



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Student ID (in Words) : _____

Course Code & Name : RTL2153 Buying and Merchandising Decisions
Semester & Year : January – April 2022
Lecturer/Examiner : Suhada Ishak
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (15 marks) : FIFTEEN (15) multiple choice questions. Answers are to be written in the Multiple Choice Answer Sheet provided.
PART B (85 marks) : FOUR (4) short answers questions. Answers are to be written in the Answer Booklet provided.
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 = 7 (Including the cover page)

PART B : PROBLEM SOLVING QUESTIONS (85 MARKS)

INSTRUCTION(S) : FOUR (4) problem solving questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.

Question 1

a. Define the following term of discounts:

- i. List Price
- ii. Receipt of Goods (ROG)
- iii. End-of-Month (EOM)
- iv. Extra- Dating (X-Dating)
- v. Quantity discount

(10 marks)

b. A buyer receives an invoice for \$500. Assuming that the buyer paid the invoice on time, use the following terms and calculate

- i. The last day on which the cash discount is allowed
- ii. The amount to be remitted if the discount is taken

Invoice Date	Date Merchandise is Received	Terms	Cash Discount Date	Amount Due
May 29	June 5	8/10 EOM		
June 28	July 8	3/10-40X		
Dec 1	December 5	1/10, n/30		
January 18	January 24	6/10 ROG		
May 14	May 21	3/10 EOM		

(15 marks)

[Total: 25 marks]

Question 2

a. Determine the initial markup percent needed on the basis of the following figures:

Net sales \$44,000
Profit \$12,300
Expenses \$17,500
Shortages \$300
Employee discounts \$700
Alteration costs \$750
Cash discounts \$3800

(5 marks)

- a. Markdowns are the most common type of price change. Discuss **FIVE (5)** reasons for the buyers taking markdowns. (15 marks)

[Total: 20 marks]

Question 3

Determine the OTB as of September 15, given the following information (sales and markdowns for the remainder of the month are the differences between the planned and actual figures for the first 15 days):

Merchandise on hand, September 15 \$49,800
Planned sales, September 1 to 30 \$36,500
Actual sales, September 1 to 15 \$24,000
Planned markdowns for September \$5,000
Actual markdowns, September 1 to 15 \$1,900
Planned stock at retail, October 1 \$50,300
Stock on order, September 15 \$5,300

[Total: 15 marks]

Question 4

- a. The sales for last year from July to December 2021 for ABC Company were as follows:

July: \$45,752
August: \$44,910
September: \$33,000
October: \$45,190
November: \$49,999
December: \$53,576

By referring to the above last year sales from July to December 2021,

- i. Determine the sales total for the last year from July to December 2021. (1 mark)
- ii. Compute the percent of sales for each month from July to December 2021. (3 marks)
- iii. If the goal is to gain a 1.1% increase in the sales for next year, calculate the planned season sales. (1 mark)
- iv. Using the sales curve from last year as a guide, distribute the planned sales among the months in the season. (3 marks)
- v. Identify the percentage change in sales for each month. (3 marks)

b. Last year's BOM stock levels were as follows:

July, \$99,109;
August, \$109,334;
September, \$96,202;
October, \$104,556;
November, \$123,009; and
December, \$85,002.

By referring to the following last year's sales figures

		JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SALES	LY Sales	\$45,752	\$44,910	\$33,000	\$45,190	\$49,999	\$53,576	\$272,427
	PL Sales	46,822	\$44,068	\$33,051	\$46,822	\$49,576	\$55,085	\$270,674

- a. Determine the stock–sales ratios for each month and total for the last year season. (7 marks)
- b. By using approximately the same or lower stock–sales ratios, compute the plan BOM stock levels for each month in the season. (7 marks)

[Total: 25 marks]

END OF QUESTIONS