



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **DRL1302 Merchandising Mathematics for Retailing**
 Semester & Year : May 2016 - August 2016
 Lecturer/Examiner : Mr Goh Poh Kim
 Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of **TWO (2)** parts:

PART A (60 marks) : FIVE (5) Short Answer Questions. Answer all of them; answers are to be written in the Answer Booklet provided.

PART B (40 marks) : TWO (2) Calculation Questions. Answer all of them; answers are to be written in the Answer Booklet provided.

2. Candidates are not allowed to bring any unauthorized 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 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 = 3 (Including the cover page)

PART A : **SHORT ANSWER QUESTIONS (60 MARKS)**
INSTRUCTION(S) : **FIVE (5)** short answer questions. Answer **ALL** questions in the Answer Booklet(s) provided.

- 1 Define the following terms used in Merchandise Mathematics:
 - a. Sell-through Percent
 - b. Everyday Low Pricing (EDLP)
 - c. Permanent Markdown
 - d. Book Inventory
 - e. Planned Purchases
 - f. Inventory Turnover

(12 marks)

- 2 Merchandise plan is an important element for a retailer. Provide any **FOUR (4)** items to be included in the plan.

(12 marks)

- 3 Explain **FOUR (4)** transactions that increase the value of the inventory.

(12 marks)

- 4 Pricing policies vary among companies. Describe any **FOUR (4)** pricing strategies a company can apply.

(12 marks)

- 5 What is a price markup? Markup happens in various timings/periods, discuss **THREE (3)** markup calculations used in different timings/periods.

(12 marks)

END OF PART A

PART B : CALCULATION QUESTIONS (40 MARKS)

INSTRUCTION(S) : TWO (2) Calculation questions. Answer ALL questions in the Answer Booklet(s) provided.

- 1 (a) The sales volume for the book department last year during the month of January was RM35,000. This year January's volume was RM22,000. Determine the percent decrease in sales. (5 marks)
- (b) Calculate the retail price on a sofa table that costs the store RM420 and has a 52% markup. (5 marks)
- (c) The buyer in misses' sportswear plans to purchase \$4,200 (retail) worth of jackets. She has purchased 60 jackets costing \$26 each which she plans to retail for \$50 each. Calculate the answers for (i) until (vi).

	Total Needs	Purchases	Balance
Retail \$	\$4,200	(ii)	(iv)
Cost \$	(i)	(iii)	(v)
Markup %	46.5%		(vi)

(10 marks)

- 2 (a) During the spring season (February 1 through July 31), the lingerie department had net sales of RM350,000. On July 31, a physical inventory showed \$87,110 worth of merchandise. The book inventory showed RM92,610.
- i. What was the shortage in dollar? (5 marks)
- ii. What was the shortage in percentage? (5 marks)
- (b) The buyer in housewares reduced 29 copper kettles from \$28.00 to \$17.99 each for a special sale. Eleven of the kettles were sold. After the sale, the remaining kettles were priced at \$22.00 each. Determine the markdown cancellation. (5 marks)
- (c) A store had a BOM stock of \$250,000 and an EOM stock of \$275,000. If sales for the month were \$200,000, what was the stock turnover? (5 marks)

END OF EXAM PAPER