



060

UNIVERSITY OF RUHUNA

FACULTY OF MANAGEMENT AND FINANCE

**Bachelor of Business Administration Degree Programme 3000 Level Semester I
Examination (December 2021)**

Academic Year 2021

MKT 31503 – Consumer Behavior

Duration : Three hours

The Question Paper contains 05 questions.

Answer All Questions

1. Sri Lanka's two Liquefied Petroleum Gas (LPG) providers; state-owned Litro Gas Lanka Ltd and Laugfs Gas PLC are waiting for a government solution of settling the present issues of foreign reserves shortage and the inability in opening LCs in banks. Sri Lanka's foreign exchange reserves fell to \$2 billion at the end of September 2021 sufficient for only around 1.3 months of imports. The inability to import the required quantity to meet the demand in the market created a shortage of LPG on the island. An increasing shortage of LPG in the market at present can also be due to the hoarding of stocks by retail dealers and small sales outlets. As a result, people joined long lines while carrying cans and bottles in the scorching heat are angry there is no cooking gas. Dozens of desperate Sri Lankans unable to buy domestic gas canisters have been lining up at petrol stations in some cities for kerosene while venting their fury at the government. But as the days wore on and stocks dwindled, filling stations imposed limits on kerosene buyers.
 - a. The shortage of LP Gas seems to have produced frustrations. Discuss how people may handle the frustrations they encounter.
 - b. Individual responses to the shortage of LP Gas will be different. Discuss in brief three factors that can be used to explain the differences in consumer responses to the unavailability of the product.
 - c. Use the motivation process to explain the hoarding of stocks by buyers.

(10 marks each: Total 30 Marks)

2. According to President Gotabaya Rajapaksa, one of the key advantages of converting Sri Lanka's agriculture into 100% organic is the expectation of a higher price premium for its agricultural products in the global market. It was also argued that any reduction in yield would be offset by the higher price premium for organic food products.
- Use the tri component model of attitudes to explain the consumer attitudes towards organic foods.
 - What personality attributes of a consumer may lead to paying a premium price for organic foods?

(05 Marks Each: Total 10 Marks)

3. a. "Social class remains an important way to categorize consumers. However, marketers fail to use social class information as effectively as they could." Explain the above statement.
- b. Explain how the consumption of products changes as with the stages in the traditional family life cycle.

(05 Marks Each: Total 10 Marks)

4. a. List the sensory stimulus and discuss how the consumer perceptions are affected by them.
- b. Explain with examples how consumer expectations and motives affect consumer perceptions.

(05 Marks Each: Total 10 Marks)

5. Explain any two of the following in detail.

- Behavioral Learning Theories
- Core cultural values
- Religion and consumer behavior
- Innovation Adoption Process

(05 Marks Each: Total 10 Marks)
