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***Section: B***

***Exam: Mid Term***

**Q1.a. Explain the difference between products and services?**

***Answer:-***

***Products:***

***A product is an offering that can be sold to customers. It is common to think of products as having a physical presence such as a mobile device. As a business term, product has no such connotation. Particularly in marketing, it is common to call anything that can be sold a product, physical or not. For example, flights and software services may be considered products.***

***Services:***

***A service is an offering that includes intangible elements. Services might include physical things such as commodities, devices, buildings and equipment. However, they always include something intangible such as management, customer service, maintenance and experiences.***

***For example, a hotel may offer managed properties and facilities, security, customer service, entertainment, dining, room service, cleaning, concierge services, transportation and recreation.***

**Q1.b. Write a detail note on exchange process with examples?**

***Answer:-***

***Exchange process:***

***An exchange is a marketplace where securities, commodities, derivatives and other financial instruments are traded. The core function of an exchange is to ensure fair and orderly trading and the efficient dissemination of price information for any securities trading on that exchange. Exchanges give companies, governments, and other groups a platform from which to sell securities to the investing public.***

***Explanation:***

***An exchange may be a physical location where traders meet to conduct business or an electronic platform. They also may be referred to as a share exchange or "bourse," depending on the geographical location. Exchanges are located in most countries worldwide. The more prominent exchanges include the New York Stock Exchange (NYSE), the Nasdaq, the London Stock Exchange (LSE), and the Tokyo Stock Exchange (TSE).***

***Example:***

***For example you go into a restaurant and order your favourite meal you eat the food and then you pay for it with your credit card that's a basic exchange relationship.***

**Q2.a. What is the difference between firm and industry?**

***Answer:-***

***• Industry refers to a kind of business inside an economy while a firm is a business establishment inside an industry.***

***• There can be many firms inside an industry.***

***• Industry is not an entity while a firm is a type of company.***

***• A firm is a type of business whereas an industry is a sub sector of an economy.***

***• Rules and regulations are made for an industry, and that typically apply to all firms inside the industry.***

***Q2.b. Explain external environment and its levels?***

***Answer:-***

***Definition of External Environment:***

***An external environment is a group of factors or conditions that are outside the organization but affect it in some extent. In business, this term commonly applies to elements related to out of control dimensions such as society, economy, regulations and political system.***

***Explanation:***

***Every organization must understand key aspects of its external environment because institutions do not exist alone. They interact with other entities and are influenced by a wide range of events, situations and other player’s decisions that are out of its control. No matter how the firm controls its internal processes, there are many other aspects that also impact the performance and ultimately affect profitability and growth.***

***Government decisions, competitor movements and changes in the socio-economic environment are some issues that must be known and understood by the company. Identification and comprehension of those elements allows more complete analysis of risks and potential threats. Monitoring trends and forecasting events support better strategies because the firm can take advantage of positive situations and minimize the effect of adversities.***

***There are two levels of External Environment:***

1. ***Micro influences:***

***A micro influencer as someone who has an audience within the follower range of 2,000 followers up until about 50,000 followers on a particular social media channel, usually comprised of a focussed passion, topic or niche market.***

***If you are a brand reading this, you may be asking yourself why you would want to invest in an influencer with a small following, but here are four things you need to know about micro influencers, and why you should certainly work with them as part of your influencer marketing strategy.***

1. ***Micro influences:***

***Macro means “large” and influences means “effects” so macro influencers are those external factors which may affect the whole “industry” not only a single firm.***

***For example: Government laws, Economic conditions, Technology etc.***