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NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

SALES MANAGEMENT N6

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17 November 2014 (X-Paper)
09:00–12:00

This question paper consists of 8 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 provided 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 In a matrix sales organisational structure a sales representative will …

A be designated to a product or product range and report to a sales manager as well as product manager.
B be motivated and evaluated by a sales manager.
C report to a sales manager who specialises in certain product lines.
D report to the production manager who accepts responsibility for sales administration duties.

1.2 A characteristic of a sales force organised according to specialised functions performed by sales staff, is that …

A sales people have expert knowledge about the products they sell.
B sales support staff deals directly with customers.
C all territories are effectively covered.
D more than one salesperson sell to the same customer.

1.3 On the job training usually takes place …

A when head office staff visit regional offices.
B during the final stage of a training programme.
C at the beginning of a training programme.
D All of the above.

1.4 A formal sales performance appraisal …

A should always be done shortly before salary reviews.
B concentrates on the salesperson's weaknesses.
C is usually done by the salesperson's immediate supervisor.
D A and C.

1.5 Which of the following does not fit? Personality factors usually considered by sales managers when appointing salespeople are …

A empathy.
B ego drive.
C maturity.
D lack of ability to learn.

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

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

1.7 Fringe benefits provide salespeople with …

A personal security and job satisfaction.
B a regular income to cover basic needs.
C an opportunity to earn more money.
D B and C.

1.8 One of the important performance criteria in evaluating individual sales performance is …

A sales experience.
B good internal relations.
C the number of new customers obtained.
D the number of sales calls made.

1.9 A method to analyse a company's marketing cost is …

A by ledger account.
B to determine the breakeven point.
C to compare the gross profit margins of the different products.
D B and C.

1.10 An advertisement is an open advertisement if …

A it reveals the name and address of the interviewer.
B it reveals the exact salary package.
C it reveals the company's identity.
D it only gives a post box as to which applications must be sent.

(10 x 2) **[20]**

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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 (2.1–2.15) in the ANSWER BOOK.

2.1 A sales-supporting function such as a staff function is not a line function in a sales organisation.

2.2 Fringe benefits provide salespeople with a regular income to cover basic needs.

2.3 In developing a sales compensation plan, management should pay attention to those aspects of a salesperson's job that are controllable and measureable.

2.4 Sales managers are usually judged on the basis of how well their sales force performs.

2.5 A disadvantage of recruiting salespeople by means of press advertising is that a large number of unsuitable applicants have to be screened.

2.6 Management span of control is not influenced by the level of product knowledge or the experience of the subordinates who are being managed.

2.7 A job description sets out to who the salesperson must report.

2.8 During an induction training programme a newly appointed salesperson learns about the company's unique selling methods.

2.9 Sales managers should not involve salespeople in the setting of performance standards.

2.10 An objective of sales training is to improve the morale of salespeople.

2.11 In selecting candidates for sales positions, an aptitude test will show whether such candidates have initiative and self-confidence.

2.12 In a centralised sales organisation very little authority and responsibility is delegated to the lower level of management.

2.13 A sales manager can determine the training needs of a salesperson by observing them closely in the field.

2.14 In checking the references of an applicant, it is advisable to obtain this person's permission before contacting a previous employer.

2.15 An important sales training objective is to reduce the turnover rate of salespeople leaving the company.

(15 x 2) **[30]**

TOTAL SECTION A: 50

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SECTION B

Answer ALL the questions in this section.

QUESTION 3

3.1 Choose words/phrases from COLUMN B that matches the description in COLUMN A. Write only the letter (A–K) next to the question number (3.1.1–3.1.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
3.1.1	An advantage of a sales force organised according to product specialisation.	A	remain competitive in the industry.
3.1.2	Delegating tasks and responsibilities to lower management levels.	B	recognition for excellent performance
3.1.3	A consideration when choosing a method of compensation.	C	number of new accounts obtained
3.1.4	A method to evaluate the effectiveness of sales training	D	hierarchy of authority
3.1.5	An effective salesperson can do this …	E	induction
3.1.6	An important element in the training of salespeople	F	cost
3.1.7	An advantage of attractive compensation package	G	product knowledge
3.1.8	A recruitment source	H	discussion of company code of conduct policies and processes
3.1.9	Familiarising new salespeople with the company	I	the internet
3.1.10	A typical input performance standard	J	closely observing sales people in the field
		K	sales people acquire technical knowledge to sell the product

(10 x 2) (20)

3.2 Discuss the objectives the company would like to achieve when designing a compensation plan for its sales staff.

3.2.1 From the company's point of view (9 x 2) (18)

3.2.2 To satisfy the needs of its sales people (12)

[50]

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QUESTION 4

Read the following background information below and answer the questions.

Badonis Furniture Manufacturing: Badonis Furniture Manufacturing (BFM) is a medium-sized factory in Kempton Park, Johannesburg. It specialises in the manufacture of lounge suites. BFM has five major customers and hundreds of smaller ones. The five major stores are all national chain groups of furniture stores.

Taking the above into consideration, answer the following questions.

4.1 Which THREE factors must Badonis Furniture Manufacturing sales managers take into account when deciding on the type of specialisation? (3 x 1) (3)

4.2 Discuss the following principles involved in the development of a sales organisation:

4.2.1 Unity of command

4.2.2 Span of control

(2 x 2) (4)

4.3 Badonis Furniture Manufacturing also had to recruit four more sales representatives to complete the sales team.

Discuss THREE disadvantages of recruiting people within the company.

(3 x 2) (6)

4.4 State TWO reasons why you would check the references of the applicants you consider for appointment. (2 x 1) (2)

4.5 With reference to the high level of marketing costs:

4.5.1 Name THREE methods you could use to analyse marketing costs

(3 x 1) (3)

4.5.2 Identify THREE types of marketing costs which are directly related to activities performed by the sales representatives (3 x 2) (6)

4.6 Although it is difficult to determine what fairness really implies in sales compensation' sales managers should consider certain criteria when a compensation plan is designed.

State FOUR criteria to determine what 'fairness' really implies in sales compensation. (4 x 1) (4)

4.7 List the THREE factors that must be considered when choosing a method of compensation. (3 x 2) (6)

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4.8 Discuss four focus areas in the sales training programme for new sales people. (4 x 2) (8)

4.9 Name THREE important focus areas Badonis Furniture Manufacturing would include in the training programme for experienced sales people. (3 x 2) (6)

4.10 Badonis Furniture Manufacturing decided to look at the incentive used in programmes to achieve various goals.

What non-monetary incentive would Badonis Furniture Manufacturing offer the sales representative? (2 x 1) (2)
[50]

QUESTION 5

5.1 Name FOUR methods a company can use to establish the training needs of the sales people. (4 x 1) (4)

5.2 Although sales training objectives differ widely between companies there are some important objectives that always apply.

Discuss these objectives. (6 x 2) (12)

5.3 Discuss THREE advantages of specialisation according to clients/customers. (3 x 2) (6)

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

5.5 Briefly discuss how companies can motivate its sales people to improve their performance. (4)

5.6 Name the steps of the selection process that companies can follow to identify the right person. (4 x 1) (4)

5.7 Why is it necessary to do a job analysis before drawing up a salesperson's job description? (2 x 2) (4)

5.8 What are the main characteristics of an effective sales performance evaluation programme? (4 x 2) (8)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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