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Instructions to Candidates

Time: 0900 hrs – 1200 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

  a) Illegible hand writing will be penalised.

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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) Banking  
c) Fishing  
d) Confectionary

Question 1.2
A service is an act or performance offered by one party to another, essentially ................ and does not result in any ownership.

a) Intangible  
b) Tangible  
c) Physical  
d) Standardized

Question 1.3
A firm’s market offerings are divided into core product elements and .................. elements.

a) Core service  
b) Supplementary service  
c) Value added service  
d) Supportive product

Question 1.4
Which one of the following is not an element of the extended marketing mix?

a) People  
b) Process  
c) Promotion  
d) Physical evidence
Question 1.5
Which one of the following belongs to physical evidence?

- a) Quality of the product
- b) Service staff
- c) Exterior and interior
- d) Business processes

Question 1.6
Customers seek solutions to aroused needs in the ......................... stage.

- a) Service encounter stage
- b) Post-encounter stage
- c) Pre-purchase stage
- d) Decision stage

Question 1.7
A set of products and brands that a consumer considers during the decision-making process – that is derived from past experiences or external sources is known as ................

- a) Selected set
- b) Evoked set
- c) Consideration set
- d) Chosen set

Question 1.8
Which one of the following is not a factor affecting risk perception of a service?

- a) High intangibility
- b) Complexity
- c) Experienced customer
- d) Inexperienced customer

Question 1.9
......................... is a period of time during which a customer interacts directly with the service provider.

- a) Service encounter
- b) Service evaluation
- c) Service production
- d) Service designing
Question 1.10
Which one of the following is not a step of the consumer decision making process?

- a) Information search
- b) Analysing consumer behaviour
- c) Evaluation of alternatives
- d) Purchase decision

Question 1.11
A school can be categorized as a …………………….. service.

- a) People-processing
- b) Possession-processing
- c) Information processing
- d) Mental stimulus processing

Question 1.12
………………….. focused firms offer a narrow range of services to a fairly broad market.

- a) Fully
- b) Unfocused
- c) Market
- d) Service

Question 1.13
A dental clinic located in your town may follow …………….. focused strategy.

- a) Fully
- b) Service
- c) Unfocused
- d) Market

Question 1.14
………………………… is composed of a group of buyers sharing common characteristics, needs, purchasing behaviour and consumption patterns.

- a) A market
- b) An oligopoly market
- c) A market segment
- d) A competitive market
Question 1.15
........................................ enables organizations to build products designed for target segments and to avoid market segments where no appropriate products exist.

a) Targeting  
b) Segmenting  
c) Positioning  
d) Differentiation

Question 1.16
Which one of the following is not an attribute that can be used to position a tourist hotel?

a) Fast service  
b) Service  
c) Rates  
d) Luxury/ comfort

Question 1.17
................................. is one of the main aspects of service delivery.

a) The process  
b) The manner  
c) The technology  
d) The encounter

Question 1.18
For complex and high-perceived risk services, people tend to rely on ............... channels.

a) Self-service  
b) Personal  
c) Impersonal  
d) Online

Question 1.19
Which one of the following is not a factor that has an impact on the service delivery method?

a) Nature of service  
b) Method of transportation  
c) Operational requirements  
d) Cost
Question 1.20
.......................... is a benefit of an electronic channel.

- a) Greater convenience
- b) Security
- c) Ability to build social relationships
- d) Customization

Question 1.21
Which one of the following is not a suitable promotion mix tool for a salon located in your town?

- a) Salon’s website
- b) Social media
- c) TV advertising
- d) Billboard

Question 1.22
.......................... is an example for a self-service delivery point.

- a) ATM
- b) Bank branch
- c) Fast food restaurant
- d) Audit firm

Question 1.23
.......................... can be defined as the act of expressing socially desired emotions during service transactions.

- a) Emotional labour
- b) Moment of truth
- c) Service encounter
- d) Internal marketing

Question 1.24
Which one of the following is not a management expectation of service staff?

- a) Delight customers
- b) Be fast and efficient in executing operational tasks
- c) Do selling, cross selling, and up-selling
- d) Developing business strategies
Question 1.25
Which one of the following does not belong to the pricing tripod?

a) Cost  
b) Competition  
c) Discount  
d) Value to customer

Question 1.26
Which one of the following is a way to manage constrained capacity?

a) Demand schedule  
b) Stretch existing capacity  
c) Offering discounts  
d) Price reduction

Question 1.27
Which one of the following is not an approach to manage demand?

a) Increase quality  
b) Reduce demand  
c) Increase demand  
d) Inventory demand

Question 1.28
A ......................... is an example for a high-contact service.

a) Garage  
b) Laundry  
c) Hair dresser  
d) Bank

Question 1.29
.............................. is a method to gather customer complaints.

a) Suggestion box  
b) Internal analysis  
c) Board meeting  
d) Competitor reports
Question 1.30
To a firm, an/a ................. is a benefit of complaints.

a) Opportunity for service recovery  
b) Damage the company image  
c) Increase in profits  
d) Increase in value of share

Question 1.31
......................... can be defined as “the ongoing process whereby an organization aligns, motivates, and empowers employees at all levels to consistently deliver a positive customer experience that helps achieve business objectives.”

a) External marketing  
b) Internal marketing  
c) Relationship marketing  
d) Relationship management

Question 1.32
Which one of the following does not belong to the steps of ‘the wheel of loyalty’?

a) Build a foundation for loyalty  
b) Create loyalty bonds  
c) Create customer satisfaction  
d) Reduce churn drivers

Question 1.33
......................... is a strategy to reduce churn.

a) Increase in price  
b) Increase in switching cost  
c) Increase in availability  
d) Decrease in price

Question 1.34
......................... are one of the main factors influence on customer satisfaction.

a) Customer expectations  
b) Customer attitudes  
c) Customer values  
d) Customer feelings
Question 1.35
Which one of the following is not a dimension of SERVQUAL model?

a) Reliability  
   b) Responsiveness  
   c) Empathy  
   d) Honesty

Question 1.36
"Excellent banks will give customers individual attention". The above statement relates to:

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

Question 1.37
Which one of the following is not a reason for Gap 2 (the standards gap)?

a) The management is unwilling or unable to meet customer expectations  
   b) Insufficient commitment to service quality  
   c) Not knowing what customers expect  
   d) Absence of goal setting

Question 1.38
Which one does not belong to customer relationship groups?

a) Butterflies  
   b) Strangers  
   c) Believers  
   d) Barnacles

Question 1.39
Which one of the following is not a design element of a retail bank environment?

a) Colour of building  
   b) Interior  
   c) Exterior  
   d) Newspaper advertisement
Question 1.40
........................................ is not a part of digital marketing mix.

a) Social media  
b) Web Banners  
c) Search engine optimization  
d) TV commercial

(Total 40 Marks)
PART TWO

Answer all questions in the given space

Question 02
a) Mention two (02) points which demonstrate the importance of ‘services’ for an economy.
   1. ..............................................................................................................................
   2. ..............................................................................................................................

b) What are the stages of a consumer decision making process?
   ....................................................................................................................................
   ....................................................................................................................................
   ....................................................................................................................................
   ....................................................................................................................................

(04 Marks)

Question 03
a) State four (04) methods used by customers to handle risks.
   1. ..............................................................................................................................
   2. ..............................................................................................................................
   3. ..............................................................................................................................
   4. ..............................................................................................................................

b) Briefly explain what the term ‘moments of truth’ mean?
   ....................................................................................................................................
   ....................................................................................................................................
   ....................................................................................................................................
   ....................................................................................................................................

(04 Marks)

Question 04
a) What are the two (02) types of supplementary services?
   1. ..............................................................................................................................
   2. ..............................................................................................................................
b) State two (02) facts to justify the role of branding for services.

1. ..............................................................................................................................
   ..............................................................................................................................

2. ..............................................................................................................................
   ..............................................................................................................................

(04 Marks)

Question 05

a) What is market focused strategy?

 ..............................................................................................................................
 ..............................................................................................................................
 ..............................................................................................................................
 ..............................................................................................................................

b) What is market segmentation?

 ..............................................................................................................................
 ..............................................................................................................................
 ..............................................................................................................................
 ..............................................................................................................................

(04 Marks)

Question 06

a) Identify four (04) aspects which should be considered by service marketers when ‘customers visit the service site’?

1. ..............................................................................................................................

2. ..............................................................................................................................

3. ..............................................................................................................................

4. ..............................................................................................................................

b) Explain what a ‘low-contact service’ is.

 ..............................................................................................................................
 ..............................................................................................................................
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(04 Marks)
Question 07
a) Briefly describe what you mean by ‘servicescape’?
……………………………………………………………………………………………………………………
……………………………………………………………………………………………………………………
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b) Mention two (02) benefits of direct service channels.
1. ……………………………………………………………………………………………………………
2. ……………………………………………………………………………………………………………
(04 Marks)

Question 08
a) What do you mean by Integrated Marketing Communication (IMC)?
……………………………………………………………………………………………………………………
……………………………………………………………………………………………………………………
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b) Briefly explain boundary spanning role of front line employees of a service firm.
……………………………………………………………………………………………………………………
……………………………………………………………………………………………………………………
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……………………………………………………………………………………………………………………
(04 Marks)

Question 09
a) Mention two (02) suggestions to make waiting more pleasant at a vehicle service station.
1. ……………………………………………………………………………………………………………
2. ……………………………………………………………………………………………………………

b) What is the importance of managing capacity and demand of a service firm?
……………………………………………………………………………………………………………………
……………………………………………………………………………………………………………………
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(04 Marks)
Question 10
   a) What is service recovery?

   b) What is people-processing service?

(04 Marks)

Question 11
   “To communicate with customers, today, service marketers need to shift from traditional media to new communication media”. Briefly discuss the validity of the above statement.

(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
Discuss the importance of internal marketing in the success of a service business.

(10 Marks)

Question 13
Assume that you are the marketing manager of a newly established, small-scale, private hospital located in Anuradhapura. Suggest suitable marketing communication tools (with required justifications) for the hospital, to develop its communication campaigns for the coming year.

(10 Marks)

Question 14
Discuss the use of SERVQUAL (service quality) framework in measuring service quality of service businesses.

(10 Marks)

Question 15
Assume that ABC Bank is one of the commercial banks operating in Sri Lanka. However, the bank has still not paid considerable attention on relationship marketing practices. Therefore, advise ABC Bank regarding the importance of relationship marketing for its successful performance.

(10 Marks)

(10 Marks x 2 Questions)
(Total 20 Marks)

(Total 100 Marks)

- END -