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**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	**50**

Section A

1. What is basic premise of category Management? Why super-markets have been forefront of the movement to use category management?

2. A) A retail firm has net sales of Rs 200,00,000 for FY 2015-16. Its average monthly inventory at hand (at retail price) was Rs.35,00,000. Calculate annual stock turnover Rate
   B) A retailer's gross profit for 2015-16 was Rs.70,000; its net sales were Rs.10,00,000 and average inventory at cost is Rs.250,000. Calculate its GMROI percentage.

3. Why is a merchandise budget so important in retail planning, and how is a merchandise budget prepared?

4. Outline the main benefits of a centralized approach to retail buying. Discuss couple of instances when a de-centralized approach would be more appropriate and why?

5. Contrast the week's supply method and percentage variation method of merchandise planning

Section B

6. Describe the assortment strategies that would be appropriate for the following Retail Organizations:
   a) A general department store (for example Zara)
   b) A convenience store in Tugalpur village. (unorganized format)
   c) A home furnishings retailer (for example HomeTown),
   d) An Auto Retailer,
   e) A Lifestyle Retailer.

7. Is Micro-Merchandising is a good approach? Why or why not? How could a maternity and childcare stores as Babyoye by Mahindra can use
   a) Basic Stock List,
   b) Model Stock List and
   c) Never-out list

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8. Comments on each of the following from perspective of a local Kirana-wala store (unorganized retailer)
   a) Horizontal price fixing,
   b) Market Skimming Pricing,
   c) Predatory Pricing,
   d) Price Lining
   e) Odd Pricing,
   f) Maintained Markups,
   g) Contingency Pricing,
   h) Off Retail Markdown Percentage,
   i) Variable Markup Policy and
   j) Demand Oriented Pricing

Section C

"The Sizing Problem"

Pam Lewis, the owner of the up-scale Pam's Place in the Chicago suburb of Lincoln - shire, had just entered what was to be the last vendor's showroom on her first day of this year's Dallas Apparel Market. She was excited about what she had seen that day and was already looking forward to a relaxing dinner with her former college room - mate and the next two days of buying. This last vendor was new to Pam, but she had heard other buyers saying wonderful things about it at the food court earlier that afternoon. Since it was near one of her Class A vendors, she decided to stop by.

Upon entering the showroom, Pam uttered her usual "What's new" to the Manufacturer's sales rep. "Depends on how important it is to you to make your customers very happy," was the quick reply. The salesperson then ushered Pam over to a display carrying slacks which featured a new fit technology. The key was the realization that a size 10, 45 to 55 year-old women doesn't have the same shape as a size 10 25-year-old. Based on this fact, a new sizing system, called Fit logic, is being used by the manufacturer. It is based on three body shapes that represent the most common female figures: straight silhouette, curvy, and Pear like. These shapes are labeled 1, 2, and 3. Thus the vendor show Pam three different size 12 slacks, (12.1, 12.2, 12.3), one for each body shape.

The salesperson went on to explain that for women in the over 35 crowd, 40 percent are a 1 shape, 20 percent are 3s, and only 20 percent are a 2 shape, the silhouette currently used as the standard for sizing.

Pam remembered recently seeing the developer of this system on television discussing why she thought it would revolutionize the way baby boomer women would Purchase clothing. She even recalled an article in a trade journal about how a television shopping network, QVC, had great success with this concept. Still, she realized that the variety which would make the concept so appealing to her customers multiple versions of the same size, each tailored to their body shape - would make it so unappealing to her as a buyer. After all, if she adopted the system for this line, she would have three times the number of items. They would require more display space and create a greater risk of future markdowns. It was a breadth versus depth issue to Pam because carrying the extra sizes would mean she would have to drop some other merchandise. Thus Pam, despite liking the fashions she saw in the showroom, was undecided as she left to meet her ex-roommate, Pat Marion, for dinner.

That night over dinner Pam described her day, especially this new fit technology. Then it hit her that there might be something to the system when Pat started telling her about her troubles in taking back some clothes that didn't fit her correctly. They were either too tight or too loose. Pam remembered something said on that television show about as women age, they not only change sizes but shapes. Twenty-five years ago, while in college, Pam and Pat were both a size 8 and often exchanged clothes. Now they were both size 12 but their shapes entirely different. Maybe if she was able to offer a better fitting line of clothing, not only would sales increase but customer returns would decrease. Pam decided that she would revisit the showroom first thing the next morning and get more information about this sizing system.

1. What do you believe is most important to the average customer; fit, price, style, or quality of workmanship? Which one do you believe is the greatest cause of customer returns? How to address such a situation?
2. Is this really a breadth versus depth issue? What are other issues with Pam Lewis?
3. What sort of Merchandise policy Pam should adopt? Explain your reasoning.