



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : RTL2153 Buying and Merchandising Decisions  
Semester & Year : September – December 2021  
Lecturer/Examiner : Suhada Ishak  
Duration : 3 Hours

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**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 = 7 (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.**

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**Question 1**

- a. Discuss assortment plans via **basic stock list** and **model stock plan**. (10 marks)
- b. Define the following discount terms:
- i. List price
  - ii. Trade discount
  - iii. Quantity discount
  - iv. Seasonal discount
  - v. Cash discount

(10 marks)

**[Total: 20 marks]**

**Question 2**

Determine the OTB as of June 15, given the following information (sales and markdowns for the remainder of the month are the differences between the planned and actual figures for the first 15 days):

Merchandise on hand, June 15 \$36,000  
Planned sales, June 1 to 30 \$26,000  
Actual sales, June 1 to 15 \$14,000  
Planned markdowns for June \$2,500  
Actual markdowns, June 1 to 15 \$900  
Planned stock at retail, July 1 \$30,000  
Stock on order, June 15 \$3,000

**[Total: 15 marks]**

**Question 3**

- a. Discuss **FIVE (5)** common pricing policies that serve as guideline in making sure a reasonable profit will be attained. (15 marks)
- b. A buyer receives an invoice for \$500. Assuming that the buyer paid the invoice on time, use the following terms and calculate
- i. The last day on which the cash discount is allowed
  - ii. The amount to be remitted if the discount is taken

Invoice Date	Date Merchandise is Received	Terms	Cash Discount Date	Amount Due
February 6	February 11	3/10, n/30		
August 18	August 29	3/10 ROG		
July 10	July 15	8/10 EOM		
October 15	October 20	6/10 -30X		
March 28	April 3	8/10 EOM		

(15 marks)

**[Total: 30 marks]**

**Question 4**

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	\$43,856	\$47,023	\$36,224	\$49,216	\$60,989	\$39,099	\$267,407
	PL Sales	\$44,800	\$47,600	\$36,400	\$50,400	\$61,600	\$39,200	\$280,000
	% Change	2.15%	1.23%	0.49%	2.41%	1.00%	0.26%	1.3%
	% of LY Sales	15.87%	17.01%	13.11%	17.81%	22.06%	14.15%	
	% of PL Sales	16%	17%	13%	18%	22%	14%	

- Determine the stock–sales ratios for each month and total for the last year season.  
(10 marks)
- By using approximately the same or lower stock–sales ratios, compute the plan BOM stock levels for each month in the season.

(10 marks)

**[Total: 20 marks]**

**END OF EXAM QUESTION**