

One Year Diploma, Retail Examination 2014
Model Answer

Subject:- Stone Management

Paper Code:- 408106

Sets (I) / (II)

Q.1

	Q.No.	Answer.	
a	(i)	b	(iii) ✓
b	(ii)	c	(iii)
c	(iii)	a	(i)
d	(iv)	d	(iv)
e	(v)	c	(iii)
f	(vi)	b	(ii)
g	(vii)	c	(iii)
h	(viii)	d	(iv)
i	(ix)	a	(i)
j	(x)	d	(iv)

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2 (i) Concept of store management

Retail business in organised ~~and~~ manner involves many activities. It is not only receiving the merchandise and selling to the customers. The activities of a retail store comprises ordering the right merchandise, procuring them and keeping them in inventory till they are out for display, sell them, pack them and some time deliver them to the customer's place, provide customer services. All these activities are managed by the use of resources available to a ~~store~~ retailer. The proper and efficient use of these resources ~~are~~ to perform all activities involved in retail business is known as store management.

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2 (ii) Objectives of Store Management

The objectives of Store Management are the following.

- (a) To build a team who are inspired to achieve the ~~the~~ retail store's target.
- (b) To achieve operational efficiency by minimising cost and maximising ~~cost~~ revenue.
- (c) The activities of store operations are such that it follows the procedure, policies ~~and~~ of the retail store and also the local government legislation.
- (d) Create a friendly atmosphere.
In a nut-shell the objective of the store management is to drive sales and maximise profit in smooth operation of the business.

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Q (iii) Functions of store management.

There are many functions of store management. The important ~~one~~ functions are given below:

- (a) Receiving of the incoming consignments.
- (b) Keeping these consignments in safe environment
- (c) Management of inventory in proper way so that stocks don't pile up.
- (d) House keeping of the retail store
- (e) Record maintenance of the retail store
- (f) Maintaining the proper number of staff and educating them time to time.

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3 (i) various types of stores:

There are many types of retail stores
Some of them are

(a) Speciality Stores: Speciality Stores
comprises a store which stocks a particular
type of merchandise such as book store,
toys stores etc.

(b) Departmental Stores: These are large
retail stores consisting of various segments
such as apparel, cosmetic, shoes etc. ~~all displayed~~
~~in one store~~ These merchandise are
displayed in one store.

(c) Discount Stores: Discount stores offer
a broad variety of merchandise mix at a
discount prices. These ~~are~~ stores spends less on
atmospherics of ~~the~~ the retail store.

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3 (ii) Peak Sales :

Peak Sale means some specific time or time period during which a retailer is struck with a higher than average volume of customers and sales. Normally peak sales can be experienced during certain special occasions such as ^{weekends,} opening of schools after summer vacations, festival seasons such as Holi, Divali, Christmas, Id etc. where people income rises temporarily and they spent the ~~higher~~ increase in income on goods & services. During peak season it is experienced that a large number of visitors of the retail store are first timers.

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3(iii) Preparation for peak sale

A retail store has to manage the peak sale by keeping sufficient staff. Prior preparation for peak sale has to be done so that ~~at~~ most of the employees can be utilised for peak hours and they just do the selling part. If the merchandise is finished in the shelf and racks then sufficient staff must be directed to refill these stocks at regular basis. In no way the ~~stocks~~ merchandise should remain undisplayed. The ~~employees have also to~~ should also be trained to deal with shoplifting. All space of the retail store must be managed in such a way that no customers should be unsatisfied.

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(4) Store maintenance, main activities of store maintenance.

Store maintenance comprises all those activities which are essential in managing physical facilities in a retail store. There are exterior facilities to be managed such as parking lot, entrance to store, lounge, ~~and~~ open space outside the store, signs etc. The interior facilities include the walls, flooring, ceiling, ~~and~~ displays etc. Store maintenance affects the sales generated in the store and cost of maintaining the retail store. When a store is clean and well managed then customers perception about such store is very high. Proper maintenance of floors, fixtures, air conditioners, etc increases their life ~~and~~ and reduces the cost on these.

The main activities of store maintenance involves - controlling shoplifting, reducing the possibility of mistakes, ~~and~~ inventory

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(5) Shoplifting, detection & prevention of shoplifting:

Shoplifting means the taking ~~out~~ ^{away} any good without paying for it, shoplifting is done by two groups of people the customers who walk in the retail store and the employees who work in the retail store. Due to shoplifting the inventory shrinks that is the availability of goods are less than the inventory records in store.

Shoplifting can be detected by keeping a vigil on the ~~shopper~~ customers and employees behaviour. Normally a shoplifter are poorly dressed and loiters here & there. They move in groups and wear loose clothes. However it is true that a shoplifter may be smartly dressed and be straight to the counter and may not move in groups. ~~So~~ Similarly a poorly dressed person who loiters in groups may ~~be~~ not

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(6) Role of a vendor and concept of vendor managed inventory (VMI)

A vendor is a person or company who sells the goods to a retail store. In general sense a retailer is also a vendor selling goods to consumers. But here the term vendor is used as supplier to the retail store.

In retail business the relationship with vendor is very important as they can be a valuable business asset.

- (a) The role of a vendor is to supply the ordered consignment in right time.
- (b) The ~~retailer~~ vendor has to collect the payments from the retail store.
- (c) The vendor can give the consignments on credit basis. The time period of credit must be mentioned by the vendor.
- (d) It is the responsibility of a vendor to inform its established retailer about-

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