## Candidate’s Registration Number
(As per in the examination admission form / Student ID)

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### For Examiner’s use only

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### Examiner's Comments

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### Second Examiner's Comments

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### Part Three

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|-------| | | |
Instructions to Candidates

Time: 0930 hrs – 1230 hrs
Duration: Three (03) hours

There are three parts in this question paper.

Part One

- This part has 40 multiple choice questions. It is a **compulsory** section. Candidates are expected to select the most suitable answer and tick the selected answer in the given box in the question paper itself.

Part Two

- Candidates are expected to answer the questions in the space provided in the question paper. **All answers are compulsory.**

Part Three

- Candidates are expected to answer **only two** questions out of four.
- Answers should be written in the additional supplementary answer sheets provided and they should be attached to the question paper itself.

Other Instructions

- State your Registration Number on the front cover of the answer book and on each and every additional paper attached to it. Your name must not appear anywhere in the answer book or answer scripts.
- Always start answering a question on a new page.
- You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.
- Answer the questions using:
  - Effective arrangement and presentation
  - Clarity of expression
  - Logical and precise arguments
- Illegible hand writing will be penalised.
PART ONE

Read the question and select the most appropriate answer
Tick your choice in the given space

Question 01

Question 1.1
_______________ industry is an example for a service industry.

a) Plantation  
b) Hospitality  
c) Fishing  
d) Confectionary

Question 1.2
A firm’s market offerings are divided into core product elements and _____________ service elements.

a) Basic  
b) Functional  
c) Supplementary  
d) Generic

Question 1.3
Which of the following is not an element of the extended marketing mix for services?

a) Process  
b) Package  
c) Physical environment  
d) People

Question 1.4
Which of the following is not an example for a physical evidence?

a) Equipment  
b) Signage  
c) Flow of activities  
d) Employee dress
Question 1.5
Customers seek solutions to arouse needs during _______________ stage of ‘Three-Stage Model of Service Consumption’.

a) Need recognition
b) Pre-purchase
c) Service-encounter
d) Post-encounter

Question 1.6
_______________ is a period of time during which a customer interacts directly with the service provider.

a) Service consumption
b) Service performance
c) Service encounter
d) Purchase decision

Question 1.7
Consumers seek information from respected personal sources to minimize _______________ when purchasing services.

a) Perceived value
b) Perceived risk
c) Price
d) Time

Question 1.8
_______________ enables organizations to build products designed for target segments and to avoid market segments where no appropriate products exist.

a) Positioning
b) Differentiating
c) Targeting
d) Segmenting
**Question 1.9**
Which of the following is not an attribute that can be used to position a hotel?

- a) Level of service
- b) Charges/ price level
- c) Performance
- d) Level of luxury/ comfort

**Question 1.10**
_______________ is a key driver of channel choice for services.

- a) Durability
- b) Speed
- c) Convenience
- d) Quality

**Question 1.11**
Which of the following is one of the factors that impact on service delivery method?

- a) The firm’s segmentation approach
- b) The firm’s positioning strategy
- c) The firm’s communication objectives
- d) The firm’s corporate objectives

**Question 1.12**
_______________ services are located in remote, less expensive sites, and closer to supply, transportation, and labour sources.

- a) Labour intensive
- b) High-contact
- c) High-tech
- d) Low-contact

**Question 1.13**
Providers come to the customer when the target of the service is ________________.

- a) High-touch
- b) A movable physical item
- c) A machine
- d) Some immovable physical item
Question 1.14
Which of the following is not a role-played by technology to facilitate service delivery?

- a) Speed-up process
- b) Increase variability
- c) Reduce variability
- d) Improve reliability and responsiveness

Question 1.15
Which of the following is not an act to reduce the communication gap in services?

- a) Match what is promised and what is delivered
- b) Conducting advertising campaigns
- c) Avoiding over promising
- d) Effective internal (horizontal) communication

Question 1.16
Select a possible objective for an advertising campaign:

- a) Create interactivity
- b) Build awareness
- c) Generate immediate sales
- d) Send personalized messages

Question 1.17
Which of the following does not belong to new media?

- a) Facebook
- b) Television
- c) Blogs
- d) Youtube

Question 1.18
Which of the following group does not belong to the three broad categories of target audiences?

- a) Prospects
- b) Intermediaries
- c) Users
- d) Employees
Question 1.19
Which of the following marketing communication methods generate negative WOM regarding service businesses?

a) Newspapers  
b) Online advertisements  
c) Social media  
d) Sales promotion

Question 1.20
Select the factor which influences role stress among frontline employees:

a) Clearly defined job description  
b) Educated customers  
c) Supervision  
d) Heavy work loads

Question 1.21
Which of the following is not a tool to identify the best candidates for a service firm?

a) Use multiple interviews  
b) Observe behaviour  
c) Conduct physical fitness tests  
d) Conduct personality tests

Question 1.22
Capacity of service firms is constrained by ________________.

a) Finance, machineries, customers, demand  
b) Time, people, equipment, facilities  
c) Finance, customers, supply of raw material  
d) Demand, supply, finance

Question 1.23
Which of the following is not a way to manage constrained capacity?

a) Stretch existing capacity  
b) Limit capacity  
c) Vary capacity to match demand  
d) Level capacity
Question 1.24
Comfortable seating, calming music and entertainment facilities for kids are some of the actions taken by a family restaurant to make _______________ more pleasant.

   a) Ordering
   b) The restaurant
   c) Waiting
   d) The process

Question 1.25
Why do customers complain?

   a) Vent their anger
   b) Obtain compensation
   c) Help to improve the service
   d) Above all

Question 1.26
What is the non-financial cost associated with visiting a specialist doctor at a hospital?

   a) Channel charges
   b) Taxi fare
   c) Time
   d) Call charges

Question 1.27
Suggestion boxes are used by service firms to gather ________________.

   a) Donations
   b) Complaints and appreciations
   c) Customer value
   d) Customer transactions
Question 1.28
“Customers who experience a service failure that is satisfactorily resolved may be more likely to make future purchases than customers without problems”. Above statement is _____________.

a) False  
b) Partly true  
c) A myth  
d) True

Question 1.29
Which of the following is not a type of service guarantee?

a) Single attribute-specific guarantee  
b) Multi-attribute-specific guarantee  
c) Free-service guarantee  
d) Full-satisfaction guarantee

Question 1.30
Transaction marketing is one transaction or a series of transactions which does not necessarily constitute _____________.

a) An exchange  
b) A relationship  
c) Good or service  
d) An agreement

Question 1.31
Select the activity which does not contain in the wheel of loyalty.

a) Build a foundation for loyalty  
b) Create a satisfied customer base  
c) Create loyalty bonds  
d) Reduce churn drivers
Question 1.32
__________ are conducted to understand reasons for customer switching.

a) Satisfaction surveys  
   b) Exit interviews  
   c) Performance appraisals  
   d) Market research

Question 1.33
Which of the following is not a strategy to develop a loyalty bond with customers?

a) Reward based bonds  
   b) Social bonds  
   c) Customer satisfaction studies  
   d) Deepening the relationship

Question 1.34
“__________ is the consumer’s judgement (across multiple service encounters) about an entity’s overall excellence or superiority.’ It is a form of attitude, related but not equivalent to satisfaction.”

a) Customer expectation  
   b) Moment of truth  
   c) Perceived service quality  
   d) Perceived value

Question 1.35
Which one is not a dimension of SERVQUAL?

a) Assurance  
   b) Empathy  
   c) Tangibles  
   d) Intangibles
Question 1.36
Knowledge gap is _______________.

   a) Not selecting the right service standards and designs
   b) Not knowing what customers expect
   c) Not delivering to service standards
   d) Not matching performance to promised

Question 1.37
Over promising is one of the reasons why a _______________ occurs in service firms.

   a) Knowledge gap
   b) Communication gap
   c) Standard gap
   d) Delivery gap

Question 1.38
“Employees of excellent banks will always be willing to help customers”. Above statement relates to _______________.

   a) Assurance expectations
   b) Empathy expectations
   c) Intangible expectations
   d) Responsiveness expectations

Question 1.39
Which one does not belong to customer relationship groups?

   a) Butterflies
   b) Strangers
   c) True friends
   d) Advocates

Question 1.40
______________ justice refers to the degree to which people affected by service failures are treated with dignity and respect.

   a) Procedure
   b) Interactive
   c) Outcome
   d) Process

(Total 40 Marks)
PART TWO

Answer all questions in the given space

Question 02
a) Define the term ‘service’.
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b) State four (04) reasons which have influenced the growth of the service sector in Sri Lanka.
   I. ....................................................................................................................................................................
   II. ..................................................................................................................................................................
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(04 Marks)

Question 03
a) State the stages of the ‘Three-Stage Model of Service Consumption’.
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b) What are the factors affecting risk perception?
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(04 Marks)
Question 04

a) In services, ‘consumer is a part of the product’. Briefly explain the validity of the above statement.

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b) Briefly describe what a high-contact service is while providing a suitable example.

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(04 Marks)

Question 05

a) What is blueprinting?

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b) Briefly describe what are service standards are.

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(04 Marks)
Question 06

a) Briefly describe ‘service focused strategy’ by using a suitable example.

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b) Briefly explain the importance of ‘Target Marketing’ for a service business.

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(04 Marks)

Question 07

a) What is service product positioning?

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b) Briefly describe the importance of repositioning for a service business.

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(04 Marks)
Question 08

a) State main aspects of service delivery?

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b) Briefly describe how a hotel can use a website to deliver its services to customers.

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(04 Marks)

Question 09

a) What is meant by integrated marketing communication?

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b) Mention what services marketers should communicate when dealing with intangibility and customer risk.

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(04 Marks)

Question 10

a) Briefly describe what service profit chain is.

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b) What is emotional labour?

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(04 Marks)

Question 11

a) What are the benefits of complaints for a service firm?

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b) What is service recovery?

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(04 Marks)

(10 Questions x 4 Marks)

(Total 40 Marks)
PART THREE

Select 2 out of 4 questions and answer them in supplementary sheets. Attach your answer sheets to the question paper.

Question 12
Select any service firm of your choice available in Sri Lanka and, explain the target market and the positioning strategy of your selected service firm.  
(10 Marks)

Question 13
Briefly discuss five (05) major issues faced by service firms when designing service delivery strategies.  
(10 Marks)

Question 14
Discuss the importance of having an effective complaint handling system for a service firm in the present competitive business environment.  
(10 Marks)

Question 15
Using an appropriate example, explain the use of SERVQUAL (service quality) framework in measuring service quality.  
(10 Marks)
(10 Marks x 2 Questions)  
(Total 20 Marks)

(Total 100 Marks)

- END -