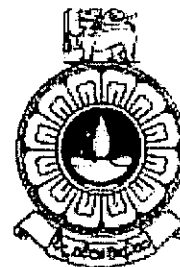


THE OPEN UNIVERSITY OF SRI LANKA
BACHELOR OF INDUSTRIAL STUDIES/DIPLOMA IN INDUSTRIAL
STUDIES

FINAL EXAMINATION – 2011/2012

TTM5240 APPAREL MERCHANDISING

DURATION - 3 HOURS



Date: 28th February 2012

Time: 1330 - 1630 hours

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

Question 1 carries twenty – five (25) marks and Questions 2 to 8 carry fifteen (15) marks each.

1. (a) What are the three levels of merchandising? (03 marks)
- (b) State four types of skills a merchandiser should have. (02 marks)
- (c) State the four stages of perceptual filtering and distilling process. (02 marks)
- (d) State four tools that are used for fashion forecasting. (02 marks)
- (e) What are the three main design elements? (03 marks)
- (f) State three advantages of doing pre-costing during the apparel product planning and development stage. (03 marks)
- (g) What do you understand by “Income statement”? (03 marks)
- (h) Merchandisers and manufactures used various tools to promote their products and services. State four of them. (02 marks)
- (i) What do you mean by the term “Visual Merchandising”? (03 marks)
- (j) Advertising falls into two main categories. What are they? (02 marks)

2. (a) Explain what do you understand by merchandising in relation to garment industry. (06 marks)
- (b) With suitable examples explain the uniqueness of fashion merchandising. (09 marks)
3. (a) Explain five stages of decision making when buying an article by a consumer. (08 marks)
- (b) Explain the difference between association learning and cognitive learning with reference to consumer behaviour. (07 marks)
4. Write an essay on "Factors influencing consumer demand". (15 marks)
5. (a) Briefly explain seven objectives of purchasing with reference to garment merchandising. (07 marks)
- (b) Compare and contrast between entrepreneurial, specialised store, central and resident buying. (08 marks)
6. (a) State and briefly explain the three product-costing systems commonly used in the apparel industry. (06 marks)
- (b) Explain the purposes of getting costing done by the garment manufacturer. (09 marks)

7. Write short notes on the followings.
- Factors influencing pricing (07 marks)
 - Pricing strategies (08 marks)
8. (a) What are the two main approaches to examining the Cost-Volume-Profit relationship? (06 marks)
- (b) A small garment retailer has fixed costs amounting to Rs. 200,000 per annum. He purchases 10,000 items of stock for resale year at Rs.200/=. He pays his sales representative a sum of Rs.150,000 per annum as fixed salaries.
- (i) Calculate the minimum price that must be charged by the retailer to cover costs and imagine he sells all the garments. (03 marks)
- (ii) If the retailer wishes to charge Rs. 250/= per item, what is the minimum number of garments he should sell to break-even? (03 marks)
- (iii) If he sells the entire stock of 10,000 garments with new price how much profit would he make? (03 marks)