



FINAL EXAM

Course # 371010 Retailing: Brick-Mortar/Click- Mortar

based on the electronic .pdf file(s):

Retailing: Brick-Mortar/Click- Mortar

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14 CPE Credit Hours
Management

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Chapter 1 - Retailers and their structure

1. Retail is the _____ industry in the U.S. both in number of establishments and number of employees.

- Largest
- Second largest
- Third largest
- Fifth largest

2. _____ are not included in traditional retailing:

- Wholesalers
- Department stores
- Chain stores
- Supermarkets

3. Which one of the following is not a disadvantage of online retailers?

- Not completely trusted by consumers
- Better deals than traditional retailers
- Cost per customer is higher than for traditional retailers
- Customer satisfaction and service is lower than traditional retailers

Chapter 2 - Retail management requirements

4. Marketers can carry on online marketing in the following way(s):

- Using e-mail
- Participating in forums, newsgroups, and bulletin boards
- Creating an electronic storefront
- All of the above

5. Suggestions to improve the plight of e-tailers do not include the following:

- Keep it sophisticated
- Think like your customer
- Don't blow everything on advertising
- Don't undercut prices

6. Retail management skills do not include:

- Technical skills
- Human skills
- Conceptual skills
- Negotiation skills

Chapter 3 - Store Location

7. Human factor requirements refer to:

- A sense of smell
- A sense of loyalty and competency
- A sense of taste
- A sense of hearing

8. Successful retail businesses:

- Provide employment
- Facilitate market distribution
- Benefit their communities in many other ways
- Do all of the above

9. The suburbanite is more apt to:

- Own a home
- Rent more furniture and appliances
- Employ a gardner
- Use a handy person

Chapter 4 - Store buildings, fixtures and equipment

10. Fundamental considerations to be taken into account in choosing a site do not include:

- The estimated volume of business
- Number of holidays
- Customer buying
- Potential customer traffic

11. IT in retailing can give information on all except:

- Price lines and sizes and color of merchandise
- Inventories
- Expenses
- Theft and breakage

12. _____ is not a factor affecting layout or arrangement of fixtures and merchandise:

- Size and shape of space occupied
- Location of unloading dock, elevator
- The local environment
- Kinds of merchandise handled

Chapter 5 - Arranging the store's interior - layout

13. The general patterns evidenced in the structure for branch operations do not include:

- "Brood hen and chick" organization
- Spinoff plan
- "Separate store" plan
- "Equal store" structure

14. One of the following is not one of the four major steps involved in selecting retail employees:

- Making careful job analyses and preparing job specifications
- Having the employee take an IQ test.
- Developing satisfactory sources of recruitment
- Introducing the employee to the store and the job.

15. Techniques available for appraising training programs include:

- Shopping service reports
- Number of errors

Number of complaints

All the above

Chapter 6 - Structure of the retail firm

16. Which one of the following is not a goal of a compensation plan?

Keep wages under control

Reduce labor turnover and discontent employees

Minimize benefit packages

Plan easily understood by employees and management

17. Job dissatisfaction and employee complaints can include:

Working conditions

Fringe benefits

Employee participation with management\

All of the above

18. _____ is not an essential element in a merchandise budgeting plan:

Sales

Stocks

Purchases and gross margin

Specific items to be purchased

Chapter 7 - Retail human resource management

19. A good budget to accomplish its purpose should:

Be planned at least six months in advance

Represent the combined judgment of those influenced

Cover a long period

Be modified periodically

20. The stock-sales ratio indicates the relationship that exists:

Between the retail value of stock at the close of the fiscal year and the net sales for that year.

An ideal balance that should prevail between stock and sales

- The stock at the beginning of the month at retail and the sales for that month
- The stock at the end of the month at retail and the sales for that month

Chapter 8 - Merchandising policies and budget

21. Two types of formal buying plans available are:

- Standard stock and variable stock
- Basic stock list and model stock list
- General stock and specific stock
- Stock specialties and stock discounts

22. Factors that influence the quantities of stock to be purchased do not include:

- Poor inventory control
- Expected sales volume
- Type of merchandise, i.e. Perishable
- Source of supply

Chapter 9 - Planning and selecting item assortments

23. Once established, a basic stock list should:

- Never be changed
- Be revised constantly
- Be reviewed annually for possible changes
- Be changed only when competitors force such action

24. _____ is not an inside source of information on customer's buying habits:

- Past sales
- Vendor's offerings
- Returned goods and adjustment data
- Credit department ratings

25. A model stock is not:

- Forward looking
- Based partly on an analysis of past sales

For fashion goods.

Style-oriented.

Chapter 10 - Buying : Selecting merchandising resources

26. _____ is not a major source of supply open to retailers:

Wholesale middlemen

Other retailers

Manufacturers

Farmers and growers

27. Group buying yield the following benefits except:

Large discounts

Requires carrying large inventories

More saleable goods or fashionable goods

Buyer's time is saved

28. An invoice or resources bill of goods will not include:

Quality

Quantity

Description

Price

Chapter 11 - Buying : Negotiating with merchandise resources

29. Discounts can be based on all the following except:

Quantity discounts

Trade discounts

Seasonal discounts

Functional discounts

30. "Terms of sale" do not refer to:

Transportation charges stipulated on the invoice

Pre-retailing

Discounts

Dating

31. "Net 30 days" is a good example of _____.

Advanced dating

Seasonal dating

Ordinary dating

Eom dating (receipt of goods)

Chapter 12 - Merchandise control

32. On an invoice dated August 7, with terms 3/10 EOM, the 3 percent discount can be taken through

40042

40066

40073

40093

33. Limitations of merchandise control can not include:

Provides accurate buying information

Frequent appraisal of system required

Control systems can be costly to install

Control systems can be costly to operate

34. Merchandise management or stock control refers to:

A balanced relationship between stocks and sales

The ownership of merchandise

The rate of merchandise turnover

The handling of merchandise between delivery and sales

Chapter 13 - Handling incoming merchandise

35. Which one of the following is not a unit control system?

Requisition or reserve stock control

Warehouse control system

Remainder system

Reminder system

36. Stock shortages or theft of merchandise can be minimized by all except:

Installing burglar alarms

Regular police protection

Using "human spotters"

Loss or damage tax write-offs

37. Centralization of common activities in the receiving operations of merchandise allows for all except:

Better control of incoming merchandise

Less danger of lost invoices and discounts

Increases in the quality of work at lower costs

Allows salespeople to do a variety of jobs

Chapter 14 - Pricing

38. Information required on incoming shipments can not include:

Date and hour of arrival

Increases risk of theft

Conditions of goods (any damages)

Weight and delivery charges

39. Limitations of price lining do not include:

Difficult to obtain adequate assortments

Limits the store's ability to meet competition's price

Prices may not be acceptable by customers

Price lines provide customer with a wide assortment

40. _____ is not a factor influencing markup:

Customer appeal

Ethnic choices

Private brands

Price and level adjustments

Chapter 15 - Advertising and Display

41. Other factors that can influence markup pricing include:

- Seasonal consideration
- Newness of an item
- Manufacturer's policies
- Profit on particular items, not total profit is the goal

42. The steps in programming retail advertising do not include:

- Plan the advertising
- Write the press release
- Prepare the actual advertisements
- Test the advertising and select appropriate media

Chapter 16 - Other nonpersonal methods of retail

43. Interior displays can be classified into these categories except:

- Merchandise displays
- Seasonal window paintings
- Dealer displays
- Store signs

44. Non-personal methods of sales promotion used by retailers do not include:

- Telephone
- Mail-order
- Door-to-door
- Packaging and labeling

Chapter 17 - Personal salesmanship

45. Sales promotions employed by supermarkets do not include:

- Games of chance
- Food sampling

- Rebates
- Candy give-away

46. Some general rules helpful in selling include all except:

- Mention competitors poor service and poor quality goods
- Never argue with the customer
- Learn to anticipate objections
- Deal fairly with the customer, listen to their opinions

47. Which of the following is not a major cause of customer complaints?

- Improper buying, habitual complainers
- Inefficient store system
- Quality relative to price
- Inadequate trained personnel

Chapter 18 - Customer services

48. Customer services can not include:

- Repair service
- Sell on cash basis only
- Additional store hours
- Personal shopping, selecting for the customer

49. _____ is not a type of retail credit or consumer credit:

- Open account credit
- Installment credit
- Partial credit
- Revolving credit

50. Which of the following Federal statutes does not apply to credit legislation?

- The Consumer Credit Protection Act
- Federal Reserve Credit Act
- The "Fair Credit Reporting" Act
- Equal Credit Opportunity Act

Chapter 19 - Retail credit and collections

51. _____ is not a yardstick for judging the effectiveness of credit departments:

- Number of accounts opened in a given period
- Number of credit applications refused
- Number of delinquent accounts
- The number of competing credit card companies

52. Accounting records serve all of the following purposes except:

- To determine past financial results of operations
- For appraising current results and making future plans
- To boost stock market prices with deceptive information
- To establish credit lines with financial institutions

53. The retailer's "net worth" is:

- The amount in the bank
- The amount by which total assets exceed total liabilities
- The total assets on the balance sheet
- The total liabilities on the balance sheet

Chapter 20 - Basic accounting controls

54. The daily record of each day's transactions does not include:

- Daily cash and credit sales
- Personnel expenses
- Merchandise receipts and expenditures
- Operating expenses

55. An item conspicuously absent from operating statements under the cost method of figuring profits is the:

- Stock shortage
- Net profit
- Store expenses
- Gross margin

56. Advantages of the retail method of preparing an operating statement include all except:

- Provides effective control over profit
- It is costly to operate
- Permits valuation of inventory
- Facilitates taking physical inventory

57. Which of the following two figures are required by the retail inventory method to be carried on the retailer's books at retail and at cost?

- Inventory and purchases
- Inventory and markup
- Purchase and sales
- Markups and markdowns

Chapter 21 - Analyzing and controlling expenses

58. In seeking to improve profits, the retailer has most control over:

- Cost of goods
- Expenses
- Net sales
- Taxes

59. Methods of allocating expenses do not include:

- The net profit plan
- The contribution plan
- The combined plan
- The reciprocal service method

60. Expense comparison and analysis do not involve:

- A review of the retailer's expenses over a period of time
- Flowcharts
- A comparison with other retailers
- Analysis of expenses through an expense budget

Chapter 22 - Control of sales transactions

61. The internal theft problems that can arise in a retail business do not include

- Pilferage of merchandise and supplies by employees
- A bank reconciliation
- Retention of store money by employees who handle cash
- Collusion between employees and outsiders

62. Major crimes committed against retailers by outsiders include all except:

- Shoplifting
- Price-ticket switching
- Credit card frauds
- Employee embezzlement

63. Internal theft problems include:

- Pilferage of merchandise and supplies
- Retention of store money
- Embezzlement
- All the above

Chapter 23 - Retail security and loss prevention

64. Management's prime responsibility is to:

- Provide competent wages
- Operate profitably
- Engage in research
- Support community projects

65. Online retailers (e-tailers) should not take into account:

- Type of goods appropriate for store selling
- The prices customers are willing to pay based on conveniences.
- Suitable software interfaces.
- Manner of payment by customers for online purchases.

Chapter 24 - Management coordination and leadership

66. Which of the following is true of the balance sheet?

- It includes revenue and expense accounts.
- It identifies a store's assets and liabilities as of a specific date
- It shows the results of operations for an accounting period.
- It discloses the amount of dividends paid.

67. Which of the following is the correct way to date an operating statement?

- January 1–December 31, 20A
- At December 31, 20A.
- As of December 31, 20A
- From the beginning January 1, 20A

Chapter 25 - Brick and Mortar to Click and Mortar: E-tailing

68. Gross margin is

- Revenue minus expenses.
- Assets minus liabilities.
- Sales minus cost of goods sold.
- Sales minus operating expenses.

69. The first step in merchandising budgeting is the preparation of the:

- Planned purchase budget.
- Gross margin budget.
- Planned sales forecast.
- Cash budget.

70. _____ is not likely to be a future change in retailing.

- Online sales exceeding traditional brick-mortar sales
- The growth of multi-channel retailing,
- The increasing impact of technology,
- The dramatic changes in the way consumers shop

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