

PGDM (RM) , 2016-18
Buying and Merchandising
RM-505

Trimester – V, End-Term Examination: December 2017

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	Marks
A	3 out of 5 (Short Questions)	5 Marks each	$3 \times 5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2 \times 10 = 20$
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

A. Please attempt 3 questions out of 5 given below.

A1. A department, for a six month period, had billed costs of merchandise amounting to \$80,000; transportation charges of \$2,000; earned cash discounts of 7.5%, and had \$ 500 in workroom costs. Find the total cost of merchandise.

A2. Find the percent of cost of gross margin when, gross sales-\$ 435,000, customer returns and allowance- 49,000, billed cost of goods-195,000, freight charges-1,800, cash discount-4%.

A3. On February 1, a department has an opening retail inventory of \$20,000. From Feb. 1 to July 30, it received retail purchases amounting to \$40,000. The net sales for this period were \$30,500. the markdowns taken were \$ 2,300, employee discounts were \$200, returns to vendor were \$350, and transfers out were \$750. What was the book inventory for this period under consideration.

A4. A buyer purchases 120 maillot swim suits at \$16 cost and places a \$34 retail on them. He also buys 60 string bikinis at \$14 each. What would be the retail price on the bikinis if a 50% markup is desired on the combined purchase?

A5. Merchandise amounting to \$650 at cost is shipped and invoiced on August 14. Terms are 4/10 E.O.M. Payment is made on August 26. How much should be remitted?

B. Please attempt 2 questions out of given 3 given below.

B1. On February 1 a boys clothing department has an opening inventory of \$200,000 at retail with markup of 49.0%. On July 31, the new purchases season to date amounting to \$1,350,000 at retail with a 49.9% markup. Find the cumulative markup percentage achieved in this department?

B2. The following figures are for your department. Calculate the total cost of merchandise sold, operating expenses in dollars and profit and loss in dollar and percentage.

Particular	Amount (\$)
Net sales	490,000
Billed cost of goods	265,000
freight charges	11,160
rent	56,640
salaries	111,600
miscellaneous expenses	25,260
cash discounts	37,000
insurance	27,800
advertising	16,740
opening inventory (cost)	117,000
closing inventory (cost)	120,000

B3. An invoice dated August 28 carrying terms of 4/10-90X is paid on Oct.7. Anticipation is permitted. Interest rate is 12% per annum. If the billed amount is \$875. What should be the remittance?

C. This is Compulsory question (5+5+5) .

For the six month period ending in January, your department showed the following figures.

Particular	Amount (\$)
opening inventory (retail)	262,000
customer returns	10,000
return to vendors	6,200
employee discounts	3,800
gross sales	910,000
retail purchases	870,000
markdowns	30,000
transfers in	5,100
transfers out	4000
physical inventory	170,000

C1. What is the percentage of employee discounts?

C2: Determine overage or shortage in both dollars and %.

C3: Using a 49% markup figure, convert the retail opening and closing inventories to their cost prices.