



4.4.23

DOON UNIVERSITY, DEHRADUN
Mid Semester Examination, - Fourth Semester, 2013
School of Management

MBA
Course: MMS – 540: Services Marketing

Time Allowed: 2 Hours

Maximum Marks: 30

Note: Attempt All Questions from Sections A,B,C.

SECTION : A (Objective Type Questions) Attempt any 30 Questions.

(Total 34 Questions)

(Marks: 1x30=30)

1. Which of the following businesses would be characterized as a pure service?
 - a. insurance
 - b. farming
 - c. mining
 - d. engineering
 - e. there is no such thing as a pure service

2. Which of the following sets of terms best describes a service?
 - a. objects, devices, and performances
 - b. effort, objects, and deeds
 - c. things, devices, and performances
 - d. objects, devices, and things
 - e. deeds, effort, and performances

3. Which of the following statements is not true?
 - a. Service knowledge is obtained differently than goods knowledge.
 - b. Firms that define their businesses too narrowly have developed marketing myopia.
 - c. Goods are tangible-dominant.
 - d. Service knowledge is obtained through the experience of receiving the actual service.
 - e. All the above are true.

4. _____ results in the practice of too narrowly defining one's business:
 - a. Services marketing
 - b. Marketing management
 - c. Marketing myopia
 - d. Scale of market entities
 - e. Customer experience

5. Deeds, efforts and performances define:
 - a. products
 - b. ideas
 - c. services
 - d. goods
 - e. places

6. The encapsulation of the benefits of product in the consumer's mind is called:

- a. the benefit concept
 - b. the Service Triangle
 - c. the Service-Profit Chain
 - d. the Scale of Market Entities
7. The demand for services marketing knowledge has increased for all of the following reasons except:
- a. the tremendous growth in service-sector employment
 - b. increasing service-sector contributions to the world economy
 - c. the deregulation of many service industries
 - d. the needed shift from industrial models of management to market-focused management approaches
 - e. the decline in service sector jobs
8. Which linkage within The Service Triangle reflects the ease with which a customer uses a bank's ATM?
- a. The systems--the customer
 - b. The service strategy--the customer
 - c. The systems--the people
 - d. The customer--the people
 - e. The service strategy--the systems
9. Which linkage within The Service Triangle reflects Pizza Hut's strategy of communicating its commitment to service excellence to its employees through television commercials?
- a. The systems--the customer
 - b. The service strategy--the customer
 - c. The systems--the people
 - d. The customer--the people
 - e. The service strategy--the people
10. Which linkage within The Service Triangle represents the interaction that creates "moments of truth" or "critical incidents"--the driving forces in customer satisfaction evaluations?
- a. The systems--the customer
 - b. The service strategy--the customer
 - c. The systems--the people
 - d. The customer--the people
 - e. The service strategy--the people
11. Services are characterized by all of the following characteristics except for:
- a. intangibility
 - b. homogeneity
 - c. perishability
 - d. inseparability
 - e. Heterogeneity
12. Which of the following statements is false?
- a. Services cannot be touched or seen in the same manner as goods.
 - b. Consumer judgments about services tend to be more subjective than objective.
 - c. Services are first produced, then sold, then consumed.
 - d. Services tend to vary from one transaction to the next.
 - e. Services cannot be inventoried.
13. Of the four unique service characteristics that distinguish goods from services, the one that is the primary source of the other three characteristics is:
- a. intangibility
 - b. inseparability
 - c. homogeneity

- d. perishability
 - e. Heterogeneity
14. Which of the following is not a marketing problem caused by intangibility?
- a. Services lack the ability to be stored
 - b. Services lack patent protection
 - c. Services are difficult to price
 - d. Services are difficult to communicate to consumers
 - e. Consumers are involved in the service production process
15. Which of the following is a marketing problem caused by intangibility?
- a. Services have no costs of goods sold.
 - b. The consumer is involved in the production process.
 - c. Other consumers are involved in the production process.
 - d. Service standardization and quality control are difficult to achieve.
 - e. Centralized mass production of services is difficult.
16. The primary cost of producing a service is
- a. rent
 - b. overhead
 - c. cost of goods sold
 - d. labour
 - e. promotional expenses
17. Possible solutions that minimize the problems caused by intangibility include all of the following except:
- a. The use of tangible clues.
 - b. The effective management of consumers.
 - c. The creation of a strong organizational image.
 - d. The use of personal sources of information.
 - e. Prudential's "Piece of the Rock" promotional strategy.
18. The unique service characteristic that reflects the interconnection between the service firm and its customer is called:
- a. intangibility
 - b. inseparability
 - c. homogeneity
 - d. perishability
 - e. Heterogeneity
19. Marketing problems caused by inseparability include all of the following except for:
- a. The service provides physical connection to the service.
 - b. The involvement of the customer in the production process.
 - c. Service standardization and quality control are difficult to achieve.
 - d. The involvement of other customers in the production process.
 - e. All of the above are marketing problems caused by inseparability.
20. The fact that services are sold and then produced and consumed simultaneously is attributed to:
- a. intangibility
 - b. inseparability
 - c. homogeneity
 - d. perishability
 - e. Heterogeneity
21. Which of the following statements pertain to inseparability is false?

- a. As customer contact increases, the efficiency of the firm decreases.
 - b. Customers can affect the type of service desired.
 - c. Customers can affect the length of the service transaction.
 - d. Customers can affect the cycle of demand.
 - e. All the above statements are true.
22. Possible solutions that firms use to minimize the problems caused by inseparability include all of the following except:
- a. The careful selection of service employees.
 - b. The management of service consumers.
 - c. The use of multisite locations to distribute services.
 - d. The training of public contact personnel.
 - e. Appealing to market segments with different demand patterns.
23. The service characteristic that reflects the variation in consistency from one service transaction to the next is:
- a. inseparability
 - b. intangibility
 - c. homogeneity
 - d. perishability
 - e. Heterogeneity
24. Which of the following statements pertaining to heterogeneity is false?
- a. It is almost impossible for a service operation to achieve 100 percent perfect quality on an ongoing basis.
 - b. Standardization and quality control are difficult to achieve.
 - c. Customers always prefer customized services over standardized services.
 - d. Customized services are generally more expensive than standardized services.
 - e. It is easier to customize services than goods.
25. Which of the following is not an advantage of standardized services?
- a. Less expensive
 - b. Meets the customer's exact needs
 - c. Delivered faster
 - d. More consistent
 - e. All the above are advantages of standardized services.
26. Solutions used to minimize the marketing problems attributed to heterogeneity include:
- a. standardizing or customizing the service
 - b. using multisite locations
 - c. stressing tangible clues
 - d. appealing to different market segments with different demand patterns
 - e. using reservation systems
27. The unique service characteristic that deals specifically with the inability to inventory services is:
- a. inseparability
 - b. intangibility
 - c. homogeneity
 - d. perishability
 - e. Heterogeneity
28. Complications attributed to perishability include all of the following except:
- a. Services which are not sold when they become available cease to exist.
 - b. The production and consumption of services cannot be separated by time and space.
 - c. Statistical sampling techniques are of little use in services.

- d. Due to the lack of inventories, marketing and operations must work much closer together.
 - e. All of the above are complications associated with perishability.
29. Which of the following scenarios is likely to lead to the highest levels of customer dissatisfaction?
- a. higher demand than maximum available supply
 - b. higher demand than optimal supply levels
 - c. lower demand than optimal supply levels
 - d. demand and supply at optimal levels
 - e. all of the above scenarios result in customer dissatisfaction
30. Possible strategies for managing demand and minimizing the marketing problems associated with perishability include which of the following:
- a. the use of creative pricing strategies
 - b. the use of reservation systems
 - c. developing complementary services
 - d. developing nonpeak demand
 - e. all of the above
31. The demand strategy in which service providers utilize their downtime by marketing to different segments with different demand patterns is associated with which of the following:
- a. the use of creative pricing strategies
 - b. the use of reservation systems
 - c. capacity sharing
 - d. developing complementary services
 - e. developing nonpeak demand
32. A perishability-related strategy that increases the supply of service by forming a type of co-op among service providers that permits co-op members to expand their supply of services as a whole is referred to as:
- a. co-op formation
 - b. capacity sharing
 - c. advance preparation for expansion
 - d. the utilization of third parties
 - e. creative management
33. Which of the following strategies increases the supply of service available to consumers?
- a. increasing consumer participation
 - b. the use of creative pricing strategies
 - c. the use of reservation systems
 - d. developing complementary services
 - e. developing nonpeak demand
34. Which one of the following statements is true?
- a. The use of third parties increases the supply of service.
 - b. Reservation systems can be used to alter the demand for services.
 - c. Customer participation in services may result in some loss of control by the service establishment.
 - d. The marketing department of service organizations must maintain a much closer relationship with the rest of the organization than what is typical in a goods business.
 - e. All the above are true.