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NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

SALES MANAGEMENT N6

(4090346)

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This question paper consists of 7 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

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.1–1.10) in the ANSWER BOOK.

1.1 Knowledge about the selling process is essential when conducting sales training.

1.2 A good advertisement to attract sales staff will provide information about the vacant post.

1.3 A method to analyse a company's marketing cost is by ledger account categories.

1.4 A formal sales appraisal is done by the salesperson's immediate supervisor.

1.5 An advantage of centralised training is that training takes place over a period of time.

1.6 Fringe benefits provide salespeople with personal security and job satisfaction.

1.7 In product specialisation a wide variety of tasks which require different knowledge and skills is performed.

1.8 Candidates are rated according to their responses to questions in a structured interview.

1.9 A combination compensation plan provides security and an incentive.

1.10 Span of control tends to increase as the number of supervisory levels increases.

(10 × 2) **[20]**

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QUESTION 2

Choose an item/word from COLUMN B that matches a description in COLUMN A. Write only the letter (A–O) next to the question number (2.1–2.15) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1	A sales manager can use the job description to do this	A	straight salary
2.2	The ability of the sales manager to manage the number of staff reporting to him/her effectively	B	span of control
2.3	Easy to administer	C	adequate time spent on recruiting sales people
2.4	Personal security and job satisfaction	D	job description
2.5	Good selection	E	fringe benefits
2.6	Training takes place over a period of time	F	cost
2.7	This needs to be considered when choosing a method of compensation	G	centralised training
2.8	A method to analyse a company's marketing cost	H	ledger account categories
2.9	Discussion is guided to address certain topics and each interview differs in structure	I	an objective
2.10	Clear and realistic	J	unstructured interview
2.11	A prerequisite for setting performance standards	K	obtain agreement and commitment of sales people
2.12	An important tool in the selection of sales staff	L	salary
2.13	An activity before recruitment begins	M	drawing up a job analysis
2.14	A personal selling expense	N	application form
2.15	Disadvantages of training sales people at a central venue	O	sales people are unproductive

(15 × 2) **[30]**

TOTAL SECTION A: 50

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SECTION B

Answer ALL THREE questions from this section.

QUESTION 3

Read the background information and answer the questions that follow.

Poltrate Furniture Manufacturing (PFM) is a medium-sized factory in Carltonville, Johannesburg. It specialises in the manufacture of lounge suites. PFM has five major customers and hundreds of smaller ones. The five major customers are all national furniture chain groups of furniture stores. The smaller stores tend to be independent furniture and interior design stores. One criticism is that not enough attention is being paid to the five major customers who account for 80% of PFM's sales.

3.1 Explain FIVE types of specialisation Poltrate furniture Manufacturing can use in the sales environment with practical examples from the business world. (5 × 4) (20)

3.2.1 State THREE output standards. (3)

3.2.2 State THREE input standards. (3)

3.3 Briefly explain how Poltrate Furniture Manufacturing could motivate the sales people to improve their performance. (4)

3.4 Poltrate Furniture Manufacturing has decided to take a look at the fringe benefits of the sales people. Name FIVE fringe benefits the company could offer them. (5)

3.5 State FOUR advantages of training people at a decentralised venue (decentralised training). (4)

3.6 Before starting to design a compensation plan, you first assess ALL the needs they may have in terms of compensation. Briefly name and discuss THREE elements, from the company's point of view, which a good compensation plan should make provision for. (3 × 3) (9)

3.7 Why do you think it was so important for Poltrate Furniture Manufacturing applicants to fill in the application forms for the vacant posts? (2)
[50]

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QUESTION 4

Read the background information and answer the questions that follow.

GIFT PROMOTIONS

Gift Promotions package calendars, diaries, pens and other promotional items for companies. Its business is very cyclical. Most sales are made in the last quarter of the year and March/April for the Easter period. The cyclical nature of the sales causes problems for the company's five sales representatives. Currently, they receive salary plus commission and all expenses are paid. They also receive a car allowance.

4.1 Why are fringe benefits important? (6)

4.2 State TWO appropriate situations for the use of a straight salary plan. (2 × 2) (4)

4.3 Name FOUR methods or bases that can be used to analyse marketing costs? (4 × 2) (8)

4.4 There are a lot of factors which have a direct influence on Gift Promotions span of control in the sales organisation.

State FOUR such factors. (4 × 2) (8)

4.5 As a customer of Gift Promotions, why is it important for you to deal with a sales person that has a high degree of product knowledge?

Give FIVE reasons. (5 × 2) (10)

4.6 State FIVE disadvantages of centralised training. (5)

4.7 Explain why the following sources will be useful in identifying suitable candidates for the position on offer:

4.7.1 The competitor's sale force

4.7.2 The customer himself/herself

4.7.3 Within the company (3 × 3) (9)

[50]

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QUESTION 5

5.1 What do you think is the purpose of a feedback meeting (5 × 2) (10)

5.2 Explain how a comprehensive training programme could assist you in solving the following TWO problems at Gift Promotions:

5.2.1 The low morale among sales representatives (4 × 2) (8)

5.2.2 The high turnover of sales staff (4 × 2) (8)

5.3 Gift Promotions sales manager also decides to introduce incentive scheme.

5.3.1 What non-monetary incentives would he offer the sales representatives? (4 × 2) (8)

5.3.2 State TWO goals of this type of incentive. (2 × 2) (4)

5.4 State FIVE advantages of the Matrix organisational structure. (5 × 2) (10)

5.5 Give TWO reasons why the sales manager at Gift Promotions would insist on reference check before making the final appointments. (2)

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TOTAL SECTION B: 150
GRAND TOTAL: 200

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