



The Open University of Sri Lanka
 Faculty of Engineering Technology
 Department of Textile and Apparel Technology

Study Programme	: Bachelor of Industrial Studies Honours
Name of the Examination	: Final Examination
Course Code and Title	: TAM5861 Apparel Merchandising and Management
Academic Year	: 2020/2021
Date	: 03 rd February 2022
Time	: 09.30-12.30hrs
Duration	: 03 hours

General Instructions

Read all instructions carefully before answering the questions.

1. This question paper consists of Nine (09) questions in Four (04) pages.
2. Question One (Q1), in part I is compulsory and consist of Ten (10) questions.
3. Total number of questions in Part II is Eight (08). Number of questions to be answered from Part II is Five (05).
4. Question number one (01) is compulsory and carries Twenty-five (25) marks. All other question carry Fifteen (15) marks each.
5. Write down your Index Number in all the pages of answer scripts.
6. Answer for each question should commence from a new page. If a question has many parts, all the parts should be answered in the chronological order under the same question.
7. Do not write answers to the additional questions. If you have answered additional questions, marks will not be given to the last question.

Part I

Compulsory Question

(Each part carries 2.5 marks amounting to a total of Twenty-five (25) marks.)

(1)

- a. What are the three (03) levels of Merchandising?
- b. Marketing management involves four (04) main aspects, what are they?
- c. What are the factors to be taken into account when merchandising planning?
- d. What do you understand by "Breakeven Point"?

- e. Distinguish between "Specialty store" and "Department store"
- f. Define the terms of "Re-order level" and "Re-order quantity"
- g. State five (05) external factors that can influence the pricing decision?
- h. List the advantages of garment pre-costing.
- i. What is known as "Procurement"?
- j. What is the different between "High involvement purchases" and "Low involvement purchases" with regard to consumer decision on buying.

Part II

(2)

- a. Who is a manager? (02 Marks)
- b. Presume that you are going to establish your own child-wear outlet. As a manager, what are the five (05) main elements that you have to consider while playing your role? Elaborate your answer with main functions. (07 marks)
- c. What are the main roles of a CEO, and what are the main skills specially required by a CEO to effectively perform in the organization? Elaborate your answer. (06 marks)

(3)

- a. What are the four (04) main forms of Business Ownership in the Private sector of the economy? (02 marks)
- b. As an entrepreneur, Mr.Mahesh is going to establish a fashion outlet. He has decided to start it with Mr.Fernando. State the main features of their business. What are the merits and demerits of this partnership business? (07 marks)
- c. As a first step of business planning, Mr.Mahesh and Mr. Fernando decided to established objectives for their business. Why are objectives are needed? (06 marks)

(4)

- a. Explain the difference between "Buying line" and "Selling line" with reference to fashion merchandising. (02 marks)
- b. List six (06) attributes that you think, a merchandiser should have. (03 marks)

- c. "Fashion merchandising, though has many similarities with merchandising of other products, it has number of factors that are unique to itself" discuss with suitable examples. (09 marks)

(5) a. Define the terms given below, with examples. (06 marks)

- i. Advocacy advertising
- ii. Comparative advertising
- iii. Reminder advertising

- b. Fashion merchandising is practiced in different places; retail stores, buying offices, and factories etc. Discuss the specific promotional strategies a merchandiser who is placed in retail stores should adopt, to promote his seasonal fashion wear merchandise? (09 marks)

(6) a. Briefly explain why, trade laws are important? (03 marks)

- b. There are a number of trade laws and quota systems that constrain the merchandiser in selecting a manufacturer from a particular country. Name five (05) such trade laws, related to the apparel industry. (03 marks)

- c. As per your view, what are the real challenges faced by Sri Lankan apparel industry, that needs urgent attention, for survival in quota free markets? At least discuss five (05) challenges. (09 marks)

(7) a. What is the basic difference between direct costing and absorption costing. Why is the net income under the direct and absorption costing system is equal? (03 marks)

- b. As a mobile phone manufacturer, you are going to introduce a new product to the market. Briefly explain why penetrative pricing is important when launching a product? (06 marks)

- c. Purchasing process varies considerably depending on many factors. State nine (09) basic steps in the purchasing process, which are generic and have basic applicability to almost all enterprises. (06 marks)

(8)

- a. Discuss the differences between concepts given below. (06 marks)
- "Current Ratio" and "Quick Assets Ratio"
 - "Gross Profit Ratio" and "Net Profit Ratio"
 - "Financial Accounting" and "Management Accounting"
- b. "All organizations need to keep records of their financial transactions whether they are profit-making institutions or non-profit making institutions." Why should organizations, keep financial records (or accounts). (09 marks)

(9)

- a. What are the main factors that influence Diffusion? (04 marks)
- b. Discuss the importance of economic factors in fashion product development in the Sri Lankan context. (04 marks)
- c. "Opinion leaders play a very significant and decisive role in consumer purchase decisions" Discuss the statement with examples. (07 marks)
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