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Course Title:- The principle of Marketing

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Question NO 1(a) :-

Explain the difference between products & services?

Answer:- (a)

Product & Services

There are quite a lot of differences between a product & a service.

We'll discuss it briefly.

*i Product:-

An product is item presented for sale. It can be physical & can be virtual.

- * A product can always be resold.
- * Product can be transferred.
- * They can be patented.
- * They are separable.

*ii Services:-

A service is that which cannot be seen physically & use to fulfill the need of consumer.

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- * They are purely intangible.
- * They are non-transferable.
- * They are non-replaceable.
- * They cannot be resold.

"Differences"

Product	Services
* It is physical	* It is not physical
* Product can be stored.	* Services not stored.
* Moved from one to another.	* It cannot be moved.
* Easily returnable & exchangeable.	* It cannot be returned & exchanged.

Q1(b):-

Write a detail note on exchange process with examples?

Answer(b):-

* Exchange:-

Basically exchange is defined as an act of obtaining a desired product from someone by offering in return.

* Exchange Process:-

It is a simple process of obtaining a needed object by offering something in return called exchange process.

⇒ Example:-

We can give many examples :-

- 1) You go to shop to get a bar of soap. The shopkeeper handover you a bar of soap while in exchange you give him money. This is simply the exchange process.
- 2) Exchange process can be like downloading a paid app from playstore where you get the access to download app by paying your credit card.

* Conditions:-

Condition : 1

There must be at least more than one party for the exchange.

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* Condition : 2

Each party must have some valuable thing.

* Condition :- 3

Each party is free to accept or reject the exchange.

Question NO 2 (a):-

What is the difference between firm & industry?

Answer (a):-

i) Firm:-

A firm is a business establishment inside an industry.

It is organization which is doing business for earning profit & is dealing some products & services.

ii) Industry:-

Industry is the production of goods or related services within an economy.

It is basically a sector of economy consisting of large scale enterprises.

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e.g.- Real estate.
Accounting etc.

Differences

Firm	Industry
<p>* The rules & regulations made for industry are applied to all the firms.</p>	<p>* There are rules & regulations made for the industry to follow.</p>
<p>* It is involved in the trade of services, goods or both customers to earn profit.</p>	<p>* It is tangled in production of services & go field with economy</p>
<p>e.g:- Restaurants, Clothing stores etc.</p>	<p>e.g:- Fashion industry, Food industry etc.</p>

Q 2 (b):-

Explain external environment & its level?

Answer (b):-

* External Environment:-

An external environment is composed of all outside factors that impact the operation of a business.

* Types / Levels of External Environment:-

These are following.

- 1) Microenvironment factors
- 2) Macroenvironment factors

1) Micro-Environment/Influences:-

It consists of such factors which directly affect the operations of firm.

These factors include.

i Supplier:-

It is first & important factor of microenvironment.

e.g:- If supplier doesn't supply food ingredients & drinks to your fast food restaurants, so you will end up having no customer & sale.

ii Customer:-

Customers are key to run a business.

e.g:- If no customer buy your fast food than you will end with loss & shut your business.

iii Competitors:-

Competitors are everywhere. It effect the firm widely.

iv Market intermediates:-

They are related to business that distributes or may be wholesalers.

v Financers:-

Typically business owner take loan to expand his/her business. If someone is unable to take loan for its business his/her business will affected

2 Macro-Environment / Influences:-

Those factors that affect the whole industry & not just a single firm.

The factors include:-

i Demographic Factor:-

It focuses on the study of targeting customers. Like if Ferrari car company is launching in Peshawar it will first do demography of Peshawar.

ii Economic :-

How economic activities changes can affect the environment.

iii Political :-

How political factors effect the environment it increases or decreases the labor working time.

iv Socio-culture :-

Every society has its own religion & culture & can effect the environment.

v Technological :-

Technology can also effect the external environment because advancements are made in it with each passing day.