



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**2021\_2 EXAMINATION<sup>4567</sup>**

**COURSE CODE: ENT 303**

**CREDIT UNIT: 3**

**COURSE TITLE: SMALL SCALE BUSINESS  
MANAGEMENT**

**TIME ALLOWED: 3 HOURS**

**INSTRUCTIONS:**

- 1. Indicate your Matriculation Number clearly**
  - 2. Attempt question one (1) and any other two (2) questions in all**
  - 3. Question one (1) is compulsory and carries 30marks, while the other questions carry 20marks each.**
  - 4. Present all your points in coherent and orderly Manner**
1. Pricing decisions are usually determined by cost, demand and competition. Discuss the following as it is determined by cost:
    - i. Demand **(15 marks)**
    - ii. Competition **(15 marks)**

**Total: 30 marks**

2. (a) A firm sells 100,000 units per year at a factory price of N12 per unit. The various costs are given below:

Variable	Costs Materials	N260,000
	Labour	N520,00
Fixed	Costs Overhead	N130,000
	Selling & Administrative charges	N190,000

Total investment in cash, inventory and equipment    N900, 000

The labour and materials cost increase by 10 per cent. How do you revise price according to:

- i. Percentage over Costs **(5 marks)**
  - ii. Percentage on Sales **(5 marks)**
  - iii. Percentage on Capital employed **(5 marks)**
- (b) Explain the two popular types of discounts **(5 marks)**

**Total: 20 marks**

3. With the aid of a diagram, explain the product levels. **(20 marks)**

**Total: 20 marks**

4. (a) Differentiate the following with the aid of examples:

- i. Convenience goods **(5 marks)**
- ii. Specialty goods **(5 marks)**
- iii. Shopping good **(5 marks)**
- iv. (b) What are the marketing strategies for Consumer and Industrial Products?  
**(5 marks)**

**Total: 20 marks**

5. Explain the two types of marketing channels in tabular form. **(20 marks)**

**Total: 20 marks**