higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

WHOLESALE AND RETAIL
NQF LEVEL 4

(11030034)

22 November 2019 (X-Paper)
09:00–12:00

This question paper consists of 12 pages.

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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. Start each section on a NEW page.
5. Use only BLUE or BLACK ink.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1–1.10) in the ANSWER BOOK.

1.1 A … is one of basic entry-level positions that exist within the wholesale and retail industry.

A retail buyer
B finance and accounting manager
C till operator
D CEO

1.2 The … department that creates awareness of and exposure to products.

A section
B distribution
C marketing
D buying

1.3 A very effective way to measure customer service, without staff being aware is through …

A e-mail surveys.
B mystery shoppers.
C customer panel discussions.
D face-to-face feedback.

1.4 ONE of the elements to consider when evaluating the service provided by a sales assistant is …

A body language.
B turnaround time.
C feedback cards.
D brand evaluation.

1.5 Prices of goods and services are affected by an increase of:

A Economy
B Gross profit
C Inflation
D Retailers

1.6 … is one of the controllable and variable expenses.

A FMCG
B Overtime
C Food production
D Stockroom

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1.7 … are used by wholesalers and retailers to ensure that a dishonest cashier never has access to authorise transactions acting as a supervisor.

A Refunds
B Passwords
C Exchanges
D Voids

1.8 The wholesaler/retailer uses … to measure the number of days that the amount of stock they have will last for the business to continue trading without reordering.

A the week's cover
B stock turns
C the days of supply
D the payment of suppliers

1.9 Used to measure a customer' service experience:

A The customer's smile
B Feedback cards
C Competition comparison
D Brand evaluation

1.10 … is a tool used by wholesalers/retailers when planning strategies and implementing their advertising ideas, aiming to have a positive impact on sales.

A Promotional mix
B Marketing mix
C Product mix
D Product knowledge

(10 × 1) **[10]**

QUESTION 2

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (2.1–2.10) in the ANSWER BOOK.

2.1 The purpose of the Basic Conditions of Employment Act (No. 75 of 1997) is to advance economic development and social justice by fulfilling the primary objective of this Act.

2.2 Smiling is the easiest way to give a customer an excellent service.

2.3 A retailer can reduce the cost price of goods and keep the selling price the same. This will lead to an increased profit margin and gross profit.

2.4 The product mix is the mixture of high and low profit items in the store.

2.5 At the receiving area management should avoid checking every single item signed as it wastes time when more important work is waiting.

2.6 Supervisors must keep their keys with them at all times and never give it to another staff member.

2.7 Voids are not authorised as it is just a cancellation of a wrong product to replace it with the correct product.

2.8 When overstocked, it is not important to manage stock levels efficiently.

2.9 The first step in the flow of stock through a wholesale or retail business is when the cashier records the goods on the POS and the customer pays for them.

2.10 Stock availability is important during the promotional period.

(10 × 1) **[10]**

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QUESTION 3

Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–L) next to the question number (3.1–3.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
3.1	Green retailing	A	another term for *turnover*, *income* and *top line*
3.2	Mentoring	B	a combination of learning and working that a person experiences in his/her lifetime
3.3	Career	C	an approach where a retailer takes a range of actions to ensure that his/her business has a positive impact on the environment
3.4	Sales	D	an effective way to improve performance ely customer service offered by a store where a less experienced person is guided in his/her daily tasks by a more senior team member
3.5	Mark-ups	E	usually a company code given to all items/items in the company books that do not have a bar code
3.6	Swapping change	F	an account sent by the supplier to the retailer/ wholesaler at the end of every month
3.7	PLU	G	the changing of selling prices in a business
3.8	Statement	H	the supervisor will go on behalf of one cashier to another cashier to require money with the no-sale-mode
3.9	Promotional mix	I	it could include the actual time of the adverts being viewed on television
3.10	Year-on-year reports	J	it relates to the promotional materials, the physical stock, as well as the staffing required
		K	the combination of communication methods used during a promotion program
		L	used by retailers when looking at the previous year's sales and adding a reasonable rate of growth to arrive at the sales target for the year

(10 × 1) **[10]**

QUESTION 4

Complete the following sentences by choosing the missing word or words from the list below. Write only the word or words next to the question number (4.1–4.10) in the ANSWER BOOK.

a refund; specific selling skills; deposit slip; effective stock control; sell away; National Credit Act No. 34 of 2005; fire exits; attentiveness; cash-in-transit guards; check list; inflation

4.1 … was introduced to promote and advance the social and economic welfare of South Africans, promote a fair, transparent, competitive, sustainable, responsible and accessible credit market and industry.

4.2 … is the way the sales assistant notices a customer.

4.3 To reduce shrinkage on the shop floor, management should secure the … of their stores.

4.4 … should be used by the organisation for the collection and depositing of store takings.

4.5 An effective … has to list the areas where shrinkage can occur as well as to give exact detail to management.

4.6 … requires that the item is brought back by the customer to be scanned into the stock in a computerised store.

4.7 Check and ensure that the … completed at the store was stamped and signed by the bank without any alterations.

4.8 … means having enough stock to cover expected sales but not having too much stock.

4.9 One of the aspects of evaluating sales performance is the use of … and implementation of the sales process, revealing their strengths and weaknesses.

4.10 … is a term used to describe how a customer may come into the store based on a promotional product, but in questioning the customer, the sales assistant discovers that the customer has a specific need that a different, yet similar product could satisfy and introduce the customer to that product as an alternative option. (10 × 1) **[10]**

TOTAL SECTION A: 40

SECTION B

QUESTION 5

Read the case study below and answer the questions.

Our mission is to deliver low prices in a world-class shopping environment to customers across the African continent. We bring choice, quality products and job creation to communities in all the countries we serve.

Shoprite's main purpose is to sell food to all income levels, providing every household with affordable food and household goods. This leads to the contribution and nurturing of communities, socially uplifting them and the economy. Work for Shoprite Holdings Ltd? Have your say!

As a food retailer, ShopRite's core focus is fighting hunger in the communities. ShopRite stores support local hunger fighting agencies throughout the northeast in communities served by ShopRite stores - through monetary and food donations as well as through volunteerism.

Shoprite has now focus on environmental impact as one of their eight key strategic focus areas – a clear expression of the recognition of the fact that doing 'sustainability' can see significant cost saving and margin-generating benefits.

At store level, staff and management are trained to assist in providing a satisfying and convenient shopping experience. Shoprite supports the International Code of Consumer Rights, and also adhere to the provisions of the Consumer Protection Act. We therefore encourage and welcome feedback from customers in order to live up to evolving consumer needs.

[Source: *www.google/images.co.za*]

QUESTION 5

5.1 The National Credit Act No 34 of 2005 is one of the legislations that are applicable to Shoprite in the wholesale and retail industry.

State FOUR other legislations that stores must adhered to. (4 × 1) (4)

5.2 Name FOUR elements to be noted when evaluating the service provided by a sales assistant. (4 × 1) (4)

5.3 Identify THREE critical checkpoints in the food production area in Shoprite that must be controlled to reduce shrinkage in the store. (3 × 1) (3)

5.4 Name THREE transactions which require authorisation at the point of sale. (3 × 1) (3)

5.5 Customer service is an important factor for Shoprite, no matter its size or type of outlet. It refers to the total customer experience a consumer receives when shopping. Assist the Sales Department to get feedback from customers on the services levels.

5.5.1 Design a feedback card that can be given to customers to get feedback to assist Shoprite to identify their short-comings and improve their services levels. (5 × 1) (5)

5.5.2 Give advice how the supervisor of Shoprite in the toiletries department can handle a customer who had a bad experience with the sales assistant. (2)

5.6 Use the information below to reconcile the day's deposit by writing only the answer next to the question number (5.6.1–5.6.9) in the ANSWER BOOK.

SHOPRITE DAILY CASH TAKINGS RECONCILIATION				
Office clerk: KHUMALO			Date: 22/11/2019	
Cashier name	SIZWE	NKOMO	KGALA	TOTAL
Employee No.	888	777	999	
Operator No.	03	02	01	
EXPECTED TAKINGS	**5 532.88**	**5 682.84**	**6 077.97**	
Cash handed in	2 001.00	1 860.00	970.50	4 831.50
Cash drops	1 600.00	3 000.00	4 000.00	8 600.00
TOTAL CASH	**5.6.1**	**5.6.2**	**5.6.3**	**13431,50**
Credit cards	1 000.00	500.00	700.00	2 200.00
Debit cards	800.00	200.00	400.00	1 400.00
Coupons	0.30	10.00	5.00	45.00
Gift vouchers	100.00	10.00	25.00	135.00
TOTAL TAKINGS	**5.6.4**	**5.6.5**	**5.6.6**	
Over			**5.6.9**	
Short	**5.6.7**	**5.6.8**		
Cashier signature	*SIZWE*	*NKOMO*	*KGALA*	

(9)

5.7 Nkoma is one of the newest cashiers which were trained and supervised, but for the last week he is short every day. You are his supervisor and is worried that it will have a negative effect on his appointment.

5.7.1 Evaluate the situation and suggest ONE way how you can assist Nkoma to avoid these overs and shorts. (2)

5.8 Shoprite is one of the highest growth retailers in the sector in terms of both economic contribution and employment opportunities. They offer a wide range of jobs and career paths. The majority of people in these stores are employed as cashiers, clerks, sales representatives, shelf packers and supervisors. Managers (such as Retail, Marketing and Information Technology managers) make up a far smaller percentage.

5.8.1 Draw a possible career path for a person who is a shelf packer to a Store Manager at Shoprite (5)

5.8.2 Advise John, a new employee at Shoprite on the purpose of signing the contract of employment that he received as a permanent employee. (3 ×1) (3)

[40]

QUESTION 6

6.1 Use the green retailing application to explain how Shoprite can use energy efficiently with regard to the following:

6.1.1 Fridges and freezers (2)

6.1.2 Till-point equipment (2)

6.2 State THREE ways in which under stocking could affect the profit of Shoprite. (3 × 1) (3)

6.3 Recommend THREE methods of reporting stock performance to the supervisor of Shoprite. (3 × 1) (3)

6.4 Study the Performance Report of Shoprite and answer the questions that follows:

PERFORMANCE REPORT SHOPRITE AS AT END OF FEBRUARY 2019		
	ACTUAL	**BUDGET**
Sales	40 000 000	55 000 000
Cost of sales	30 000 000	30 000 000
Gross profit	**10 000 000**	**25 000 000**
Shrinkage	50 000	30 000
Recorded waste/damages	30 000	10 000
True gross profit	**9 920 000**	**24 960 000**
Salaries	400 000	2 000 000
Overtime	100 000	50 000
Casual wages	200 000	150 000
Total staff costs	**700 000**	**400 000**
Printing and stationery	20 000	15 000
Rates	50 000	49 000
Rent	24187	24 000
Insurance	12 000	12 000
Telephone	50 000	30 000
Electricity	100 000	80 000
Total general expenses	**256 187**	**210 000**
Total expenses	**956 187**	**610 000**
Net profit	**8 963 813**	**2 435 000**

6.4.1 Identify EIGHT controllable expenses from the performance report of Shoprite. (8 × 1) (8)

6.4.2 Make a recommendation how Shoprite can improve their sales. (2)

6.5 Refer to the electricity expense in question 6.4 in the Performance Report and develop an action plan to improve the situation. Your plan should include the following aspects:

6.5.1 New targets (3)

6.5.2 THREE steps (3)

6.5.3 Plan how to reach the targets (3)

6.6 State FOUR elements of encouraging and acknowledging the existing service excellence at Shoprite and describe each of them. (4 × 1) (4)

6.7 Give FOUR examples of what could happen to Shoprite if they run out of stock and lose sales? (4 × 1) (4)

6.8 When national retail stores are planning sales promotions, they receive documents referred to as promotional pack.

State THREE types of information that may be found in the promotional pack. (3 × 1) (3)

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QUESTION 7

7.1 Make use of the formulas given in the table below to calculate the missing amounts, show the calculation next to the question number (7.1.1-7.1.12) in the ANSWER BOOK:

GIVEN			**STEP 1: CALCULATE**			**STEP 2: CALCULATE** (*Stock turn, week's cover and days of supply, given the formulas below)*		
Item/ product	Average sales	Average stock on hand	Sales per year *(365 days standard-ised)*	Sales per day	Sales per week *(7 days per week standardised)*	Stock turn = Sales / Avg. S.O.H	Week's cover = Avg. S.O.H / Avg. weekly sales	Days of supply = Avg. S.O.H / Avg. daily sales
Creamora 2 kg	1 a week	6	**7.1.1**	**7.1.2**	**7.1.3**	**7.1.4**	**7.1.5**	**7.1.6**
Koo baked beans	3 a month	8	**7.1.7**	**7.1.8**	**7.1.9**	**7.1.10**	**7.1.11**	**7.1.12**

(12)

7.2 List THREE aspects that could indicate to a supervisor that a promotion was effective. (3 × 1) (3)

7.3 Give advice to the supervisor at Shoprite how to include the staff in setting sales targets. (3)

7.4 Identify FOUR ways how Shoprite can promote the sales of high gross profit (GP) products. (4 × 1) (4)

7.5 Shoprite is running a promotion on Ricoffy for three days. The sales manager has run out of ideas for the grand stand to promote the product effectively.

Use Ricoffy as the promotional product and demonstrate by means of a Mind Map how the sales manager can add a product mix to promote the product effectively to reach the targets set. (5 × 1) (5)

7.6 Name THREE major sources of stock shrinkage that Shoprite can experience. (3 × 1) (3)

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TOTAL SECTION B: 110
GRAND TOTAL: 150

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