BERJAYA
UNIVERSITY COLLEGE

FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

Student ID (in Words) :

Course Code & Name : RTL2153 Buying and Merchandising Decisions
Semester & Year : May – August 2021
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 = 6 (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

Discuss **FIVE (5)** actions that the buyer may consider to increase an inadequate OTB or to correct an overbought situation. (10 marks)

[Total: 10 marks]

Question 2

a.   Define markup and discuss **FOUR (4)** timing for markup in retail buying.

(10 marks)

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

Net sales $21,000
Profit $2,300
Expenses $7,500
Shortages $300
Employee discounts $200
Alteration costs $150
Cash discounts $280

(10 marks)
[Total: 20 marks]

Question 3

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

(15 marks)

b.   The buyer for the Jersey Shop received 350 jerseys priced at $20.95 each. Seventy five jerseys sold at this price. The remaining jerseys were marked down to $14.95 for a special sales promotion. During the promotion, 105 jerseys were sold. After the promotion, the buyer repriced the remaining jerseys to $16.95 and sold all of them. Determine

     i.   Total markdown
    ii.   Markdown cancellation
   iii.   Dollar Net markdown
   iv.   Net markdown percent

(15 marks)
[Total: 30 marks]

Question 4

a. The sales for last year from January to June 2020 for XYZ Company were as follows:

January: $47,152
February: $45,083
March: $30,294
April: $50,816
May: $50,789
June: $55,034

By referring to the above last year sales from January to June 2020,

    i.   Determine the sales total for the last year from January to June 2020.   (1 mark)
    ii.   Compute the percent of sales for each month from January to June 2020.   (3 marks)
    iii.   If the goal is to gain a 1.3% 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:

January, $99,109;
February, $109,334;
March, $96,202;
April, $104,556;
May, $123,009; and
June, $85,002.

By referring to the following last year's sales figures

		JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
SALES	LY Sales	$45,422	$47,890	$35,132	$45,442	$47,882	$45,432	$267,200
	PL Sales	$46,015	$48,721	$35,188	$46,015	$48,721	$46,015	$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