



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Diploma in Retail Management**  
**Paper 1**  
**Introduction to Retail Management**  
**& Principles of Management**

**DEC 2015**

**Date: 12.12.2015**  
**Time : 10.00 a.m. to 1 p.m.**

**Max. Marks 100**  
**Duration 3 hours**

**Instructions**

1. From Part A, answer all questions Qs 1,2 and 3 (compulsory) --Q1 (12 marks), Q2 (8 marks) and Q34 (12 marks) - Total 32 marks.
  2. From Part B , answer any 4 questions from Q No.4 to Q 09. Each question carries 12 marks (total 48 marks)
  3. Part C, Q No. 10 (Case Study) is compulsory.( 20 marks)
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PART A

**Q1. State True or False for the following:**

- (i) Retailing consists of the final activities needed to place a product in the hands of ultimate consumer -
- (ii) The understanding of the target consumer's buying behavior helps retailers to improve their profit performance -
- (iii) Proper display of the products to attract the customers is part of the Retail Management.
- (iv) The retailers are required to focus on their profits instead of the customers agenda.
- (v) The management is the process of designing an environment for efficiently accomplishing selected objectives of the enterprise.
- (vi) Planning in an organization should be done separately without consulting the controlling managers who are involved in the normal business activities .
- (vii) Proper management of relationship will produce a satisfied customer, who will become a repeat customers and repeat customers produce long term profits.
- (viii) Trainings are organized by companies for change in behavior, knowledge & skills of present employees through systematic process.
- (ix) An additional discount offered as an incentive to retailers to order merchandize in advance of the normal buying season is called Trade or Quantity discount.
- (x) The bargaining power of supplier is greater in a retail industry when there are many suppliers having large production capacities .
- (xi) Staff functions are those which have direct responsibility for accomplishing the objectives of the enterprise.
- (xii) Franchising is a method used by business for marketing & distribution of products .

**Q. 2. Match the following:**

**Total : 8 Marks**

A	B
1. Manager	a. Information Technology
2. Virtual Team	b. cohesive
3. Motivation	c. Human, Technical, Conceptual skills
4. Decision	d. Transfer
5. Promotion/Demotion	e) Military
6. Group	f. Visual messages
7. Line function	g. Alternatives
8. Communication	h. Making to act

**Q3. Fill in the blanks with appropriate words:**

- a) The \_\_\_\_\_ background of the consumer largely determines his lifestyle which influences the kind of store that he may be comfortable shopping in.
- b) All Managerial activity starts with -----
- c) ----- is a series of steps to be taken in doing a task
- d) ----- is the process of identifying skills required to do the specific job.
- e) The reason for the existence of a business enterprise is that it supplies----- and or -----
- f) ----- Type of Leaders have low concern for people and high concern for tasks
- g) ----- is process of exchanging information, interpretation, and ideas for common understanding.
- h) ----- is checking of current performance against pre-determined standards.
- i) In merchandizing, retailers often say “goods ----- are half sold”.
- j) The final contact of a customer with a product is at the -----.
- k) Brian Harris is credited with coining the phrase -----.
- l) To an investor in the retail business ----- performance is the indicator of the health of the organization, especially to identify gaps in the targets.

## PART B

**(Attempt any 3 from Q 4 to Q 8 (16 Marks each - Total 48 Marks).**

**Q4.** Explain the following. ( Any 4 out of 5 , 4 marks each )

- a) Management by Objectives
- b) Retail Supply Chain Management
- c) SWOT Analysis
- d) Forecasting and replenishment
- e) Cross docking

**Q5.** Explain the knowledge and competencies required by a sales person for Retail business in Indian environment

**Q6.** What are the challenges to retail development that has come as a consequence of the changed Indian consumer behavior and Indian economy?

**Q7. Explain briefly the terms (any 3 x 4 marks each=12 marks)**

- (a) Personal Decision
- (b) Hypermarket
- (b) Supermarket
- (c) Kiosks
- (d) Airport Retailing'
- (e) Super market

**Q8. Write Short Notes on any 3 of the following (3 X 4 = 12 marks)**

- (a) Benefits of HR Policies
- (b) Traditional Retailing
- (c) Collaborative Planning
- (d) Lead time

**Q 9. Case Study (Compulsory )**

M/s Indian Medicine Pvt Ltd started manufacturing activity in a small town way back in 1950. The business was growing rapidly and after 5 years a new factory was established on a new plot in the industrial estate. Company's turnover crossed Rs 250 crores, and is having five manufacturing units located at Bhopal, Chennai, Barodar, Gowahati and Mumbai

The Managing Director has ambitious plans and he would like to make his company a global organization. But he is very much disappointed by the day today happenings in the company. His Brother looking after finance says there is tremendous cash crunch as he finds large inventory of finished goods lying in warehouses. He is upset with Marketing Manager who always reports that he is not getting support from Production Manager. Production Manager complains he is not getting materials, spares timely, resulting into stoppage of production. Materials Manager cuts sorry figure before the MD as he does not get updated information of materials stock, pending orders and frequent stock out of materials, Managing Director fired him for the large inventory of slow and non moving materials which is lying for over one year. Further many suppliers payment is delayed very much. Neither Finance nor Material Manager have total information resulting into poor cash management. Employees turnover is high as they get firing for not providing information. But they feel what they can do as they are following the systems set out 50 years before. A friend of Managing Director suggested him to go for ERP solutions but Managing Director was reluctant as it would cost hefty amount about Rs 5 Crores.

- a) What is your recommendation to the MD ? How would you convince the MD to go for an ERP solution?
- b) What are various ERP solutions available in the market?
- c) How would you select appropriate software?
- d) How would you implement the software package?

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