

SECTION A

OBJECTIVES (25 marks)

Instruction: This section consists of **TWENTY FIVE (25)** objective questions.
Answer all questions.

1. _____ includes all the activities involved in selling products or services to final consumers for their personal, non-business use. [CLO 1]
 - A. Franchising
 - B. Retailing
 - C. Brokering
 - D. Wholesaling

2. Which of the following tasks is **NOT** included in the retailer's role in the marketing system? [CLO 1]
 - A. Retailing builds bulk.
 - B. Retailing gives the product or service place utility.
 - C. Retailing assumes storage function.
 - D. Retailing assumes risks.

3. Choose from the following the importance of retailing in the economy [CLO 1]
 - i. Retail sales and employment are vital economic contributors, and retail trends often mirror trends in a nation's overall economy.
 - ii. The world's 100 largest retailers generate more than \$2.8 trillion in annual revenues.
 - iii. Retailing is major source of employment.
 - iv. Retailing is a significant field of study
 - A. i and ii
 - B. i, ii and iii
 - C. ii and iii
 - D. All of the above

POLITEKNIK
Jabatan Pengajian Politeknik

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION

DECEMBER 2011 SESSION

PM304: RETAILING

DATE: 23 APRIL 2012 (MONDAY)
DURATION: 2 HOURS (11.15am - 1.15pm)

This paper consists of **TEN (10)** pages including the front page
Section A: Objective (25 questions – **answer all**)
Section B: Essay (3 questions – **answer all**)

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THE CHIEF INVIGILATOR

(CLO stated at the end of each question is referring to the learning outcome of the topic assessed. The CLO stated is only for lectures' references.)

8. The following are the strategic implications of differentiated marketing, **EXCEPT** [CLO 1]
- Near to a large population base
 - Different media and message for each statement
 - One general strategy
 - High, medium and low price depending on market segment
9. Merchandising includes [CLO 1, CLO 2]
- all the steps in the buying and selling of products
 - the purchasing of products but not the sale of products
 - pricing and product assortment decisions only
 - cooperative buying arrangements
10. Identify the buying organization where the same personnel handles both merchandising and other retail tasks from the options below. [CLO 1, CLO 2]
- Centralized
 - Decentralized
 - Informal
 - Formal
11. The battle of the brands refers to the [CLO 1, CLO 2]
- price competition between domestic and foreign goods
 - increased competition for shelf space between private and generic brands
 - increased competition within a brand due to product line extensions
 - competition that occurs among manufacturers, private, and generic brands

4. The importance of retailing in economy **EXCLUDES** [CLO 1]
- generating a decent amount of employment
 - enhancing the subordinate achievements
 - encouraging the investment by traders
 - decreasing the income of domestic market
- i and iii
 - i, ii and iii
 - ii and iv
 - ii, iii and iv
5. _____ is a store-based strategy that uses little or no promotion. [CLO 1]
- Book store
 - Combination store
 - Food-based superstore
 - Conventional supermarket
6. Lea meets Pah at a restaurant to promote a new life insurance policy. Lea is involved in [CLO 1]
- direct marketing
 - direct retailing
 - direct merchandising
 - direct selling
7. Nature of the retailing mix used by the retailers to _____ customer needs. [CLO 1]
- satisfy
 - offer
 - develop
 - implement

15. *"The total price charged for a product sold to a customer that includes the manufacturer's cost plus a retail markup".*

This statement refers to [CLO 1]

- A. pricing
- B. product
- C. placement
- D. retailing

16. "Everyday low pricing" is suitable for [CLO 1]

- A. staple goods
- B. specialty goods
- C. shopping goods
- D. unsought goods

17. *"Any communication that fosters a favorable image for the retailer among its publics, nonpersonal or personal, paid or nonpaid, and sponsor-controlled or not."*

This statement refers to [CLO 1, CLO 4]

- A. Public relation
- B. Advertising
- C. Personal selling
- D. Publicity

18. *"Two way communication with one or more prospective customers for the purpose of making sales."*

The statement refers to [CLO 1, CLO 4]

- A. sales promotion
- B. public relations
- C. personal selling
- D. advertising

12. The strategic _____ can be an important determinant of success.
[CLO 1, CLO 3]

- A. location
- B. population
- C. operation
- D. competition

13. Which of the following are the types of retail location? [CLO 3]

- i. Isolated store
 - ii. Unplanned business district
 - iii. Planned shopping centre
 - iv. Trading area
- A. i, ii, and iii
 - B. i, ii, and iv
 - C. i, iii, and iv
 - D. ii, iii, and iv

- 14.

- Customers are highly sensitive to price
- Low price discourage actual and potential competition
- Total retail costs do not increase as much as the increase in sales volume

Which pricing strategy best used in the above situations? [CLO 1]

- A. Market penetration pricing
- B. Administered pricing
- C. Pricing above the market price
- D. Market skimming pricing

23. Merchandise buyer is also considered as retail [CLO 1, CLO 5]
- strategy
 - personnel
 - service
 - skill
24. A salesperson compensation plan is typically made up of several elements such as fixed amount, _____, expenses, and fringe benefits. [CLO 1, CLO 5]
- variable amount
 - retirement
 - recognition
 - bonuses
25. Consumerism refers to [CLO 1, CLO 5]
- the activities of government, business, and other organizations to protect people from practicing infringement upon their rights as consumers.
 - the challenge to balance corporate citizenship with a fair level of profits for stockholder, management, and employees
 - the best way to avoid unethical acts for firms to have written ethic codes
 - the media attention paid to firms' behavior and the high expectations people have today where a failure to be ethical may lead to adverse publicity.

19. *"The objective of X is to satisfy the customers' needs through face-to-face communications."*
X refers to [CLO 1, CLO 4]
- personal selling
 - sales promotions
 - public relations
 - advertising
20. _____ consists of short-term incentives to encourage the immediate purchase or sale of a product or service. [CLO 1, CLO 5]
- Advertising
 - Publicity
 - A segmented promotion
 - Sales promotion
21. *The reflection of a store's physical characteristics that are used to develop an image and attract the customers"*
This statement refers to [CLO 1, CLO 5]
- goodwill
 - aesthetics
 - retail image
 - atmosphere
22. An advantage of a retailer-generated credit card is [CLO 1, CLO 5]
- no bad debt or slow-payment problems
 - no need for credit checks
 - low startup costs
 - the encouragement of store loyalty

QUESTION 3

- a) Determine the elements of store atmosphere. [CLO 1, CLO 5]
(8 marks)
- b) Describe the types of customer services. [CLO 1, CLO 5]
(6 marks)
- c) Briefly explain the importance of customer services. [CLO 1, CLO 5]
(6 marks)
- d) Identify the **FIVE (5)** characteristics of retail personnel.
[CLO 1, CLO 5]
(5 marks)

SECTION B

ESSAY (75 marks)

Instruction: This section consists of **THREE (3)** essay questions. Answer all questions.

QUESTION 1

- a) Distinguish between centralization and decentralization in buying formats.
[CLO 1] (7 marks)
- b) Elements in the merchandise plans consist of forecasts, innovativeness, assortments, brand, timing and allocation.
Explain the above elements for the food and beverage industry. [CLO 2]
(18 marks)

QUESTION 2

Simply Sweet, a chocolate and candy retailer wants to promote its new product line, GoodChocs that is targeted for the health-conscious chocolate lovers. Top management has decided to combine advertising and sales promotion to promote GoodChocs. [CLO 1, CLO 4]

- a) List any **THREE (3)** aspects mentioned in the advertising definition.
(3 marks)
- b) Define sales promotion.
(2 marks)
- c) Discuss **FIVE (5)** advantages of advertising as GoodChocs' promotional tool.
(10 marks)
- d) Explain **FIVE (5)** disadvantages of sales promotion as GoodChocs' promotional tool.
(10 marks)