Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices among CILOS	3*10	30
B	Compulsory Case Study	20	20
			50

Section A

1. **(A) CILO 1 (Understanding)**
   (a) Are the disadvantages of Centralized buying serious enough to prevent retail chains from growing and expanding in future? Explain?
   (b) After analyzing inventory control records, a buyer determines she is overstocked in 80 percent of the merchandise categories carried. Explain possible cause of this problem. Present a plan that could improve future inventory levels.

OR

1. **(B) CILO 1 (Understanding)**
   (a) Explain how retail success on social media platforms can be measured during normal and volatile conditions?
   (b) Based on the income proft/loss statement that follows, calculate the percentage that each element represents

Sales	**$567,100**
Cost of Good Sold	**$251,000**
Gross Margin	**$316,100**
Operating Expenses	**$285,500**
Profit/loss	**$30,600**

2.(A) **CILO 2 (Analyze)**

   (a) The owner of small menswear store that you manage is considering using a buying office. Categorize the pros and cons of contracting with a resident buying office?

   (b) Why is it important for buyers to identify and capitalize on identifying trends early?

OR

2(B) **CILO 2 (Analyze)**

   (a) A store has the following figures available: sales were $220,000; cost of goods sold were $160,000; and operating expenses were $70,000. Calculate the Gross margin and profit for this store.

   (b) Sales last year during June were $20,000. Sales this June were $21,500. What percentage increase or decrease in sales has occurred? If this trend continues, what sales should be forecast for next year?

3 (A) **CILO 3 (Evaluate)**

   (a) A business has Gross margin of 40 percent combined with a turnover rate of 2.5. It has a markup percentage of 50 percent. Calculate GMROI.

   (b) Based on the information in the Table that follows, forecast sales for July , this year:

Month	Sales Last Year	Sales this Year
April	$50,000	$55,000
May	$55,000	$61,000
June	$59,000	$64,000
July	$60,000	?

OR

3 (B) **CILO 3 (Evaluate)**

   (a) What will the accuracy of a sales forecast depends on? What are the advantages and disadvantages of forecasting an increase in stock turnover rates?

   (b) Describe the impact of a forecast that underestimates and overestimates sales.What additional measures would be required in sales forecasting during volatile and uncertain conditions like the present one?

Section B

CILO 2 (Analyze)

Prepare a six month merchandise plan based on the information presented below. Planned sales are expected to be same as last year

	Last year Monthly Sales	Last Year BOM Stock
February	$12,000	$25,000
March	$14,000	$30,000
April	$18,000	$38,000
May	$19,000	$40,000
June	$18,000	$39,000
July	$19,000	$41,000

a) Calculate Last year's monthly stock – to sales ratios and plan monthly BOM inventory levels (5 marks)
b) Now, plan monthly reductions for the period. Reductions are planned at 8% and will be distributed as follows: (5 marks)

February	10%
March	5%
April	5%
May	15%
June	30%
July	35%

c) Plan monthly EOM stock for each month. Ending Inventory of the season is planned at $43,000. (5 marks)
d) Plan Purchase at retail. Then, convert the figure to cost. The initial markup percentage is planned at 46.4 percent. (5 marks)