



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

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Subject Code & Name : **BRL 2302 BUYING AND MERCHANDISING DECISIONS**  
 Semester & Year : January - April 2017  
 Lecturer/Examiner : Ms Elizabeth Tan Ai Gaik  
 Duration : 3 Hours

### INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:
  - PART A (15 marks) : FIFTEEN (15) multiple choice questions. Answer ALL questions. Answers are to be written in the Multiple Choice Answer Sheet provided.**
  - PART B (85 marks) : FIVE (5) short answer questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.**
- Candidates are not allowed to bring any unauthorized materials except writing equipment and calculators into the Examination Hall. Electronic dictionaries and handphone calculators are strictly prohibited.
- 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.
- 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 of Hospitality 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 of Hospitality.

**Total Number of pages = 7 (Including the cover page)**

**PART A : MULTIPLE CHOICE QUESTIONS (15 MARKS)**

**INSTRUCTION(S) : FIFTEEN (15) multiple choice questions. Answer ALL questions in the multiple choice answer sheet provided.**

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**END OF PART A**

**PART B : SHORT ANSWER QUESTIONS (85 MARKS)**

**INSTRUCTION(S) : FIVE (5) short answer questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.**

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1. To determine the retail pricing strategy Buyers have to consider the following factors affecting pricing. Examine **TWO (2)** factors that affect the level of pricing in retail.

- a. Store / company policy
- b. Customer acceptance
- c. Competition

**(20 marks)**

2. Discuss the roles of centralised and decentralised retail buying and examine the advantages and disadvantages of both types of retail buying.

**(20 marks)**

3. A sportswear outlet has an inventory level at RM89,000 as of 1 May and another RM13,500 has been ordered but has not been received into stock yet.  
What would be the OTB (open-to-buy) for the month given the following plans?

Planned sales	RM72,000
Planned markdowns	RM4,000
Planned EOM for May	RM68,000

- a. Calculate the sportswear outlet's Open-to-buy; provide detailed calculations. (10 marks)
- b. Explain the purpose of calculating OTB. (5 marks)

**(Total 15 marks)**

4. As a buyer, what are **THREE (3)** criteria you consider as most important when selecting suppliers / vendors? Discuss.

**(15 marks)**

5. A 'job lot' is an assortment of styles or products from unrelated lines that a vendor has been unable to sell at regular price and now offer to the retailer at a reduced flat price per item.

You are the buyer for this retailer, you have to make a decision to accept **OR** to reject this offer.

Answer **ONE (1)** of the following:

- a) If you accept, thoroughly discuss at least **THREE (3)** reasons to support your decision to accept the offer. Suggest ways in which you can use or sell this assortment.

**OR**

- b) If you reject the offer, provide **THREE (3)** reasons to support your answer. Discuss the consequences of your decision.

**(15 marks)**

**END OF EXAM**