higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

WHOLESALE AND RETAIL
NQF LEVEL 3

(11030023)

21 November 2018 (X-Paper)
09:00–12:00

This question paper consists of 8 pages and 1 addendum.

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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.

NC2021

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 (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 Wholesalers buy large quantities of products from manufacturers which they take to DCs where it is split up.

1.1.2 Let down is the term used when reserve stock is taken down from the shop floor back to the storeroom.

1.1.3 The cost of goods sold must be deducted from the sales to get the gross profit made by the business.

1.1.4 The best external method of minimising theft in a retail store is for staff to make eye contact with every customer and to smile and greet every customer they come in contact with.

1.1.5 Another form of cash up in a highly computerised store is the use of a system called a SmartBOX.

1.1.6 The balance between the amount of sales processed and the actual money in the drawer is called overs and shorts.

1.1.7 POS means preparing of simulation.

1.1.8 An undercover agent has no influence as a strategy to reduce internal theft.

1.1.9 Float is the exchange of an amount of money for products or services.

1.1.10 Specific open questions will get a customer talking.

(10 × 1) (10)

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1.2 Complete the following statements by using the words in the list below. Write only the missing term next to the question number (1.2.1 – 1.2.10) in the ANSWER BOOK.

shrinkage; takings; discrepancy; pallet jacks; query; nonverbal; replenishment; fixed expenses; float; manual stores

1.2.1 ... means ordering to replace stock sold.

1.2.2 ... are used to move cartons around the DC.

1.2.3 ... are those expenses not affected by turnover.

1.2.4 ... goods being delivered do not agree with goods charged for.

1.2.5 ... is the amount of money earned by a retail store for the sale of products.

1.2.6 ... are small noncomputerised stores.

1.2.7 ... is all losses incurred by the business.

1.2.8 ... buying signals means that the customer will show you through body language clues whether they are ready to close the sale.

1.2.9 A ... is not always a complaint; it is simply a question that a customer has or a need that has not yet been met.

1.2.10 ... is the money prepared before starting a shift.

(10 × 1) (10)

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1.3 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–J) next to the question number (1.3.1–1.3.10) in the ANSWER BOOK.

COLUMN A		COLUMN B
1.3.1	Way in which customers will view a product, service or business based on their experience	A cashing up
1.3.2	Retailer leaves customers to choose products they want without the help of a dedicated sales consultant or sales assistant	B blind cash up
1.3.3	Loss or decrease of merchandise or cash through breakage, employee theft, shoplifting and paperwork errors	C polystyrene chips
1.3.4	Customer comes to the till with an expensive product, but his/her cashier friend records it at a lower price resulting in shrinkage	D open-back window
1.3.5	Mix between high-profit products and low-profit products, both of which are needed in a store	E product mix
1.3.6	Counting the takings in the till and matching it to the record of sales for that period so that the money can be sent to the bank	F self-service
1.3.7	Display with no back wall and the customer can see from outside the store through the window into the rest of the store	G ambient factor
1.3.8	Dirty store with poor housekeeping, poor use of lighting and colour and irritating music	H customer perception
1.3.9	Used to protect breakables in transit	I shrinkage
1.3.10	Process of cashing up without knowing what the expected takings are	J sweet hearting

(10 × 1) (10)
[30]

TOTAL SECTION A: 30

SECTION B

Read the following scenario to answer QUESTION 2, QUESTION 3 and QUESTION 4.

SOLLY'S CASH AND CARRY

Solly's Cash and Carry is one of the biggest retail stores in Cape Town. The owner, Mr Solly, has adopted all retail industry principles practised by giant well-known retailers like Pick n Pay and Checkers. His store is fully computerised. He understands that a profitable wholesaler should order stock accurately, control expenses, manage customers, receive stock accurately, avoid unnecessary losses and provide excellent selling skills.

QUESTION 2

2.1 Explain the role of a distribution centre in the retail industry. (2)

2.2 Give TWO advantages of online shopping in Solly's Cash and Carry. (2)

2.3 Describe the impact of personal interaction between employees and customers to exceed customer expectation. Give TWO examples. (2 × 2) (4)

2.4 Define the term *inter-branch transfer*. (4)

2.5 Sales growth is important to any retail store.

Name TWO ways in which Solly's Cash and Carry can improve gross profit. (2 × 2) (4)

2.6 Explain the impact of a distribution centre on a retail business regarding each of the following:

2.6.1 Stock levels

2.6.2 Finances

(2 × 2) (4)

2.7 Explain the difference between each of the following methods used in the distribution centre for notifying items to be picked:

2.7.1 Noncomputerised

2.7.2 Voice-directed

2.7.3 Pick to light

(3 × 3) (9)

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2.8 Mr Solly is experiencing difficulties with sales.

Advise him on how he can increase his sales with FIVE practical examples. (5)

2.9 Mr Solly's turnover has increased but he does not have proper knowledge of budgets.

2.9.1 Define the term *budget*. (2)

2.9.2 How can he use a budget to his benefit? (3)

2.10 Name ONE item that can be stored in a tote bin. (1)
[40]

QUESTION 3

3.1 What are the FIVE elements that a visual merchandiser must use for evaluation? (5)

3.2 Draw a flow chart to illustrate the sales process. (5 × 2) (10)

3.3 Name ONE factor, excluding sales, that can affect the net profit/gross profit. (1)

3.4 Give ONE example of each of the following:

3.4.1 An appropriate response to a customer

3.4.2 An inappropriate response to a customer

(2 × 1) (2)

3.5 Explain how customer perceptions affect sales. (3)

3.6 Differentiate between *buying* and *replenishment*. (2 + 2) (4)

3.7 List SIX measures to prevent shrinkage when dispatching stock. (6)

3.8 Give FIVE ways to prevent losses when cashing up. (5)

3.9 Draw a table showing the advantages and disadvantages of holding a change float in the store. (2 + 2) (4)
[40]

QUESTION 4

4.1 Solly's Cash and Carry received a delivery from one of their suppliers.

List the SEVEN steps that staff should follow when receiving deliveries. (7)

4.2 Use the income statement below to answer QUESTION 4.2.1 and QUESTION 4.2.2:

SOLLY'S INCOME STATEMENT

Sales	20 000
Less: cost of sales	(17 000)
Less: shrinkage	(2 000)
= gross profit	1 000
Plus other income	4 000
Less: operating expenses	(3 500)
= net profit	1 500

4.2.1 Advise the store manager of Solly's Cash and Carry on how sales can be improved. (2)

4.2.2 How can they improve gross profit? (3)

4.3 ALL retailers should improve the environment of their stores to create an atmosphere that will make customers more loyal.

Use the template below to evaluate the positive and negative aspects of the atmosphere of Solly's Cash and Carry. List examples of the factors given. Write the answers next to each factor in the ANSWER BOOK.

Solly's Cash and Carry	
Positive atmosphere	**Negative atmosphere**
Store layout:	Store layout:
Sales staff:	Sales staff:
Music:	Music:

(6 × 2) (12)

4.4 On 28 November 2017 you, as the cash-office clerk of Solly's Cash and Carry, had to complete a change requisition made out to the bank to order change to the value of R6 000.

Seal no.: 26489; Employee no.: 110; Branch: Cape Town; Denomination: R500 of R50; R1 000 of R10; R100 of R0,50; R600 of R1; R2 500 of R20; R300 of R5; R100 of R0,20; R200 of R0,10; R100 of R0,05; and R600 of R2.

Use the ADDENDUM (attached) to complete the change requisition. (16)
[40]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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ADDENDUM

QUESTION 4.4

SOLLY'S CASH AND CARRY		
Change requisition		
Cashier:		
Operator no.:		
Date:		
Seal number:		
Notes handed in	Denomination required	Change required
	Notes:	
	R50	
	R20	
	R10	
	Coins:	
	R5	
	R2	
	R1	
	50c	
	20c	
	10c	
	5c	
	TOTAL:	
Signature		

(16)

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