

MND202R (416348)
RMD202M (440281)

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INTRODUCTION TO RETAILING (BUSINESS MANAGEMENT 202)

Duration 2 Hours

70 Marks

EXAMINERS
FIRST
SECOND

MR B SOKE
PROF MC CANT

This paper consists of seven (7) pages, which includes the instructions for completion of a mark-reading sheet

This examination paper remains the property of the University of South Africa and may not be removed from the examination room.

This paper counts a total of 70 marks. The marks obtained (out of 70) will be calculated to 100

The paper consists of two (2) sections SECTION A and SECTION B. Section A is compulsory and should be answered on the mark-reading sheet provided. Answer ANY TWO (2) of the questions in section B in the examination answer book provided.

PLEASE NOTE: Write the numbers of the questions that you have answered on the cover page of the examination answer book, in the "Question no." column, in the order that you have answered them.

HAND IN THE MARK-READING SHEET TOGETHER WITH YOUR EXAMINATION ANSWER BOOK.

This is a **closed-book examination**. You may not consult notes of any kind, nor any person except the invigilator, during the examination session.

[TURN OVER]

SECTION A (COMPULSORY QUESTIONS)

Answer all of the following multiple-choice questions on the mark-reading sheet supplied with your answer book. In your answer book, write down the correct option number 1, 2, 3, 4 or 5 next to the question number for each of the following multiple-choice questions. For example, question 1 x 5, question 2 x 3, etc. Each multiple-choice question is worth two (2) marks. The total for Section A is 20 marks.

QUESTION 1

Mboneni realises that his organisation's mission statement is outdated and needs to be revisited. This implies a change to the

- 1 micro environment
- 2 macro environment
- 3 market environment
- 4 economic environment
- 5 social environment

QUESTION 2

The manager of a Pick n Pay is aware of the fact that the banks have just increased interest rates, and that this will influence his consumer's spending power. His direct competitors, Shoprite, have already reduced their prices and he is considering doing the same. Which one of the following marketing environments is influencing his business in this scenario?

- 1 social environment
- 2 micro environment
- 3 market environment
- 4 international environment
- 5 product environment

QUESTION 3

Retailers undertake business activities and perform functions that increase the value of the products and services they sell to consumers. Which one of the following is not a function performed by retailers?

- 1 breaking bulk
- 2 holding inventory
- 3 providing services
- 4 providing an assortment of products and services
- 5 manufacturing

QUESTION 4

are retailers that carry a broad variety and deep assortment, offer considerable customer services, and are organised into separate departments for displaying merchandise

- 1 Supermarkets
- 2 Department stores
- 3 Convenience stores
- 4 Supercenters
- 5 Conventional supermarkets

QUESTION 5

Nonstore retailing that uses a retail format in which a salesperson, frequently an independent distributor, contacts a customer directly in a convenient location, either at the customer's home or at work, and demonstrates merchandise benefits, takes an order, and delivers the merchandise to the customer is referred to as

- 1 direct marketing
- 2 automatic vending
- 3 direct selling
- 4 mass marketing
- 5 self-servicing

QUESTION 6

Retailers need to take seven specific rights of retailing into account, which one of the following is not a right of retailing?

- 1 right service
- 2 right time
- 3 right place
- 4 right price
- 5 right customer

QUESTION 7

The sub environment of the macro environment in which the government of a country can exert pressures on the country by, for example, steering agricultural and economic policy in a particular direction, is referred to as

- 1 physical environment
- 2 institutional environment
- 3 technological environment
- 4 market environment
- 5 internal environment

QUESTION 8

are made up of organisations that buy goods or services for further processing or for use in the manufacturing process

- 1 Governmental markets
- 2 Resale markets
- 3 Consumer markets
- 4 Industrial markets
- 5 Consumer markets

QUESTION 9

Edgars and hardware stores such as Builders Warehouse carry a wide variety of product lines and each line is displayed as a separate section in the overall shop. This is an example of a

- 1 supermarket
- 2 convenience store
- 3 hypermarket
- 4 service business
- 5 department store

[2]

QUESTION 10

Which of the following statements regarding nonstore retailing are correct?

- a Direct marketing uses advertising to elicit a reaction from the consumer
- b Direct selling is also called door- to-door selling
- c Automatic vending is a method of selling convenience products
- d A credit card may be used for electronic shopping

- 1 a and b
- 2 b and c
- 3 c and d
- 4 b and d
- 5 All of the above

[2]

SECTION B

Study the mini case study and answer any TWO (2) of the following THREE (3) questions. The total for Section B is 50 marks

Camelot Fashions

Mboneni is the owner of Camelot fashion. He has several trendy junior fashion stores located in the Western Cape. Mboneni went from owning one store 12 years ago, to having three stores with a total sales of R1 200 000. Mboneni had a manager in each of the three stores. This allowed him to divide the time spent in each store, overseeing the financial side of things and doing the purchasing. Camelot used the basement of the largest downtown store as a central warehouse.

The junior fashion industry is unique and has a large market in the Cape. Customer demand is strong in age groups up to 35 years, but the prime segments are customers in their teens and twenties. Mboneni was quick to recognise the possibilities offered by the trend toward casual living and established his buying policies with this in his mind. He supported this with a moderate pricing policy. He chose suppliers who offered products at the lowest price. However, he had a problem. His sales had been irregular for the past few seasons. He felt that this was caused by not getting merchandise from suppliers in time.

QUESTION 1

It is a mistake to think that suppliers should be selected because they offer products at the lowest prices - this certainly is not true.

Explain to Mboneni what the criteria are for evaluating suppliers to ensure that the best possible supplier is selected, and give practical examples. (You must explain 5 criteria for 10 marks and give practical examples for 5 marks.)

(15)

Discuss the five rights of retailing with the aid of practical examples. (You should explain five rights for 10 marks.)

(10)

[25]

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QUESTION 2

Discuss five different components from the macro marketing environment and indicate how each influence^s the success of Camelot fashions (You should explain the five components for 20^A marks and give practical examples of each one for 5 marks)

[25]**QUESTION 3**

Nine steps are involved in the management of an advertising campaign Discuss, with the aid of practical example, the nine steps that Camelot Fashions should follow in the management of its advertising campaign for the new stores (You should explain the nine steps for 18 marks and provide practical examples for seven of the steps for 7 marks)

[25]**TOTAL: [70]**