

THE OPEN UNIVERSITY OF SRI LANKA

BACHELOR OF INDUSTRIAL STUDIES

FINAL EXAMINATION – 2006

TTM5240 APPAREL MERCHANDISING



049

DURATION 3 HOURS

Date: 24TH March 2007

Time: 0930 - 1230 hours

This paper has 10 questions and 3 pages. Answer Question one (1) and five other questions. Question 1 carries 25 marks and other questions carry 15 marks each.

- 01.a.) Merchandising involves five major activities or processes, including buying and selling. What are the other three activities involved in Merchandising? (03 Marks)
- b.) Merchandising responsibilities are usually divided between two chains of command. What are they? (01 Marks)
- c.) Fashion Merchandising has many similarities with merchandising of other products. It also has number of factors unique to itself. State five major differences inherent in fashion merchandising compared to other products. (03 Marks)
- d.) Merchandising can take place at three different levels of sale. What are these levels? (03 Marks)
- e.) Fashion Merchandising can take place at different places. Name three such places. (03 Marks)
- f.) What do the following abbreviations stand for? (03 Marks)
FOB Price, DDP Price, CIF Price, CM Price, CMP Price, CMT Price
- g.) What are the objectives of purchasing (hint: seven rights)? (03 marks)
- h.) Merchandisers use various tools/methods or activities to promote products. Name six such activities. (03 marks)
- i.) There are three types of displays to motivate people to buy. What are they? (03 marks)

2. a) Explain the different stages of product development, at which costing is performed and why it is necessary to do costing at various stages of product development?
- b) Explain what you understand by a merchandise plan and how a Merchandise Plan can be useful for a manufacturer to face any unpredictable changes during the manufacture of the products.
- 3..Three product-costing systems commonly used in the apparel industry are Direct costing, Absorption costing and Activity-based costing. Briefly explain what you understand by each of these. (15 marks)
- 4.a).What are the major cost elements (included in a manufacturer's cost sheet) in Garment Manufacture? (03 marks)
- b). In a Garment Factory the total labour cost and overheads amount to Rs 2,500,000/=.
- Number of employees = 100
 Total minutes available for one month = 11250 mins
 Absenteeism and lost time = 8%
 Factory efficiency = 70%
- What is the operating cost of a minute? (09 marks)
 (Show the steps of calculation clearly, but it is not necessary to simplify the Final answer)
- c) Calculate the total length of thread required to stitch the following.
- | | | |
|-----------------------------|---|--------|
| Type of stitch – Lockstitch | | |
| Length of the seam | = | 400 mm |
| Length of the stitch | = | 2.5 mm |
| Thickness of the seam | = | 1 mm |
- (3 marks)
- 05.The decision of the buyer whether to “buy” or “not to buy” is a result of series of decisions. What are the questions or decisions that may be considered by a buyer prior to his or her final decision to buy or not to buy a garment?
 As a merchandiser how would you respond to these questions, to make the buyer buy? (15 marks)
06. a) State the factors that influence the development of fashion products. (3 marks)
- b) Consider any three factors given under (a) above, and explain how they influence the development of fashion products. (12 marks)

07. a) What are the three main design elements of a garment (3 marks)
b) Explain how they influence the design of products? (9 marks)
c) Explain with examples the significance of culture in product development. (3 marks)
08. a) Explain with the help of an illustration, the terms Range, Garment Categories, Product Line, and width and depth of style. (8 marks)
b) The first essential stage in planning cycle is to analyse what has happened in previous seasons.
What are the four broad areas considered in this analysis?
Out of these four areas, explain what detailed information is sought under any two of them. (7 marks)
09. Write an essay on the scope of use of computers in the Apparel Industry. (15 marks)
10. a) Prior to making purchases, the merchandiser has to prepare a "buying plan". What are the details that are included in a buying plan? (3 marks)
b) In order to select a raw material supplier, there are certain aspects or criteria that has to be considered, to decide on the suitability of the supplier. State these criteria and explain their relevance and importance. (12 marks)