



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

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

INSTRUCTIONS TO CANDIDATES

1. 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.
2. 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.
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 = 7 (Including the cover page)

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.

1. The following are factors that retail buyers have to consider when deciding on merchandise to be placed in the retail store. Using examples discuss any **FIVE (5)** factors when planning merchandise quality.

- i. target market
- ii. competition
- iii. retailer image
- iv. location
- v. profitability
- vi. customer services
- vii. personnel

(20 marks)

2. For a multi-store retail organization, which type of retail buying structure would you suggest: centralized or decentralized?

a. Briefly explain the differences between centralized and decentralized retail buying.

(6 marks)

b. Discuss the benefits and challenges of your recommendation.

(14 marks)

(Total 20 marks)

3. A convenience store outlet has an inventory level of RM150,000 on the 1st of July and planned for end month inventory of RM152,000 on the 31st July.

The planned sales for the store for July is RM48,000 with RM750 in planned markdowns and a planned markup of RM250. The gross margin of the retailer is 40%.

a. Calculate the convenience store's Open-To-Buy at retail and at cost. Provide detailed calculations.

(16 marks)

b. Explain what the results mean.

(4 marks)

(Total 20 marks)

4. Window Displays is one of the type of merchandise display used by retailers to induce customers to buy. Discuss the following **THREE (3)** types of displays used by the retail store operations.
- a. Thematic displays
 - b. Coordinate displays
 - c. Product presentation

(15 marks)

5. Retailers often import foreign goods. Examine **TWO (2)** sources of buying foreign goods from foreign sources. Discuss **ONE (1)** advantage and **ONE (1)** disadvantage of buying foreign goods

(10 marks)

END OF EXAM PAPER