higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

WHOLESALE AND RETAIL

NQF LEVEL 3

(11030023)

9 March 2018 (X-Paper)
09:00–12:00

This question paper consists of 8 pages and three addenda of 2 pages

NCV

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TIME: 3 HOURS
MARKS: 150

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
2. Read ALL the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Write neatly and legibly.

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SECTION A

QUESTION 1

1.1 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.1.1–1.1.5) in the ANSWER BOOK.

1.1.1 Cold chain is applicable to products which have to be maintained at a particular temperature.

1.1.2 Receiving is the process of accepting delivery of stock into the business.

1.1.3 Shrinkage is the profit or increase of merchandise or cash through breakage, employee theft, shoplifting, paperwork errors or supplier fraud.

1.1.4 Escalating a query is to handle the query by yourself.

1.1.5 Pallets are also used to deliver cigarettes.

(5 × 1) (5)

1.2 Explain the following terms:

1.2.1 Customer query

1.2.2 Blind cash up

1.2.3 'Sweethearting'

1.2.4 Budget

1.2.5 Net profit

(5 × 2) (10)

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1.3 Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–F) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.3.1	Number code allocated to a space in a computerised distribution centre	A	stock levels
1.3.2	A document that lists the actions/steps you want to put into place to achieve a specific goal or target	B	customer perception
1.3.3	Amount or quantity of stock in the business	C	action plan
1.3.4	A warehouse or a building used to store products that are distributed to retailers, wholesalers or even directly to customers	D	slot number
1.3.5	The way that a customer will view a product or service or a business, based on their experiences	E	distribution centre
		F	sales

(5 × 1) (5)
[20]

TOTAL SECTION A: 20

SECTION B

QUESTION 2

Read the following case study to answer QUESTION 2, QUESTION 3 AND QUESTION 4:

SHOPRITE BOOSTS PROFIT AND EMPLOYMENT, SERVING MILLIONS OF CUSTOMERS

Our 29 million customers have played a large role in our company becoming Africa's largest supermarket retailer. We regard them as members of our families, our neighbours and our friends. We want to offer our customers exceptional service and make sure they leave our stores satisfied - this is our unwavering commitment.

Shoprite Holdings Ltd has successfully increased sales and profits ahead of the retailing industry in South Africa thanks to an extensive brand portfolio and low retail prices. The company's operations in Africa are profitable despite the high cost of operations and currency fluctuations. Wal-Mart's entry into South Africa will be the main challenge to Shoprite's future performance in its home market and, increasingly, across the region as a whole.

The level of efficiency with which we manage our business is also reflected by our internal food inflation, measured through tracking price movements of 81 000 product lines each month. It averaged just 3.5% for the period, less than half of Statistics SA's official food inflation rate of 7.2%.

For our Group, lowest prices are not just a headline, but a promise we've kept for almost 40 years. We monitor our internal inflation as a measure of our success and it is consistently lower than national averages, reflecting on our relentless efforts to keep our business efficient and our prices low.

[https://www.shopriteholdings.co.za]

2.1 Identify ONE competitor of Shoprite from the case study and TWO others that you know of. (3 × 1) (3)

2.2 Describe THREE benefits of Shoprite using visual merchandising. (3 × 2) (6)

2.3 Describe the role of the Distribution Centre (DC) in the retail industry. (2)

2.4 The following is the storage area in the DC of a Shoprite store:

DC STORAGE AREA

A7	A8	A9			
			A10	A11	A12
A1	A2	A3	A4	A5	A6

Complete the template provided (Addendum A) to identify whether storage stock is at reserve area or pick area. (12 × 1) (12)

2.5 Describe the 'pick to light' method used for notifying pickers of items to be picked in a distribution centre by giving THREE examples. (3 × 2) (6)

2.6 Refer to the case study on Shoprite and answer he following questions:

2.6.1 Identify TWO example of how Shoprite can increase sales. (2 × 1) (2)

2.6.2 Identify TWO examples of how Shoprite can decrease cost of sales. (2 × 1) (2)

2.6.3 Give TWO ways in which the managers of Shoprite could positively influence the gross profit of their store. (2 × 2) (4)

2.7 Differentiate between *controllable expenses* and *non-controllable expenses*. (2 × 2) (4)

2.8 Explain the following terms:

2.8.1 Visual merchandising (2 × 1) (2)

2.8.2 Perpetual inventory (2 × 1) (2)

[45]

QUESTION 3

3.1 How do the perceptions of customers at Shoprite affect their sales? (2 × 1) (2)

3.2 What do you think will happen when the staff and management at Shoprite meet/exceed the customers' expectations? (3 × 1) (3)

3.3 Give THREE reasons why Shoprite cashes up and balances their tills at the end of trading. (3 × 2) (6)

3.4 Give THREE steps that Shoprite follows when cashing up. (3 × 1) (3)

3.5 Use the information below and calculate the expected takings of the day.

Closing reading	196343.16	Today's reading
Opening reading	127369.20	Last closing reading
Expected takings	?	

(1 × 2) (2)

3.6 Give THREE examples of positive buying signals that customers will possibly show when interested in a product. (3 × 2) (6)

3.7 Differentiate between soft and hard sales. (2 × 2) (4)

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3.8 Give FOUR examples of handing change in a secured manner by cashiers when the change arrives back at the store which has a change float.
(4 × 1) (4)

3.9 Name FIVE areas at Shoprite where shrinkage in the form of theft could take place. (5 × 1) (5)

3.10 The following pictures indicate the steps in the process of receiving a delivery in a non-computerised-based store.



Refer to the 5 steps indicated above and give a description of each step.
(5 × 2) (10)
[45]

QUESTION 4

4.1 Discuss the 'colour 'technique that is used by Shoprite to enhance visual merchandise displays and give THREE examples. (3 × 2) (6)

4.2 Explain what could happen to Shoprite when customer complaints are handled inappropriately. Provide THREE examples. (3 × 2) (6)

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4.3 Below are the actual monthly figures of the budget in the toiletries department at Shoprite.

	ACTUAL FIGURES	**BUDGETED FIGURES**	ANSWER (-)/(+)
Turn over (Sales)	233 048	250 000	e.g. -
Cost of Sales	185 784	200 000	
Gross profit	47 264	50 000	
Shrinkage	990	500	
True Gross Profit	46 274	49 500	
Expenses	18 236	17 828	
Operating profit	28 37	31 671	

Compare the actual figures with the budgeted figures and indicate by showing either (-) negative or (+) positive in the far right column, whether the budget objective was met or not. Use ADDENDUM B to answer the question. (6 × 1) (6)

4.4 The information provided below is the cash up slip according to the POS of Mr W. Molise.

Opening reading:	R100 748,59
Closing reading:	R115 984,80
Uplift handed in earlier	R 11 500,00
Credit cards:	R69,00 R55,45 R78,89
Debit cards:	R111,78 R25,69 R37,40
Coupons:	R0,20

4.4.1 Refer to the Hand Over Control document (ADDENDUM C) and complete sections from 4.4.1-4.4.16. You will act as Cash Office Clerk. (16 × 1) (16)

4.5 Give an illustration of the selling process that is used in Shoprite. (6 × 1) (6)

[40]

TOTAL SECTION B: 130
GRAND TOTAL: 150

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ADDENDUM A

QUESTION 2.4.1

EXAMINATION NUMBER:

Write either reserve or pick area in the spaces provided.

Slot A11 _____	Slot A 12 _____
Slot A9 _____	Slot A10 _____
Slot A7 _____	Slot A8 _____
Slot A5 _____	Slot A6 _____
Slot A 3 _____	Slot A4 _____
Slot A1 _____	Slot A2 _____

(12 × 1) (12)

ADDENDUM B

QUESTION 4.3.1

Indicate by showing either (+) or (-) in the answer column

	ACTUAL FIGURES	**BUDGETED FIGURES**	**ANSWER (+)/(-)**
Turn over (Sales)	233 048	250 000	e.g. -
Cost of Sales	185 784	200 000	
Gross profit	47 264	50 000	
Shrinkage	990	500	
True Gross Profit	46 274	49 500	
Expenses	18 236	17 828	
Operating profit	28 037	31 671	

(6 × 1) (6)

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ADDENDUM C

QUESTION 4.4.1

EXAMINATION NUMBER:

CASH HAND OVER CONTROL			
Date: Date of the exam			4.4.1
Name of Employee:			4.4.2
Employee Number:			4.4.3
Operator Number:			4.4.4
	Notes	**Quantity**	**Value**
	R200.00	5	4.4.5
	R100.00	20	4.4.6
	R50.00	4	4.4.7
	R20.00	3	4.4.8
	R10.00		
	Sub total		4.4.9
	Coins		
	R5.00	3	4.4.10
	R2.00	6	4.4.11
	R1.00	7	4.4.12
	0.50	1	
	0.20	2	
	0.10	1	
	0.05		
	TOTAL		4.4.13
	Credit Cards	3	4.1.14
	Debit Cards	3	4.4.15
	Coupons	1	
	Gift Vouchers		
	Till Over		
	Till Short		
	Cashier Acknowledge		
	Cash Office Clerk Acknowledgement (Signature)		4.4.16

(16 × 1) (16)

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