



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR DEGREE
OF BACHELOR OF ARTS IN APPAREL DESIGN WITH
INFORMATION TECHNOLOGY**

MAIN CAMPUS

ADF 309: PRINCIPLES OF MERCHANDISING I

Date: 6th December, 2016

Time: 8.30 - 11.30am

INSTRUCTIONS:

- Answer ALL Questions in Section A and any other THREE in Section B.
- Begin each question on a new page



SECTION A (40 MARKS)

Answer **ALL** questions in this section in the answer booklet provided

1. Define the following terms as used in principles of merchandising

- a) Merchandise
- b) Customer demand
- c) Resource (3 marks)

2. a) Explain the term assortment (3 marks)

b) Clarify the following types of merchandise

- i) Broad
- ii) Deep
- iii) Narrow
- iv) Shallow (4 marks)

3. a) Differentiate between the following

- i) Consumer and Customer
- ii) Customer demand and consumerism
- iii) Gross margin and net profit (6 marks)

b) Identify and explain the three (3) major steps in merchandising activities

(6 marks)

4. a) Suggest and explain three (3) factors to be considered in planning merchandising assortment (6 marks)
- b) Briefly explain the Top-down planning of departmental sales (4 marks)
5. Propose and explain four (4) sources that can be used to determine customer wants (8 marks)

SECTION B (30 MARKS)

Answer **ANY THREE** questions from this section in the answer booklets provided. Begin each question on a new page. All questions carry 10 marks each

6. Interpret the following elements of a control system
- a) Establishment of control standards (6 marks)
- b) Measurement of performance (4 marks)
7. Simplify the following components (essentials) of the planning process
- a) Objectives (5 marks)
- b) Policies (5 marks)
8. "Expenses is one type of records that a retailer must keep." Discuss. (10 marks)
9. Examine the selection factors that may influence a customer's decision to purchase or not to purchase an item. (10 marks)

10. "The buying plan is a general description of the types and quantities of merchandise a buyer expects to purchase for delivery within a specific period of time." Discuss

(10 marks)