higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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NATIONAL CERTIFICATE

SALES MANAGEMENT N6

(4090346)

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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 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–J) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	Tests developed to determine whether an applicant has the necessary interest and motivation to perform specific task	A	span of control
		B	sales management
		C	job analysis
1.1.2	A grouping of related activities or expenses for the purpose of further analysis	D	screening
		E	aptitude
1.1.3	Planning, organising, leading and controlling of sales force activities	F	induction
1.1.4	Formal introduction of the new employee to the company at large	G	sales staff audit
		H	commission
1.1.5	An amount that a salesperson receives for a successful sale in form of a percentage or fixed amount	I	continuous sales performance
1.1.6	Day-to-day evaluation of sales performance	J	activity classification
1.1.7	Process whereby unqualified applicants are eliminated until only qualified candidates remained		
1.1.8	An objective and realistic assessment of training needs of a firm's staff		
1.1.9	Objective study of the requirements for conditions of a particular job as well as duties and responsibilities		
1.1.10	Principle referring to the number of salespeople who can be supervised effectively by a single sales manager		

(10 × 2) (20)

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 Qualitative performance standards refer to end results of sales targets achieved.

1.2.2 In a centralised sales organisation, very little authority and responsibility is delegated to the lower levels of management.

1.2.3 The recruiting process starts with the job application form.

1.2.4 Salespeople are motivated by the prospect of earning more money.

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

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

1.2.7 Market share is of little importance when sales volume of a business continues to increase.

1.2.8 In specialisation according to function, effective coordination especially in large organisations, is very difficult.

1.2.9 An academic qualification is the criteria for the evaluation of individual sales performance.

1.2.10 Salespeople cannot be trained by outside training consultants.

(10 × 2) (20)

1.3 Write the correct term/word for each of the following descriptions. Write only the correct term next to the question number (1.3.1–1.3.5) in the ANSWER BOOK.

1.3.1 The process that involves identifying potential sales people and attracting them to the company.

1.3.2 The duty of fulfilling or completing an instruction, task or function and being held accountable for it.

1.3.3 The rate which a company's employees leave their jobs due to retirement, retrenchment, dismissal or resignation during a given period.

1.3.4 Additional benefits that add to an employee's wage or salary, for example a company car.

1.3.5 Costs which include all costs incurred before a sale is made such as advertising.

(5 × 2) (10)

TOTAL SECTION A: 50

SECTION B

QUESTION 2

Read the case study below and answer the questions.

Lotus Logistics is spending huge sums on marketing but not seeing the expected revenue from generated leads. A research has shown the following conclusions:

- The effectiveness of resources allocated to training salespeople is minimised because of lack of skills in sales management processes.
- Confidence and morale of salespeople is at its lowest.

Negative variances between actual performance and pre-determined standards were identified.

2.1 Briefly explain how the following motivation tools or techniques can be used to motivate sales staff.

2.1.1 Opportunities for promotions (2 × 2) (4)

2.1.2 Sales contests (2 × 2) (4)

2.1.3 Recognition and honour awards (2 × 2) (4)

2.2 In training sales staff emphasis is put on the importance of salespersons knowledge and application of company products or/and services.

Give FIVE such examples. (5 × 2) (10)

2.3 Discuss FOUR circumstances under which salespeople will be paid a straight commission. (4 × 2) (8)

2.4 State SEVEN steps of the evaluation process. (7 × 2) (14)

2.5 Name the THREE factors that have to be taken into account when sales are analysed according to product. (3 × 2) (6)

[50]

QUESTION 3

3.1 As a sales manager at Lotus Logistics, you must evaluate the performance of the sales representative for the past year. Given below is the statistical information provided by the sales administration department.

SALES REPRESENTATIVES	NUMBER OF SALES CALLS	TIME PER CALL (MINUTES)	NUMBER OF ORDERS TAKEN	SALES TARGETS (UNITS)	SALES ACHIEVED (UNITS)
Jason Klate	43	20	30	1 550	1 680
Moses Duma	75	25	60	2 340	2 470
Zama Cele	125	50	54	4 500	2 950

3.1.1 From the information supplied list, THREE output measures that can be used to assess the performance of each representative. (3)

3.1.2 Which salesperson's performance was the most unsatisfactory and cause for concern? Motivate your answer by discussing TWO factors. (5)

3.1.3 Name and explain the type of performance evaluation used in the above example. (4)

3.2 Lotus logistics has organised its sales force activities geographically.

3.2.1 Discuss FIVE advantages of specialisation according to geographic organisation. (5 × 2) (10)

3.2.2 Name FIVE factors the company will consider when developing sales organisation. (5 × 2) (10)

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3.3 Listed below are examples of interview questions. Indicate whether they are closed or open questions.

3.3.1 Tell us about yourself.

3.3.2 What are your greatest strengths?

3.3.3 Have you obtained your Marketing N6 certificate?

3.3.4 Are you proficient in using Microsoft Excel?

3.3.5 Why are you the best person for the job?

(5 × 2) (10)

3.4 State FOUR criteria to determine fairness in sales compensation. (4 × 2) (8)

[50]

QUESTION 4

4.1 Lotus Logistics will be opening a new branch in New Castle in two months' time.

4.1.1 State FIVE advantages of recruiting internally. (5 × 2) (10)

4.1.2 State FIVE kinds of information an advert should include attracting suitable sales staff. (5)

4.1.3 What is the purpose of reference checks? (2 × 2) (4)

4.2 Lotus Logistics decided to implement a straight salary as a method of compensating their salespeople.

Discuss FIVE disadvantages of a straight salary. (5 × 2) (10)

4.3 In their five-year-plan, Lotus Logistics will offer its sales staff fringe benefits.

Define what is meant by fringe benefits and give ONE example. (2 + 1) (3)

4.4 Lotus Logistics will conduct training for all its new recruits at their Head Office in Stanger.

Discuss FIVE advantages of centralised training. (5 × 2) (10)

4.5 Discuss FOUR benefits derived from an induction programme. (4 × 2) (8)

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TOTAL SECTION B: 150
GRAND TOTAL: 200

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