



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE : MSTM524
COURSE TITLE : STRATEGIC MARKETING FINANCE
DURATION : 3 Hours
LEVEL : 1.2

DATE

24 SEP 2025

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed
3. Answer question number **one (1)** in Section A (Compulsory) and any other **three (3)** questions in Section B.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []
6. Show all workings, where applicable.

Section A (Compulsory)

Question 1:

Discuss the role of finance in marketing decision-making

[25 marks]

SECTION B

Question 2

Analyse Pricing Strategies within Business-to-Business Companies in Zimbabwe [25 marks]

Question 3:

Discuss how firm size, industry, and location of a firm play a role in the pricing strategy.

[25marks]

Question 4

Discuss the five categories of marketing performance matrix using illustrations [25 marks]

Question 5

Toughest Pvt Ltd. has annual sales revenue of US\$6 million and all sales are on 30 days' credit, although customers on average take ten days more than this to pay. Contribution represents 60% of sales and the company currently has no bad debts. Accounts receivable are financed by an overdraft at an annual interest rate of 7%. Toughest Pvt Ltd. plans to offer an early settlement discount of 1.5% for payment within 15 days and to extend the maximum credit offered to 60 days. The company expects that these changes will increase annual credit sales by 5%, while also leading to additional incremental costs equal to 0.5% of turnover. The discount is expected to be taken by 30% of customers, with the remaining customers taking an average of 60 days to pay.

Required:

- a) Evaluate whether the proposed changes in credit policy will increase the profitability of Toughest Pvt Ltd. [5 marks]
- b) Guy Pvt Ltd, a subsidiary of Toughest Pvt Ltd., has set a minimum cash account balance of US\$7 500. The average cost to the company of making deposits or selling investments

is US\$18 per transaction and the standard deviation of its cash flows was US\$1 000 per day during the last year. The average interest rate on investments is 5.11%. Determine the spread, the upper limit and the return point for the cash account of Guy Pvt Ltd. using the Miller Orr model and explain the relevance of these values for the cash management of the company.

[5 marks]

- c) Identify and explain the key areas of accounts receivable management. [5 marks]
- d) Discuss the key factors to be considered when formulating a working capital funding policy. [10 marks]

[Total:25 marks]

THE END

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B/2