

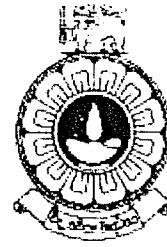
THE OPEN UNIVERSITY OF SRI LANKA

033

DIPLOMA IN INDUSTRIAL STUDIES

FINAL EXAMINATION - 2005/2006

TTD2240 / TTM4240 APPAREL MERCHANDISING



DURATION - THREE HOURS

DATE: 19th APRIL, 2006

TIME: 0930 - 1230 Hours

Total Number of Questions = 10

Number of Questions to be answered = 06

Answer Question 1, which is compulsory and additional five (05) questions.

Question 1 carries twenty-five (25) marks and Questions 2 to 10 carry fifteen (15) marks each.

Compulsory Question

01. a. Explain the difference between "buying line" and "selling line" with reference to fashion merchandising. (03 marks)
- b. Explain the difference between a "speciality store" and a "departmental store". (02 marks)
- c. There are number of factors that are under the control of the fashion merchandiser which can influence whether the marketing message gains the attention of the customer or not. State four of these factors. (02 marks)
- d. One of the tools used by fashion forecasters to ascertain future consumer demand is "observing street fashion". With a suitable example explain what you understand by this. (03 marks)
- e. Briefly explain why the following factors need to be considered before deciding on the suitability of a supplier for raw materials: environmental concerns, small purchases. (03 marks)
- f. Briefly explain the advantages of grey fabric booking. (03 marks)
- g. Name three different places in the fashion industry where merchandising is practiced. (03 marks)
- h. What are the three groups into which income of people could be categorised? (03 marks)

- i. With reference to garments how colours are classified into different groups?
(03 marks)

Answer any five questions from the following nine questions

02. a. "A fashion merchandiser is basically a process manager with diverse roles to play". Discuss this statement giving the functions of a merchandiser in a process diagram. (07 marks)
- b. "As a merchandiser of fashion products, having the right products in your shelves is more than half the job done". Discuss this statement. (04 marks)
- c. How are merchandising functions different / similar at retail stores, buying offices and factories? (04 marks)
03. a. Explain the properties that need to be taken into account when selecting a fabric for a new design of a garment. (07 marks)
- b. Discuss the role played by silhouette in garment designing. (04 marks)
- c. "Colour is the first influencing factor in consumer selecting or rejecting a garment". Discuss this statement. (04 marks)
04. a. Devon Garments Lanka Ltd. specialises in manufacturing men's and women's wear for the high end local market. Hypothetically plan the range, garment categories, product lines, styles, depths and widths for the collections they plan to sell in the coming season. (10 marks)
- b. Discuss the advantages of pre-costing with reference to fashion product development. (05 marks)
05. a. Explain the important functions performed by a merchandiser in the pre-production phase. (07 marks)
- b. Why is the testing of fabrics and accessories are so important for children's wear? (04 marks)
- c. Name the special considerations that must be kept in mind while purchase orders for accessories are raised. (04 marks)

06. a. Discuss the various criteria that are taken into consideration when selecting a manufacturer for a particular order. (06 marks)
- b. Purchasing describes the typical procedures involved in acquiring items as services for an organisation. Illustrate the various stages of the purchasing process with the help of a flow diagram. (05 marks)
- c. In the apparel industry there are four different kinds of buying practices; namely, entrepreneurial, specialised store, central and resident. Explain each of these types of buying. (04 marks)
07. a. Three product costing systems commonly used in the apparel industry are direct costing, absorption costing and activity based costing. Taking suitable examples explain the differences between these systems, their advantages and disadvantages. (09 marks)
- b. It is found that in a certain garment factory 500 workers worked 55000 minutes to produce a particular garment order. The total labour cost and overheads for this period was Rs. 5,000,000/=. If the factory efficiency is 73% and time lost due to absenteeism is 11%, calculate the cost of a minute in this factory for that particular month. (06 marks)
08. a. Briefly explain the difference between cost based pricing and demand based pricing. (04 marks)
- b. Explain what you understand by price lining and give its advantages. (04 marks)
- c. Briefly explain what you understand by market skimming and market penetration. (03 marks)
- d. What are the factors that need to be decided upon before finalising a pricing strategy? (04 marks)

09. a. A fashion product goes through five major stages in a fashion life cycle. The promotion strategy at each of these stages is different. Plan an advertising strategy for a new fashion product for the entire fashion life cycle. (10 marks)
- b. Explain the three traditional methods that are used to determine how the promotional budget is formed. (05 marks)
10. a. Advertisement is classified into different categories based on the message conveyed in the advertisement. Explain each of these categories of advertisements. (08 marks)
- b. Why is that some companies prefer institutional advertising as against product advertising? (04 marks)
- c. What do you understand by CPM - TM in advertising (03 marks)

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