

**M.A. IN FASHION RETAIL MANAGEMENT
(MAFRM)**

Term-End Examination

December, 2012

MFM-039 : MERCHANDISING FOR RETAILERS

Time : 3 hours

Maximum Marks : 100

Note : All questions are compulsory.

1. Write short notes on *any four* of the following :
 - (a) Buying house 5x4=20
 - (b) Forecast agency
 - (c) Merchandise classification
 - (d) Six - month merchandise plan
 - (e) Mark up

2. Define open - to buy. Explain in detail the benefits and uses of open - to buy. In case you over buy for a period, what are the strategies you can adopt ? 20

3. Outline the steps involved in developing a promotional plan. What would be your promotional plan for any one of the below brands ? 20
 - (a) Accessorize
 - (b) Hidesign

4. Read the below statements and answer if they are true or false : **1x6=6**
- (a) Stock sales and sales - stock ratio are simply inverse of each other.
 - (b) Mom and me is a speciality store of the RPG group.
 - (c) The main weakness of the open to buy approach is that it does not determine how much of what particular items within the category or department must be purchased.
 - (d) A high stock turnover rate must be maintained at all times.
 - (e) Inventory turnover and stock turnover mean the same.
 - (f) Bottega Veneta is a luxury cosmetics brands owned by genesis colours.

5. Fill in the blanks : **1x4=4**
- (a) Average stock is calculated by dividing the sum of the value of _____ for the time period by the total no. of time periods.
 - (b) Merchandise breadth is the number of _____ carried by a store.
 - (c) Penetration pricing generates volume sales at a _____ mark up.
 - (d) Another name for a merchandise plan is _____ .

6. Calculate the OTB for your department with the following information. All figures in INR : 15

Planned Sales :	22,000
Planned BOM :	33,000
Planned reduction :	2,000
Planned EOM :	35,000
Stock in order at cost :	4,000
Initial markup percent :	44.6%

7. Calculate the stock turnover with the following information. 15

Total sales = Rs. 60,000

Monthly inventory figures are listed below
(All figures in INR)

Month	Stock level
Jan. 31	8,000
Feb. 28	12,000
Mar. 31	14,000
Apr. 30	12,000
May. 31	10,000
Jun. 30	12,000
Jul. 31	10,000
Aug. 31	16,000
Sep. 30	18,000
Oct. 31	20,000
Nov. 30	30,000
Dec. 31	16,000
Jan. 31	6,000
