (single units), which intermediary function is most critical? **(CO-2 L-4)**

- a) Bulk-breaking
- b) Transportation
- c) Financing
- d) Risk-bearing

**Ans: a) Bulk-breaking**

**Q. 27.** A manufacturer is experiencing frequent stockouts at retail stores despite adequate factory inventory. This breakdown is likely in the interface between distribution and: **(CO-2 L-4)**

- a) Finance
- b) Human Resources
- c) Logistics/Warehousing
- d) Research & Development

**Ans: c) Logistics/Warehousing**

**Q. 28.** Analyzing why a potential channel partner also carries competing brands is important because it relates to their: **(CO-2 L-4)**

- a) Financial stability
- b) Market coverage
- c) Product line policy and possible conflict of interest
- d) Warehouse size

**Ans: c) Product line policy and possible conflict of interest**

**Q. 29.** To improve market penetration in remote areas with low sales potential, a company might use intermediaries primarily for their: **(CO-2 L-3)**

- a) Large financial reserves
- b) Local market knowledge and existing infrastructure
- c) Product design skills
- d) International connections

**Ans: b) Local market knowledge and existing infrastructure**

**Q. 30.** A channel manager designing a system for perishable flowers must prioritize which customer service output? **(CO-2 L-3)**

- a) Large lot size
- b) Minimal waiting/delivery time
- c) Extensive product variety
- d) Credit facility

**Ans: b) Minimal waiting/delivery time**

**Q. 31.** If a company's objective is rapid national launch but it lacks capital for a sales force, which channel strategy applies? **(CO-2 L-3)**

- a) Build company-owned stores
- b) Use established wholesalers with national networks
- c) Sell only from a factory outlet
- d) Use direct mail only

**Ans: b) Use established wholesalers with national networks**

**Q. 32.** When calculating a distributor's ROI, which of these would NOT be part of their investment? **(CO-2 L-4)**

- a) Inventory cost
- b) Cost of their sales force training
- c) The manufacturer's advertising budget
- d) Warehouse leasing costs for the distributor

**Ans: c) The manufacturer's advertising budget**

**Q. 33.** A company selling high-end audio equipment through select dealers discovers some dealers are discounting prices online, hurting brand image. This is a problem of: **(CO-2 L-4)**

- a) Excellent channel motivation
- b) Ineffective channel control and conflict
- c) Optimal distribution planning
- d) Efficient order processing

**Ans: b) Ineffective channel control and conflict**

**Q. 34.** Choosing between rail and air transport for a component is a decision that directly impacts which element of channel cost? (CO-2 L-3)

- a) Cost of capital
- b) Transportation cost and delivery time
- c) Intermediary margin
- d) Product packaging cost

**Ans: b) Transportation cost and delivery time**

**Q. 35.** To appraise a distributor's performance, a channel manager should LEAST LIKELY use which metric? (CO-2 L-4)

- a) Sales volume vs. target
- b) Market share growth in their territory
- c) The personal popularity of the distributor's manager
- d) Inventory turnover ratio

**Ans: c) The personal popularity of the distributor's manager**

**Q. 36.** A furniture company's customers want to see, touch, and customize products before buying, but also research online. Which channel design is needed? (CO-2 L-3)

- a) Purely online e-commerce
- b) Integrated omnichannel with physical showrooms and online configurator
- c) Direct door-to-door sales
- d) Intensive distribution through supermarkets

**Ans: b) Integrated omnichannel with physical showrooms and online configurator**

**Q. 37.** A manufacturer uses a high margin to motivate intermediaries. This directly affects the product's: (CO-2 L-4)

- a) Manufacturing quality
- b) Final retail price
- c) Patent life
- d) Raw material sourcing

**Ans: b) Final retail price**

**Q. 38.** In the selection process, a company prioritizes a distributor with a strong service and repair network. This shows the company values the distributor's ability to provide: (CO-2 L-4)

- a) Spatial convenience
- b) After-sales service output
- c) Bulk-breaking
- d) Product variety

**Ans: b) After-sales service output**

**Q. 39.** If the 'Cost of Channel Systems' is too high, a company might analyze switching from a direct sales force to independent reps to reduce: (CO-2 L-4)

- a) Cost of goods sold
- b) Fixed salary and benefit costs
- c) Retailer margins
- d) Advertising costs

**Ans: b) Fixed salary and benefit costs**

**Q. 40.** A channel manager planning to enter a new country would select an intermediary partner primarily for their: (CO-2 L-3)

- a) Knowledge of local regulations and market practices
- b) Familiarity with the home country's culture

c) Large size in an unrelated industry

d) Low credit rating

**Ans: a) Knowledge of local regulations and market practices**

### **Mapping of Questions with Course Learning Outcome**

<b>Question Number</b>	<b>COs</b>	<b>Bloom's taxonomy level</b>	<b>Marks Allocated</b>
Q. 1, 2, 4, 6, 7, 9, 13, 16,	<b>CO-1</b>	L-1	<b>0.5</b>
Q. 3, 5, 8, 10, 11, 12, 14, 15, 17, 18, 19, 20	<b>CO-1</b>	L-2	<b>0.5</b>
Q.21, 22, 25, 29, 30, 31, 34, 36, 40	<b>CO-2</b>	L-3	<b>0.5</b>
Q. 23, 24, 26, 27, 28, 32, 33, 35, 37, 38, 39	<b>CO-2</b>	L-4	<b>0.5</b>

**Note:** Font: Times New Roman, Font size: 12.