

**BA IN FASHION MERCHANDISING AND  
PRODUCTION**

00575

**Term-End Examination**

**December, 2010**

**BFD-032 : BASIC RETAILING**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : All questions are compulsory.*

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1. What functions does the retailer carry out ? 10
2. Multiple retailing has assumed a dominance over consumer channels of distribution that is becoming increasingly difficult to break. How do you account for this dominance and what are the implications of this situation for other distribution organizations ? 10
3. How does the formation of a Vertical Marketing System (VMS) help the retailer ? 5
4. Girdhari Lal is a successful retailer of mid to high priced furniture in Delhi. He realizes, however, that the retail environment has changed a great deal since he began in the furniture trade in 1965. He thinks he needs to conduct an analysis of the retail environment but does not know when and how to begin. 15

- (a) What factors in the external environment should Girdhari Lal monitor ?
  - (b) How can he get information on these factors ?
  - (c) If Girdhari Lal finds that most of his customers are two-income families, how might he wish to react to this information ?
5. What is the major determinant of the ideal store location ? 10
6. Define the following terms : 20
- (a) Cost of goods sold
  - (b) Gross Margin
  - (c) Mark up
  - (d) Net Profit
7. Explain what are the factors that determine the selling point of an item ? 5
8. What are the six main methods of retail communication ? Describe the main types of media used by retailer. 10
9. What is the meaning of sales promotion ? Give four examples of sales promotion tools. 5

10. In the late 1990's Tesco launched its computers for schools promotion 13,000 items of equipment including 3,000 computers, 600 printers and 9400 software packages menu given away to 8,000 schools nation wide. The promotion was based on a voucher collection system, with one voucher being repeated every year since, and in later years the number of vouchers offered for each transaction has been increased. 10

Evaluate this method of promotion and comment particularly on objectives that it might achieve for Tesco.

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