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

Date: 13.06-2015  
Max. Marks 100  
Time: 10.00 to 1.00 p.m.  
Duration 3 hours

Instructions
1. From Part A, answer all questions Qs 1,2 and 3 (compulsory) --Q1 (12 marks), Q2 (8 marks) and Q3 (12 marks) - Total 32 marks.
2. From Part B, answer any 3 questions from Q No.4 to Q09. Each question carries 16 marks (total 48 marks)
3. Part C, Q No. 10 (Case Study) is compulsory.( 20 marks)

PART A

Q1. Answer as per instructions in (A) & (B). (answer any 12 – 1 mark each – total 12 marks).

(A) State True or False for the following:
(i) Forecasting requires credible assumptions.
(ii) Job enrichment is the same as job enlargement.
(iii) Business Game is one of the training methods.
(iv) Empowering employees also means delegating responsibilities down the line.
(v) Performance Appraisals are necessary to distinguish between efficient and effective employees.
(vi) The primary trade area of a regional shopping centre is 3 miles.

(B) Choose the right answer from the following:
(vii) Consumers decision in a city to buy from Retail is based on:
   a. Time to shop and to travel to a particular location
   b. The range of products available in that location.

(viii) An additional discount offered as an incentive to retailers to order merchandize in advance of the normal buying season is called:
   a. Seasonal discount
   b. Trade or quantity discount.

(ix) The bargaining power of supplier is greater in a retail industry
   a. when there are a few dominant buyers
   b. when there are a few suppliers

(x) Franchising is:
   a. Business or industry
   b. A method used by business for marketing & distribution of products or services.
(xi) Mark-up is a difference between
   a. cost price and selling price
   b. selling price and the cost of product less reductions.

(xii) While developing Strategic centric formats, one needs to incorporate
   a. Typical cultural needs of the region
   b. Tenant mix of the area

(xiii) The final basic level in the identification of merchandize by the buyer in a supermarket is:
   a. category
   b. SKU

(xiv) A private label is
   a. A store's own brand
   b. A label provided by a vendor

(xv) The primary trade area of a regional shopping centre is:
   a. 3 to 7 miles
   b. 5-15 miles.

Q2. Attempt any 4 (from (a to g) - (2 m each – Total 8 marks)

**Distinguish between:**
   (a) Job Analysis & Job Evaluation
   (b) KPAs & KPIs
   (c) Promotion and Promotability
   (d) Freeform layout and Racetrack layout.
   (e) Job Enrichment & Job Enlargement
   (f) Who wrote:
      (i) Art of getting things done..
      (ii) Management is the process of decision making and control over human action.
   (g) Give the full form of the following:
      (i)MBO    (ii) PERT    (iii) EDI        (iv) SWOT

Q3. Attempt any 12 – (1 mark each –Total 12 marks)

**Fill in the blanks with appropriate words:**
   (i) The ______ _______ background of the consumer largely determines his lifestyle which influences the kind of store that he may be comfortable shopping in.
   (ii) Strategy is a plan, a “______” or a means of getting from ‘here to there.
   (iii) In merchandizing, retailers often say “goods _____ _____ are half sold”.
   (iv) Foreign company is always a ________________ in India.
   (v) The final contact of a customer with a product is at the ______.
   (vi) Campaign graphics are graphics related to the ______ advertising campaign.
   (vii) Brian Harris is credited with coining the phrase ______ ______.
(viii) To an investor in the retail business _____ performance is the indicator of the health of the organization, especially to identify gaps in the targets.
(ix) In retail, there are 3 areas which are important in the measurement of its performance. They are: Merchandize, Store & Retail Space, and ________.
(x) Customer service is designed, performed and communicated with two goals in mind: Operational productivity, and ________ ________ (Lovelock).
(xi) AMA stands for _________________ Management _________________.
(xii) Professional associations is one of the sources for _____________ _______.
(xiii) Training is a systematic process of changing behavior, knowledge & ____________ of present employee.
(xiv) Appraisal help in distinguishing between efficient and ____________ workers.
(xv) The boss says “I”, the leader says “__________”.

PART B

(Attempt any 3 from Q 4 to Q 9. (16 Marks each - Total 48).

Q4. State the steps involved in developing retail strategy with examples.

Q5. What are the challenges to retail development in India? What developments are in Retail that has come about as a consequence of the changed Indian consumer?

Q6. How can a Retailer make effective use of a communication mix – Explain the same under at least 4 different circumstances, e.g. Store opening, Visit of a popular personality, etc?

Q7. Explain briefly the terms (any 3 x 4 marks each=12 marks)
   (a) Lead time gap
   (b) Buyers market
   (c) Assortment Planning
   (d) Odd Pricing
   (e) Personal Decision

Q8. Write Short Notes on any 3 of the following (3 X 4 = 12 marks)
   (a) Benefits of HR Policies
   (b) Price Lining
   (c) Collaborative Planning
   (d) Forecasting for replenishment
   (e) Cross Docking

Q9. What is training? How training. needs are identified in designing a training program for Retail Salesmen to improve their communication skills and performance?
Let's assume Zee Café (a foreign company) is planning to enter the Indian Coffee market.

Answer the following questions:

(a) Name the other Retailers in this market in India.
(b) State who among the players in India are better placed to face the competition from this new entrant and maintain their growth; and
(c) Do you think that intense competition in the Retail Coffee Business is likely to cause consolidation? Explain with reasons.