



**BERJAYA BUSINESS SCHOOL**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in words) : \_\_\_\_\_  
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Subject Code & Name : **RTL2153 BUYING AND MERCHANDISING DECISIONS**  
Semester & Year : May-August 2020  
Lecturer/Examiner : Dr. Christine Chow  
Duration : 3 hours

**INSTRUCTIONS TO CANDIDATES**

1. **This question paper consists of 2 parts:**  
**PART A (15 marks) : TWO (2) Reflective Questions**  
**PART B (85 marks) : FOUR (4) Short Answer Questions. Answer all FOUR (4) questions.**
2. **Candidates are not allowed to bring any unauthorised materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.**
3. **This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.**
4. **Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.**

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

**Total Number of pages = 4 (Including the cover page)**

**PART A** : **REFLECTIVE QUESTIONS**  
**INSTRUCTION (S)** : **Answer ALL TWO (2) questions in this section.**

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**QUESTION 1**

Elaborate on what you understand regarding the word 'Purchasing' and factors that are connected to 'Purchasing' **(3 marks)**

**QUESTION 2**

Products, like categories are often allocated space on the basis of sales. There are FOUR (4) types of product profit. If you are a Retailer, how would you allocate space according to product sales profit.

**(12 marks)**

**END OF PART A**

**PART B : SHORT STRUCTURED QUESTIONS (85 MARKS)**  
**INSTRUCTION(S) : Answer ALL FOUR (4) questions below.**

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**QUESTION 1**

- a. Explain the meaning of OTB at retail and at cost ( 4 marks)
- b. Calculate the convenience store's Open-To-Buy at retail and at cost. Provide detailed calculations.

**OPEN TO BUY: JULY**

Desired EOM	108,000 (Aug BOM)
+ Sales	32,000 (July Plan)
+ Mark Downs	2,000 (July Plan)
= Inventory Required	142,000
= BOM Inventory	72,000 (July BOM)
= Open to Receive	70,000
-- On Order	40,000 (July on order)
= <b>Open-To Buy</b>	

OTB: (8 marks for formula, calculations and accuracy X 2) (16 marks)

**(20 MARKS)**

**QUESTION 2**

Retail buyers must translate customer needs and wants into actual products, focusing on product features that are going to provide value to the customer in use. These products must reflect the image of the company. Elaborate on the key purchasing variables of product range. **(20 MARKS)**

END OF PART A

**QUESTION 3**

There are benefits in Centralised and Decentralised retail buying. Compare the benefits between these two types of retail buying. **(20 MARKS)**

**QUESTION 4**

- a. Describe the challenges faced by Global Retailers. **(5 marks)**
- b. How global retailers cope with the changing technology **(20 marks)**

**TOTAL: (25 MARKS)**

END OF EXAMINATION