higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

SALES MANAGEMENT N6

(4090346)

14 November 2016 (X-Paper)
09:00–12:00

This question paper consists of 9 pages.

GENERAL STUDIES

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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

1.1 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 (1.1.1–1.1.15) in the ANSWER BOOK.

1.1.1 In setting sales training objectives, an important requirement is that such objectives should ...

A be set when your performance appraisals are done.
B be clear and realistic.
C be based on the job description of the salesperson.
D not be communicated to salespeople.

1.1.2 A sales manager can analyse sales volume by ...

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

1.13 During structured interviews ...

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

1.1.4 A business would prefer a compensation plan for its sales staff that will ...

A cover selling as well as non-selling activities.
B only cover their basic needs.
C consist of commission payments only.
D develop the management potential of the salespeople.

1.1.5 A combination compensation plan ...

A provides salespeople with security and incentives.
B consists of only a salary and commission.
C is easy to understand and administer.
D does not encourage salespeople to increase their profit on sales.

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1.1.6 During on-the-job training, the sales manager aims to …

A assimilate new salespeople into the business in the correct manner.
B teach the salespeople the skills they need to become successful.
C explain the advantages of an improved compensation plan.
D revise the job description of the salespeople.

1.1 7 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 staff
D The size of the business

1.1.8 When recruiting salespeople, a sales manager will ...

A ask applicants to complete an application form.
B require applicants to undergo aptitude tests.
C check the references of the applicant.
D first draw up a job analysis to understand the job of the salesperson much better.

1.1.9 Which of the following is not mainly considered when a sales manager assesses individual sales performance?

A Effectiveness
B Sales results
C Previous sales experience
D Good customer relations

1.1.10 A characteristic of a sales organisation based on specialised functions performed by sales staff is that ...

A more than one salesperson sells to the same customers.
B sales support staff does not deal directly with the customers.
C salespeople have expert knowledge of all products.
D sales support staff deal directly with customers.

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1.1.11 To evaluate the effectiveness of a training programme, a sales manager can ...

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

1.1.12 Most training programmes include a session concerning ...

A on-the-job training.
B motivation.
C supervising skills.
D Maslow's hierarchy of needs.

1.1.13 A straight salary is related to ...

A calls made.
B orders taken.
C time spent on the job.
D units sold.

1.1.14 One of the characteristics of a staff function in a sales organisation can be that ...

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

1.1.15 A sales target is a/an ...

A quantitative performance standard.
B qualitative performance standard.
C subject performance standard.
D import standard.

(15 × 2) (30)

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1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

1.2.1 The span of management control decreases when more supervisory levels are added.

1.2.2 Bonuses to sales staff are often determined by the number of new accounts that were opened, or by the extent to which certain tasks have been completed successfully.

1.2.3 A disadvantage of recruiting salespeople from non-competing companies is that they usually bring accounts and customers with them.

1.2.4 An advantages of straight commission as a method of compensation is that salespeople have maximum work freedom and do not have to attend to non-selling duties.

1.2.5 When the spouse of an applicant is also interviewed, the couple is usually interviewed separately.

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

1.2.7 When putting together a compensation plan, management should attend to those aspects of a salesperson's job which are measurable and controllable.

1.2.8 Salespeople are strongly motivated by cash bonuses paid according to sales above target.

1.2.9 Market share can be defined as the combined sales of all products in all territories.

1.2.10 A matrix organisational structure encourages teamwork and provides team members with opportunities to contribute individually.

(10 × 2) (20)
[50]

TOTAL SECTION A: 50

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SECTION B

QUESTION 2

Read the following case study carefully and answer the questions.

You are the sales manager of Curtaila financial services, a company specialising in long term car insurance and investments. You control a team of highly skilled sales representatives who work for commission only. However, due to a slump in the economy their monthly income over the past six months has been very unsteady. This has reflected negatively on their sales figures. They have requested a special meeting with you at which a formal request will be made to scrap the existing method and replace it with a new compensation plan.

2.1 Before starting to design a new compensation plan, you first assess all the needs they may have in terms of compensation.

Name and briefly discuss THREE elements from the company's point of view that a good compensation plan should make provision for. (4 x 3) (12)

2.2 To neutralise the effect of a fluctuating income for salespeople you propose a straight commission compensation plan to the team.

State THREE situations in which you would use straight commission as a compensation method. (6)

2.3 To find out whether the new compensation plan will have a positive effect on the sales performance you decide to evaluate their performance after ten months.

Name FOUR ways in which you could analyse the marketing cost. (8)

2.4 In your evaluation you use qualitative (input) standards and quantitative (output) standards.

2.4.1 What is the main difference between the TWO types of standards mentioned in QUESTION 2.4 above? (2)

2.4.2 State FOUR output standards that you would use to do a fair and realistic evaluation of sales representatives' performance. (4)

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2.5 Briefly discuss FIVE advantages with regard to each of the following:

2.5.1 Recruiting salespeople internally (within the company)

2.5.2 Recruiting salespeople from educational institutions

(2 × 5) (10)

2.6 Briefly discuss the characteristics of a semi-structured interview. (4 × 2) (8)

[50]

QUESTION 3

3.1 Discuss the following types of specialisation regarding the organisation of a sales force and give a practical example for each:

3.1.1 Specialisation by function (4)

3.1.2 Matrix organisational structure (4)

3.2 Give THREE advantages of specialisation by function. (6)

3.3 Give TWO characteristics of the matrix organisational structure. (4)

3.4 State FIVE guidelines that you as a sales manager should follow when preparing for performance evaluations. (10)

3.5 State FIVE objectives a sales manager wishes to achieve with the supervisory (on-the-job) training. (10)

3.6 Do you regard the completion of an application form as an important step in the selection process? Explain your answer. (6 × 2) (12)

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QUESTION 4

4.1 State the technique you would use to motivate the following salespeople if you were district sales manager:

4.1.1 A woman who has been one of your representatives and is to retire in two years.

4.1.2 An older salesman who is satisfied with his present earning level.

4.1.3 An excellent salesperson whose morale is short because he didn't receive an expected promotion. He has been with the company for ten years.

4.1.4 A newly recruited employee who graduated the previous year.

4.1.5 There are slow moving items in the company and management wants to get rid of them quickly.

(5 × 2) (10)

4.2 You decide to introduce an incentives scheme in the form of non-monetary incentives.

4.2.1 Give TWO advantages of this type of incentive. (4)

4.2.2 Give THREE disadvantages of this type of incentive. (6)

4.3 Explain how a comprehensive training programme will enable one to solve the following problems at Curtaila financial services:

4.3.1 Low morale amongst sales representatives

4.3.2 High turnover of sales staff

(2 × 5) (10)

4.4 Name FOUR job qualifications in terms of personal characteristics that a sales manager would look for when recruiting a new salesperson. (4)

4.5 Name SIX recruitment sources you could use to find suitable replacements for Curtaila financial services. (6)

4.6 Briefly discuss the importance of individual performance evaluations in order to improve the salespeople's morale at Curtaila financial services. (5 × 2) (10)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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