

Please check whether you have got the right question paper.

All questions are compulsory.

Figures to right indicate maximum marks.

Q1. Answer in brief (Any 2 out of 3) (15 marks)

- a) Explain the vertical marketing system.
- b) What do you mean by Franchising? Explain in detail the key attraction for franchising in India.
- c) Explain different types of Franchising.

Q2. Answer in brief (Any 2 out of 3) (15 marks)

- a) Explain the advantages and the disadvantages of the franchisor in detail.
- b) What is the franchise agreement? Give the Description of the franchise and rights granted.
- c) Explain the advantages and the disadvantages of the franchisee in detail.

Q3. Answer in brief (Any 2 out of 3) (15 marks)

- a) Explain the assessing a potential franchise.
- b) What is Franchising? What are Considerations for Developing a Franchise System?
- c) How to investigating and evaluating a franchise.

Q4. Answer in brief (Any 2 out of 3) (15 marks)

- a) What are the different Forms of marketing in a franchise? Explain.
- b) How to Manage franchise relationship.
- c) Explain the Ten keys to franchise success.

Q5. Case Study.

(15 marks)

Pipe Dreams

Ralph Emerson thought he'd been a librarian long enough, and when the opportunity arose to open a small tobacco, pipe, and cigar shop in the newly renovated downtown business district, he was ready to act. Pipe Dreams is a franchiser of smoke shops, and was founded eight years ago by a noted tobacconist in New York City. The concept for the shops is simple, yet sophisticated. It is simple in the sense that the shops sell only tobacco-related products, but sophisticated in the breadth and quality of the inventory they carry. Each franchise, depending on size, is stocked with inventory selected by the company's founder. The franchiser finances the shop's initial inventory. The franchisee is expected to create a decor within predetermined standards that Pipe Dreams establishes. Each franchisee must attend a three-day workshop, outlining the fundamentals of tobacco blending, the merchandising of pipes and cigars, and the techniques of successful business operation.

The franchise contract requires the franchisee to contribute 1.5 percent of gross revenue to a national advertising campaign. According to the contract, Pipe Dreams will finance the required fixtures for the store for ten years. In addition, the franchiser supplies all inventory at very favorable prices because it purchases in large quantities.

Ralph knows he can buy tobacco products from a variety of wholesalers. He also has some ideas on what would make a tobacco shop successful in this town. Ralph knows that Pipe Dreams franchisees have had a high success rate in the past.

Questions(Answer any 2 out of 3)

- a) Help Ralph make a decision by outlining the advantages and the disadvantages of a franchise arrangement.
- b) Assuming that Ralph has adequate capital, would you recommend that he invest in the franchise or open his own tobacco shop? Why?
- c) What suggestions you would give Ralph in preparation for franchise?
