



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) : 

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

Student ID (in Words) : \_\_\_\_\_  
 \_\_\_\_\_

Subject Code & Name : **RTL1113 INTRODUCTION TO RETAILING**  
 Semester & Year : SEPTEMBER – DECEMBER 2017  
 Lecturer/Examiner : KATRINA CHUA  
 Duration : 2 Hours

### INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:  
     **PART A (25 marks)** : Answer all TWENTY FIVE (25) multiple choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.  
     **PART B (75 marks)** : Answer FIVE (5) short answer questions. 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 = 7 (Including the cover page)**

**PART A : MULTIPLE CHOICE QUESTIONS (25 MARKS)**

**INSTRUCTION(S)** : Questions 1 to 25 are multiple choice questions. Answer ALL questions on the answer sheet provided.

---

1. Which statement concerning retailing is **CORRECT**?
  - a. Retailing activities cannot be performed by wholesalers.
  - b. All retail activities are store-based.
  - c. Lawyer purchasing stationery for use in his/her office is an example of retailing.
  - d. It is the last stage in the distribution process.
  
2. Which of the following distribution functions are generally **NOT** provided by retailers for their manufacturer/wholesalers?
  - a. Inventory storage prior to sale.
  - b. Pre-paying for merchandise in advanced of its being sold to final consumers.
  - c. Delivery and installation of goods to final consumers.
  - d. Contact with the final customer.
  
3. Which of the following **BEST** describe the retailing concept?
  - a. Customer orientation, coordinated effort, value driven, and goal orientation.
  - b. Niche strategy, cost leadership, and market segmentation.
  - c. Short-run objectives, long-term strategy, implementable actions, and channel control.
  - d. Price orientation, social responsibility, and competitive defensibility.
  
4. Which of the following statement concerning customer service is **CORRECT**?
  - a. People's assessment of customer service depends on perceptions-not necessarily reality.
  - b. Customer service only concerns a retailer's intangible activities.
  - c. Customer service only concerns a retailer's tangible activities.
  - d. Different people almost always judge a retailer's customer service in a similar manner.
  
5. Which of the following statement explains the scope of retailing?
  - a. Retailing is limited to store-based transactions.
  - b. Purchases of goods made by retail organizations for further resale are part of retailing.
  - c. Wholesalers cannot conduct retail transactions.
  - d. Retailing is limited to transactions involving tangible goods.

6. What would happen if a retailer did not perform the sorting process?
- a. Final consumers would have to visit multiple manufacturers to purchase their needs.
  - b. Distribution channels would be more likely to be vertically integrated.
  - c. Final consumers would be more powerful in the channel of distribution.
  - d. Manufacturers would have improved cash flow.
7. How do you increase the retailer's power in a distribution channel?
- a. Decentralized purchasing
  - b. Franchising
  - c. The purchase of goods from multiple vendors
  - d. The development of large chains
8. Which is **NOT** a strategy for a retailer to increase its average sale?
- a. Suggestion selling
  - b. Opening additional hours
  - c. Increasing impulse sales
  - d. Placing impulse goods in high-traffic locations
9. Which of the following **BEST** illustrates a value-driven retail strategy?
- a. A retailer's integrating all plans and activities to maximize efficiency.
  - b. A retailer's reducing prices to the lowest possible level.
  - c. A retailer's having prices appropriate for the level of products and customer service.
  - d. A retailer's setting goals and using its strategy to attain them.
10. What is the fundamental concept of the value chain?
- a. Notion that value is interpreted similarly by all final consumers.
  - b. Notion that value is affected by price alone.
  - c. Independence of all channel members.
  - d. Interrelationship among manufacturer, wholesaler, and retailer.
11. Which of the following **BEST** describe expected customer services?
- a. It shows extra ingredients that add to the retail offering.
  - b. It provides to customers free of charge.
  - c. It complement a store's extended offering.
  - d. It considers basic ingredients in the retail offering.

12. Which of the following is **NOT** a major advantage of the use of centralized customer service areas?
- a. The salesperson is able to recommend alternative goods and services.
  - b. Specialized personnel can be used.
  - c. A common store policy is ensured.
  - d. The department can be placed in a space with little activity.
13. Which of the following statement is **INACCURATE** in explaining a value delivery system?
- a. Non-store retailing requires a different delivery system than store-based retailing.
  - b. A value delivery system is as strong as its weakest link.
  - c. Channel members are dependent on each other.
  - d. Value delivery systems are relatively simple to develop and administer.
14. What should be involved in electronic banking?
- a. End-of-month credit statements
  - b. Video-recording systems
  - c. The use of automatic teller machines and the instant processing of retail purchases
  - d. The use of standardized credit systems on a national level.
15. Which of the following **BEST** describe the mission for a retailer's organization?
- a. Goods or service category determination
  - b. Commitment to a type of business and to a distinctive role in the marketplace
  - c. Focus on determining and satisfying consumer wants and needs
  - d. Consumer orientation
16. How would you characterize an independent retailer?
- a. Ownership of only one retail unit
  - b. A partnership form of organization
  - c. A franchise form of distribution
  - d. Vertical integration
17. A manufacturer with low company resources who seeks intensive distribution should utilize which vertical marketing system?
- a. Partially integrated marketing system
  - b. Fully integrated marketing system
  - c. Independent vertical marketing system
  - d. A retail cooperative

18. Which statement concerning the ease of entry into retailing is **CORRECT**?
- a. Ease of entry into retailing contributes to the need for effective stockholder relations
  - b. Ease of entry is reflected in high market shares for leading firms.
  - c. Investment per worker in retailing is significantly greater than that of manufacturing establishments.
  - d. Ease of entry generates a high degree of competition.
19. Which retail theory predicts that innovators will start with a low-cost structure and low profit margin requirements?
- a. Retail life cycle
  - b. Rationalized retailing
  - c. Retail marketing environment
  - d. Wheel of retailing
20. Which of the following is **NOT** a basic assumption of the wheel of retailing?
- a. Related-item merchandising increases sales because of one-stop shopping appeals.
  - b. New institutions are able to reduce operating costs.
  - c. Retailers increase operating costs over time to improve their image.
  - d. A large number of price-sensitive shoppers exist.
21. This retailer is usually in residential areas and offers only a limited range of products at premium prices.
- a. Warehouse store
  - b. Convenience store
  - c. Conventional store
  - d. Superstore
22. Which retailer generally concentrate only in supplying a range of food and beverage products?
- a. Supermarket store
  - b. Full-line discount store
  - c. Variety store
  - d. Retail catalog showroom

23. Selecting the right location for a retail business is one of the most important decision to a retailer. Which would be the best location for a pet shop that also provides grooming and obedience training services for cats and dogs?
- a. In a suburban shopping centre in a middle class area with reasonable rental.
  - b. In a prominent shopping mall in the city centre with high rental.
  - c. In a shop-lot along a busy high street in the old town area with affordable rental.
  - d. In a standalone shop, on the ground floor, where the rental is cheap and the animals can run around freely in a garden.
24. Retailers organize sales promotions regularly throughout the year. What is the main objective of organizing such activities?
- a. To encourage customers to buy more items with irresistible pricing offers.
  - b. To create a buying atmosphere with a wide selection of promotional goods.
  - c. To clear slow moving goods, thus create open to buy value for new merchandise.
  - d. To collect cash revenue from the customers.
25. Service retailing is becoming a big part of the Malaysian economy. Which statement below **BEST** explains why it has grown to such a big scale?
- a. In Malaysia, housewives refusal to work hard for the family has led to the huge demand for domestic maids, thus the increase in the service sector.
  - b. In Malaysia, the service industry has grown to such a large scale due to demand for massage, spa, reflexology and other entertainment activities.
  - c. In Malaysia, changing lifestyles with higher income has lead to increasing demand for leisure activity.
  - d. Due to increasing pressure from society emphasizing beauty and a slim figure, Malaysian women and men are now spending fortunes to patronize slimming and hair salons to look good and be successful.

**END OF PART A**

**PART B : SHORT ANSWER QUESTIONS (75 MARKS)**

**INSTRUCTION(S)** : Answer all **FIVE (5)** questions. Write your answers in the Answer Booklet(s) provided.

---

**QUESTION 1**

Identify and explain any **FIVE (5)** key components of a supply chain that links manufacturers to consumers. Provide examples to support your answer. (15 marks)

**QUESTION 2**

Define “added value” and discuss **FOUR (4)** ways on how a retailer could add value for consumers. Provide examples to support your answers. (15 marks)

**QUESTION 3**

Explain **SIX (6)** benefits for a retailer to evolve from a traditional store to a multi-channel retailing. Provide examples to support your answer. (15 marks)

**QUESTION 4**

Explain the **THREE (3)** types of consumer decision-making processes. (15 marks)

**QUESTION 5**

Briefly explain **SIX (6)** advantages of chain stores and provide **THREE (3)** examples to illustrate your answer. (15 marks)

**END OF EXAM PAPER**