

UNIVERSITY OF COLOMBO
FACULTY OF ARTS

Third Year Examination in Arts (Economics) - 2018
(End of the Second Semester)

ENH 3242/ELT 3250 - CONSUMER STUDIES AND MARKETING

Answer any four (04) questions only. All questions carry equal Marks

Time: 2 hours only

1. "Adopting sustainable consumption patterns is one of the greatest current challenges to the humanity. It requires timely and concerted actions of public, firms, and households"
 - i. What is sustainable consumption?
 - ii. What are the driving forces that affect the consumption pattern of a society?
 - iii. How do you think that the civil society can move forward with a sustainable consumption agenda?

2. "Consumer preference reflects an important part of the consumer behavioral pattern"
 - i. What are the four assumptions of consumer preference?
 - ii. What is the relationship between the diminishing marginal utility and consumption?
 - iii. What are the limitations of diminishing marginal utility in analyzing consumption behavior?

3. There are two developing countries namely A and B, implementing two different policy strategies to overcome foreign exchange limitations. A is trying to restrict luxury consumer imports leading to increase in the price of imports while, B keeps importing agricultural inputs and providing subsidies for the farmers leading to decrease the price of agricultural inputs comparing to equilibrium market price.

Using two different graphs explain what happens to consumer welfare in each country.

4. Vast majority of consumers are thought to be rational, but studies show that they fall short of making rational choices. If consumers are rational why do marketers employ psychologist to expand their products and services.
 - i. What are the constraints faced by consumers in making rational choices?
 - ii. What are the psychological factors that retailers use to maximize their profits?
 - iii. Are these factors taken care by both super market chains and corner grocery stores?

5. Most of the consumers in almost every country are not aware of their rights, legislation and consumer information of products and services. A sound knowledge of consumer information is necessary to maximise consumer satisfaction.
 - i. What are the consumer rights?
 - ii. Briefly explain problems faced by consumers in the global age.
 - iii. Choose any two problems and suggest solution to overcome them.

6. "The food habits of the North and South of Sri Lanka are different from each other"
 - i. What were the traditional foods habits of the North and South of the Sri Lanka?
 - ii. How far have foreign influence affected in changing the food habits in Sri Lanka?
 - iii. How far do you think these changes affected Sri Lankan economy?

7. There have been different theories on human behavior of consumption. The pattern of consumption of renewable and non-renewable resources cannot be identical.

- i. Name any three theoretical models related to human consumption behavior.
- ii. Briefly discuss the difference between public goods and private goods
- iii. What are the major geopolitical, cultural, judicial and administrative issues experienced by Sri Lanka in conserving her natural resources.

8. Write detailed notes on any **three (03)** of the following

- i. Proactive and reactive consumption
- ii. Substitute and complementary goods
- iii. Laws for consumer protection
- iv. The Pavlovian learning model
- v. Fordisum
- vi. Mass consumption
