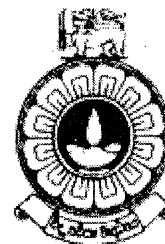


THE OPEN UNIVERSITY OF SRI LANKA  
 BACHELOR OF INDUSTRIAL STUDIES  
 FINAL EXAMINATION - 2007  
 TTM5240 APPAREL MERCHANDISING  
 DURATION - THREE HOURS



DATE: 11.05.2008

TIME: 0930 - 1230 Hours

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.

1. a) What are the functions performed by a Merchandiser? (5 marks)
  - b) What are the two chains of command that the merchandiser should handle? (2 marks)
  - c) What are the factors that make the fashion merchandising unique from merchandising other products? (5 marks)
  - d) What are the three levels of merchandising (3 marks)
  - e) Where does Fashion Merchandising take place? (3 marks)
  - f) What do the following abbreviations stand for? (4 marks)  
 FOB, DDP, CIF and CMT
  - g) Explain the terms Price, Cost and Revenue (3 marks)
2. Merchandiser (Buying Office) can be depicted as a Process Manager with diverse roles. In the following table different processes he/she has to deal are identified. Identify the purpose of each function. (15 marks)

Function/Process	Purpose of the Function/Process
1. Liaison with the design Team	
2. Liaison with the Product Manager	
3. Buying Trips	
4. Liaison with the Sample Room	
5. Sourcing	
6. Liaison with the Technical Department	
7. Sourcing Factories	
8. Liaison with the Quality Controllers	
9. Arrange Pre-production Meetings	
10. Liaison with Quality	

Controllers	
11. Liaison with the Export Department	
12. Liaison with the Buyer	

3. Through out the planning process, the merchandiser should be customer oriented. Thus what are the factors that he or she should take into consideration during this phase? Explain the relevance of these factors. **(15 marks)**
4. What are the tools used for Fashion Forecasting. Explain them briefly. **(15 marks)**
5. State the three main design elements and explain in detail their significance and Relevance, in designing a product. **(15 marks)**
6. Broadly, what are the areas in which computers are used in the Apparel Industry? Describe the use of computers in one of these areas. **(15 marks)**

**OR**

Explain the steps in the Purchasing Process. **(15 marks)**

7. Compare and Contrast between entrepreneurial, specialised store, Central and resident buying. **(15 marks)**
8. (a) What are the elements or components of costing of a garment. Explain the importance of each element. **(9 marks)**
- b) Calculate the total length of thread required to stitch a "lock stitch". **(2 marks)**

Length of the seam	-	350mm
Length of the stitch	-	2.5mm
Thickness of the seam	-	1mm

c) Given:

Total labour cost and overheads	Rs.3,000,000
Number of Employees	100
Minutes worked in one month	15,000 min
Absenteeism and lost time	8%
Factory Efficiency	70%
Time taken to complete a garment	30 min

- i. What is the total number of minutes actually worked in one month? **(2 marks)**
  - ii. What is the cost of a working minute? **(1 marks)**
  - iii. What is the labour cost of the garment? **(1 mark)**
9. a) A garment factory wishes to produce a children's wear, priced at Rs 200/=. The average variable cost is Rs. 100/=. The total fixed cost to be recovered is Rs. 200,000/=. Per year. Calculate the Break Even Volume per year. **(2 marks)**

b) The variable cost of an item is Rs 10/- and the fixed cost is Rs. 300,000/=. It is expected to sell 50,000 items and to have a mark-up of 20%. Calculate the selling price and the profit made on one piece of the item. **(5 marks)**

c) The regular price of a pair of trousers is Rs.1,200/=. During a pre-season sale the price is to be reduced by 18%. What is the price of the trouser during the pre-season sale? **(2 marks)**

d) What are the three types of pricing methods? **(3 marks)**

e) Briefly explain the three types of pricing strategies. **(3 marks)**

10. Write short notes on the following.

- I. Sponsoring Marketing and Personal selling
- II. Proactive promotion
- III. Visual Mechandising **(15 marks)**

rj/2007/2008