

PGDM (RM), 2014-2016  
Merchandising Management  
RM 204

Trimester – II, End-Term Examination: December 2014

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
		<b>Total Marks</b>	<b>50</b>

**Section A**

1. What decisions you have to take regarding allocation of merchandise to different stores of a retail chain?
2. Write a short note on Assortment Diversity Index.
3. What do you understand by inventory turnover? What are the advantages and disadvantages of rapid inventory turnover?
4. In what terms the merchandise selection carried by a retailer may be classified? What general names may be given to these groupings?
5. Briefly explain the measurable assortment dimensions?

**Section B**

1. Name and explain three components of merchandise mix carried by a retailer.
2. What is the need of developing private labels for a retailer? Compare the advantages of acquisition of private labels through various sources
3. Discuss all four types of merchandise mix strategies along with advantages, disadvantages and examples of each

### Section C Case study

"Get ready soon" Meghna shouted to her mother as she rushed to her dressing room to dress up for her friend's marriage. Soon the entire family was on the way to hotel Radisson the venue of wedding reception. As they entered the party venue and shook hands with the host they realized that the gathering was impressive. As the party gathered momentum Meghna found herself smiling at a handsome young man who himself seemed to be trying to gather courage to draw her attention. "Are not you the merchandiser for bridal wears at Pranjal's? I am Shyam, remember we met at that trade show in Mumbai" Shyam gushed. Soon the conversation drifted to the trends in wedding attires. "We are into fabrication of wedding dresses. Visit my showroom some times; we have launched a new and exciting collection of groom's dresses and accessories. You may consider complementing your assortment of bridal wedding collections with them." Shyam invited Meghna.

Next morning Meghna brought up the previous night's discussion with Pranjal. "We have already ordered for the coming season's collections and are now left with an OTB of Rs. 15 Lakh only out of original Rs. 1 crore. Why not keep that amount in reserve for any closeout deals or latest launches instead of toying with new merchandise line of which we have no experience or expertise", Pranjal's response was lukewarm.

Meghna wondered what to do. The idea of including groom's dresses in the wedding assortment was tempting but convincing Pranjal was a difficult task.

Q1. How can Priyanka increase the actual OTB assuming that there are still 2 months left for the wedding season of approximately six months to start.

Q2. What are the advantages or disadvantages for Pranjal retail of adding new range to the present product mix?