



**BOARD OF STUDIES**  
NEW SOUTH WALES

**2002**

**HIGHER SCHOOL CERTIFICATE  
EXAMINATION**

# Retail Operations

## General Instructions

- Reading time – 5 minutes
- Working time – 2 hours
- Write using black or blue pen
- Board-approved calculators may be used
- Write your Centre Number and Student Number at the top of pages 9, 11 and 13

**Total marks – 80**

**Section I** Pages 2–6

**15 marks**

- Attempt Questions 1–15
- Allow about 15 minutes for this section

**Section II** Pages 9–14

**35 marks**

- Attempt Questions 16–22
- Allow about 45 minutes for this section

**Section III** Page 15

**30 marks**

- Attempt TWO questions from Questions 23–25
- Allow about 1 hour for this section

## Section I

15 marks

Attempt Questions 1–15

Allow about 15 minutes for this section

Use the multiple-choice answer sheet.

Select the alternative A, B, C or D that best answers the question. Fill in the response oval completely.

**Sample:**  $2 + 4 =$  (A) 2 (B) 6 (C) 8 (D) 9  
A  B  C  D

If you think you have made a mistake, put a cross through the incorrect answer and fill in the new answer.

A  B  C  D

If you change your mind and have crossed out what you consider to be the correct answer, then indicate the correct answer by writing the word *correct* and drawing an arrow as follows.

A  B  C  D   
*correct* ↙

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- 1 A retailer pays \$180 for a pair of boots that retails for \$250. What is the retailer's percentage mark-up on cost?
- (A) 13.9%
  - (B) 28.0%
  - (C) 38.9%
  - (D) 72.0%
- 2 When selling a pair of boots, the salesperson recommends the purchase of a waterproofing product. Which of the following best describes the salesperson's strategy?
- (A) Add-on sale
  - (B) Selling-up technique
  - (C) Complementary selling
  - (D) Consultative selling
- 3 Which of the following would influence the stock level of a CD recorded by a touring overseas rock band?
- (A) Seasonality and trend
  - (B) Seasonality and shelf life
  - (C) In-store promotion and trend
  - (D) In-store promotion and shelf life
- 4 A salesperson recommended a pair of gloves to a customer who stated that the gloves needed to be suitable for snow skiing. The customer suffered frostbite while wearing the gloves.
- On what grounds could action be taken against the retailer?
- (A) Selling a product that failed to satisfy product safety standards
  - (B) Selling a product contrary to the Sale of Goods Act
  - (C) Selling a product not fit for the purpose intended
  - (D) Selling a product not of merchantable quality

- 5** What is the name given to the total dollar revenue a retailer receives from the sale of merchandise and services?
- (A) Gross sales
  - (B) Gross margin
  - (C) Gross purchases
  - (D) Gross costs
- 6** What is the main purpose of electronic scanners used at point-of-sale?
- (A) To record the ISDN information
  - (B) To read the product code information
  - (C) To electronically link retailers with their suppliers
  - (D) To gather information about customers' credit history
- 7** Which of the following is NOT part of the terms and conditions of the Shop Employees (State) Award?
- (A) Sick leave entitlements
  - (B) Study leave entitlements
  - (C) Retrenchment entitlements
  - (D) Superannuation entitlements
- 8** Which of the following best describes an example of discrimination on the basis of gender?
- (A) A job advertisement seeking a junior salesperson for a menswear store
  - (B) A company practice demoting women who are pregnant
  - (C) A company practice promoting people who are single
  - (D) A job advertisement specifying a minimum height limit of applicants

- 9** Which groups negotiate conditions set in the retail industrial award?
- (A) The Industrial Relations Commission, employer groups, employee groups
  - (B) Trade unions, the Industrial Relations Commission, employee groups
  - (C) Australian Retailers Association, the Industrial Relations Commission, employer groups
  - (D) The Industrial Relations Commission, Shop Distributive and Allied Employees Association (SDA), employee groups
- 10** What is the purpose of cash reconciliation?
- (A) To register the total sales transactions at the commencement of trading
  - (B) To calculate the non-cash transactions at the close of trading
  - (C) To compare the actual and the recorded transactions at the close of trading
  - (D) To determine the total cash in the register at the commencement of trading
- 11** A salesperson suspects that a customer has concealed merchandise in a bag. Which of the following actions should the salesperson take?
- (A) Take the customer by the arm to go to the manager's office.
  - (B) Accuse the customer quietly.
  - (C) Offer to assist the customer in making a purchase.
  - (D) Call the police immediately.
- 12** Which of the following is an example of good retail housekeeping?
- (A) Being polite to the customer
  - (B) Signing on by the correct time
  - (C) Promptly phoning your supervisor when you are unable to attend work
  - (D) Following correct procedures for storing equipment
- 13** On completion of a stocktake, why would a retailer discount a product?
- (A) To increase profit on that product
  - (B) To create a cash flow
  - (C) To correct the stock count
  - (D) To make more room on the shelves

- 14** A retail outlet located beside a major road installs double-glazed windows to reduce noise. Which type of hazard will this action reduce?
- (A) Ergonomic
  - (B) Psychological
  - (C) Chemical
  - (D) Physical
- 15** The introduction of a manual handling training course for staff contributes to
- (A) reducing risks in the workplace.
  - (B) eliminating hazards in the workplace.
  - (C) completing a safety audit.
  - (D) ensuring that safe work practices are followed.

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# Retail Operations

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Centre Number

## Section II

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Student Number

35 marks

Attempt Questions 16–22

Allow about 45 minutes for this section

Answer the questions in the spaces provided.

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**Marks**

### Question 16 (2 marks)

Identify a potential breakdown in a piece of retail equipment and explain its effect on the retail store's operation.

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**Please turn over**

**Question 17** (7 marks)

(a) Define the following terms:

(i) *franchise* **1**

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(ii) *hypermarket* **1**

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(iii) *consumer cooperative* **1**

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(b) Explain the relationship between a manufacturer, wholesaler and retailer in the distribution process. **4**

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# Retail Operations

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Centre Number

## Section II (continued)

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Student Number

**Marks**

### Question 18 (6 marks)

Five casuals work the following hours on the first day of the school holidays:

**6**

- Chris      10 am – 2 pm    and    7 pm – 10 pm
- Dianne    10 am – 3 pm
- Jean        4 pm – 8 pm
- Penny      4 pm – 8 pm
- Ric         9 pm – 1 am

Award conditions are:

- Hourly rate = \$10 per hour
- Time-and-a-half after 6 pm
- Double time for work after midnight
- \$7 meal allowance for working 4 hours after 6 pm

Complete the following table, calculating the total wage for each employee for the day, and the total wages for the day.

<i>Employee</i>	Earnings			<i>\$ Meal allowance</i>	<i>\$ Total wage</i>
	<i>\$ Normal hours</i>	<i>\$ Time-and-a-half</i>	<i>\$ Double time</i>		
Chris					
Dianne					
Jean					
Penny					
Ric					
Total					\$

**Question 19** (8 marks)

(a) Distinguish between a mark-up and a markdown. **2**

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(b) Use ONE example to explain why retailers mark up prices. **2**

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(c) What are the impacts on profit when a retailer applies a markdown to a price? **4**

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# Retail Operations

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Centre Number

## Section II (continued)

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Student Number

**Marks**

### Question 20 (4 marks)

Emma was leaving her local supermarket through the checkout when she was asked to present her handbag for inspection.

Explain the rights of the customer and the retailer in this situation.

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**Question 21** (5 marks)

- (a) Discuss employees' entitlements as provided under Workers Compensation legislation. **3**

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- (b) While performing routine housekeeping duties in a retail environment Ernest falls and breaks his arm. Describe the process that Ernest should follow to apply for workers compensation. **2**

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**Question 22** (3 marks)

Using a retail example, describe the role housekeeping plays in minimising theft. **3**

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## Retail Operations

### Section III

**30 marks**

**Attempt TWO questions from Questions 23–25**

**Allow about 1 hour for this section**

Answer each question in a SEPARATE writing booklet. Extra writing booklets are available.

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In your answers you will be assessed on how well you:

- demonstrate relevant knowledge and understanding
  - communicate ideas and information, using precise industry terminology and appropriate workplace examples
  - organise information in a well-reasoned and cohesive response
  - solve proposed issues or problems
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#### **Question 23** (15 marks)

Analyse how a range of changes in society have impacted on the retail industry.

#### **Question 24** (15 marks)

Customer complaints fall into a number of categories. Analyse how a retailer would respond to different types of complaints in order to improve customer satisfaction.

#### **Question 25** (15 marks)

Professional salespeople recognise that customers have both rational and emotional buying motives. Analyse how professional salespeople can use their understanding of these motives in the selling process.

**End of paper**

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