higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1400**(E)**(M30)H

JUNE EXAMINATION

NATIONAL CERTIFICATE

SALES MANAGEMENT N6

(4090346)

30 May 2016 (X-Paper)
9:00–12:00

This question paper consists of 9 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
SALES MANAGEMENT N6
TIME: 3 HOURS
MARKS: 200

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

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 (1.1–1.25) in the ANSWER BOOK.

1.1 To evaluate the effectiveness of the training programme, a sales manager can …

A change the company's training objectives.
B retrain the sales people.
C observe the trainees while they perform their selling duties.
D identify further training needs.

1.2 When recruiting sales staff internally from non-sales department in the organisation, a disadvantage could be that …

A such recruits have already proven themselves in other positions.
B the personnel finds it difficult to fill the vacant positions in the non-sales departments.
C it affects the morale of other staff members who wanted to join sales team, but were unsuccessful.
D A and B

1.3 Conducting a training audit is done because …

A the sales manager can identify the training needs of his/her staff.
B the sales budget can be drawn up to include the expenses that the training will incur.
C the sales manager can determine which salesperson is not properly trained should he/she need to retrench staff.
D A and C

1.4 Sales evaluation involves …

A indentifying methods to design budgets so that they reflect the actual sales better.
B comparing actual results with expected results and identifying deviations to the budgeted expenses.
C establishing whether there are any deviations to the budgeted expenses.
D comparing budgets and actual sales.

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1.5 The salesperson should be involved in designing the evaluation process because …

A he/she will feel a part of the process because he/she will understand the objectives of the evaluation better and therefore be more committed to the actual evaluation.
B he/she will know that he/she does best and ensure that it is included in the evaluation.
C he/she will know what his/her faults are and ensure that it is included in the evaluation.
D he/she will know when the evaluation will be conducted and prepare himself/herself for the most ideal presentation.

1.6 A sales manager can analyse sales volume by …

A checking stock volumes regularly.
B analysing sales to customers.
C comparing the gross profit margins of different products.
D analysing the marketing expenses of the representatives.

1.7 A business would prefer a compensation plan for its sales staff that will …

A help the sales manager to exercise effective control over selling as well as non-selling.
B develop the management potential of sales people.
C consist of commission payment only.
D only cover their basic needs.

1.8 A sales target is a/an …

A input standard.
B subjective performance standard.
C qualitative performance standard.
D quantitative performance standard.

1.9 In analysing sale volume, the following methods are usually used:

A Marketing activity category
B Ledger accounts
C Territory, product, customer and sales people
D None of the above-mentioned

1.10 A combination compensation plan …

A provides sales people with security and incentive.
B consists of salary and commission.
C does not encourage the sales people to increase their profit on sales.
D is easy to understand and to administer.

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1.11 ONE of the characteristics of a staff function in a sales organisation can be that …

A staff members have specific sales responsibilities.
B each person in a sales organisation reports to ONE superior only.
C sales managers will guide and control their sales force.
D salesperson can specialise fully when they sell ONE product line.

1.12 A characteristic of a sales organisation based on specialised functions performed by staff, is that …

A more than ONE salesperson sells to the same customer.
B all territories are effectively covered.
C sales support staff deal directly with customers.
D sales people have expert knowledge of all products.

1.13 During a structured interview …

A most of the questions are open-ended.
B the interviewer should have vast amount of experience.
C the applicant is encouraged to talk freely.
D the interviewer usually scores applicants.

1.14 A good advertisement to attract sales staff will always …

A provide information about the vacant post.
B mention the company's name.
C mention the product or service to be sold.
D All the above-mentioned

1.15 Which of the following is NOT an important aspect to consider when developing a sales organisation?

A Whether there should be line as well as staff functions
B Whether the sales organisation should be centralised or decentralised
C The availability of sales managers to train their staff
D The size of the company

1.16 A commission is an example of a/an …

A salary.
B expense allowance.
C incentive.
D fringe benefits.

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1.17 A travel award for superior performance accomplished is called a …

A monetary allowance.
B monetary incentive.
C non-monetary incentive.
D non-monetary allowance.

1.18 Decentralised training is …

A conducted by a consultant.
B informal and allows for product demonstration and on-the-job training.
C formed and comprises seminars, lecturer and workshops.
D A and B

1.19 An objective of a compensation plan as perceived by the business is to maximise …

A fairness.
B regular income.
C equity.
D flexibility and control of the salesperson.

1.20 A study of the sales of a product line in each territory over a period of time is an example of a sales analysis by the …

A salesperson.
B customer.
C territory.
D product.

1.21 A well designed and well managed compensation plan encourages …

A security.
B sufficient motivation.
C satisfactory and superior sales.
D sales people to maximise profitable sales and also enables businesses to meet their sales and profit objectives.

1.22 A sales manager can prevent the loss of good sales staff by …

A hiring sales staff from educational institutions.
B training new sales staff when he/she employs them.
C conducting proper staff planning on a continual basis.
D replacing staff with experienced sales representatives from other companies.

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1.23 Which ONE of the following applies to unstructured interviews?

A Inflexible
B Minimum direction
C Inexperienced interviewer
D Questioinnaire

1.24 The disadvantages of geographic specialisation are …

A salesperson sells whole range of product of the company.
B overhead costs increase as more level of management are established.
C travelling time and associated costs are reduced.
D A and B

1.25 A study of the requirements for a particular job, as well as the duties and responsibility of the job holder, is called a …

A qualification.
B analysis.
C specification.
D description.

(25 x 2) **[50]**

TOTAL SECTION A: 50

SECTION B

QUESTION 2

Read the following background information and answer the questions.

You are the regional sales manager of Teletronics, a leading manufacturing company of television and sound equipment. You are based at the Cape Town regional office and supervise four sales representatives who work according to product specialisation. You are expected to achieve the following objectives in your area:

- Promote new brands effectively
- Increase market share
- Improve company image and customer relations

2.1 State FOUR advantages of using straight commission as a compensation method. (4 x 2) (8)

2.2 Name THREE main factors to be considered before implementing a compensation plan. (3 x 2) (6)

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2.3 Discuss the following principles involved in developing a sales organisation:

2.3.1 Unity of authority/command

2.3.2 Span of control

(2 x 3) (6)

2.4 Explain the following in your own words:

2.4.1 A job analysis

2.4.2 A job description

(2 x 3) (6)

2.5 Discuss the importance of an application form. (4 x 2) (8)

2.6 Name FOUR methods or basis that can be used to analyse marketing cost. (4 x 2) (8)

2.7 In a decentralised sales organisation, the responsibility and authority are delegated to lower levels of management.

Discuss decentralised training locations. (4 x 2) (8)
[50]

QUESTION 3

3.1 Discuss the different approaches you can apply in the following situations:

3.1.1 Stress interview

3.1.2 Spouse interview

(2 x 3) (6)

3.2 Although sales training objectives differ widely between companies, there are some important objectives that apply to companies.

State SIX such objectives. (6 x 2) (12)

3.3 Explain the importance of performance evaluation in order to improve sales people's morale. (4 x 2) (8)

3.4 Describe the characteristics of product specialisation (4)

3.5 Name FOUR instances where products specialisation can be used. (4 x 2) (8)

3.6 Compensation plans are obviously designed to achieve organisational objectives.

Discuss the specific objectives relating to the plan from representatives point of view. (4 x 3) (12)
[50]

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QUESTION 4

4.1 Explain how the following motivational techniques could assist the company to improve the morale of sales representatives:

4.1.1 Sales contests

4.1.2 Sales meetings

(2 x 4) (8)

4.2 It is difficult to assess what 'fairness' really implies in sales compensation, however criteria should, amongst others, be considered.

State SIX criteria to be considered when compensation plan is designed to assess fairness. (6 x 2) (12)

4.3 List the FOUR steps in the selection procedure. (4 x 2) (8)

4.4 State FOUR uses of a job description. (4 x 1) (4)

4.5 For some firms an analysis of sales trends is usually hampered by a number of factors.

Name and discuss such THREE factors. (3 x 4) (12)

4.6 State THREE disadvantages of the matrix organisational structure. (3 x 2) (6)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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