RETAIL OPERATIONS (743)

ANSWER KEY

ClassXII - 2018-19

Time: 3 Hours   **Max. Marks:60**

General Instructions:

1. *Question paper is divided into two sections: Section-A and Section- B.*

2. ***Section–A:***

   i. *Multiple choice question/Fill in the blanks/Direct Questions of 1 mark each. Answer any 10 questions out of the given 12 questions.*

   ii. *Very Short Answer of 2 marks each. Answer any 5 questions from the given 7 questions.*

   iii. *Short Answer of 3 marks each. Answer any 5 questions from the given 7 questions.*

3. ***Section–B:*** *Long/Essay type questions of 5 marks each. Answer any 5 questions from the given7 questions.*

4. *All questions of a particular section must be attempted in the correct order.*

5. *Please check that this question paper contains 33 questions out of which 25 questions are to be attempted.*

6. *The maximum time allowed is 3 hrs.*

SECTION –A

Answer any 10 questions out of the given 12 questions:

1. Inventory cushions are also referred to as   **(1)**
   a. Maximum stock
   b. Safety stocks
   c. Stock out
   d. None of the above

2. Stocks must be managed will be in order to **(1)**
       a. Minimize losses
       b. Improve efficiency
       c. Maximize profits
       d. All of the above

3. The short distance movement of material between two or more points refers to **(1)**
       a. Warehousing
       b. Transportation
       c. Material handling
       d. Material management

4. Personal security guards are also called **(1)**
       a. Black cats
       b. Bouncers
       c. Both a and b
       d. None of the above

5. Which of the following is not the principle of SCM **(1)**

       a. Customer as a King
       b. Customer Management
       c. Management Logistic
       d. Service to owner

6. _____ is the last person in the chain who sell his product and services to the customers **(1)**
       a. Agent
       b. Dealer
       c. Retailers
       d. Manufacturer

7. Billing accuracy is the most important factor for **(1)**
       a. Customer satisfaction
       b. Reseller satisfaction
       c. Purchase satisfaction
       d. None of the above

8. Which of the following is not an accounting concept **(1)**
       a. Going concern concept
       b. Money measurement concept
       c. Consistency concept
       d. All of the above

9. A _____ is a temperature controlled supply chain **(1)**
       a. Cold supply chain
       b. CPG supply chain
       c. Dairy product supply chain

d. CDIT supply chain

10. FMCG stands for **(1)**
     a. Fast Moving Consumer Goods
     b. First Moving Consumer Goods
     c. Fast Moving Customer Goods
     d. Frequent Moving Consumer Goods

11. LIFO is the acronym stands for **(1)**
     a. Least In first out
     b. Last in first out
     c. Last in finished out
     d. None of the above

12. Which method involves updating the inventory each time an item is removed from inventory with the purpose of making sale. **(1)**
     a. Point of sale method
     b. Perpetual method
     c. Periodic method
     d. None of the above

Very Short Questions: (2 marks each).

Answer any 5 questions out of the given 7 questions:

13. Name the methods of Inventory planning. **(2)**
Ans13. Methods of inventory planning are:
     1. The basic stock method
     2. The percentage variation method
     3. The week's supply method
     4. The stock/sales ratio method
     5. Stock turnover ratio

14. Write a short note on Patrolling. **(2)**
Ans14. Patrolling is the act of moving about an area especially by an authorized
     and trained person or group, for purpose of observation, inspection, or security.

15. What are the potential hazards for workers in Retail? **(2)**
Ans15. Lifting and handling materials, improper lifting, pushing, pulling, lowering
     and twisting can cause strains, sprains, and other serious injuries. Improper
     techniques, physical capabilities, preexisting conditions and other related issues
     can contribute to potential risks.

16. What is wholesale billing? **(2)**

Ans16. Wholesale billing is easy in comparison of retail billing and allows a big level of threshold of tolerance. It can never if 100% accurate because of various reasons like difference in prices configured in two operating systems or difference in number of calls related because some of the calls may got missed at any network element.

17. What is the importance of features of Journal? **(2)**

Ans17. Important features are:

1. Transactions of every day are recorded chronologically
2. Both the aspect of a transaction are recorded at one place.
3. Date wise entries facilitate quick reference.
4. It facilitates cross checking of transactions.

18. What are reefer trucks? **(2)**

Ans18. A refrigerator truck is a van or truck designed to carry perishable freight at specific temperatures.

19. Explain how time is saved by keeping inventory? **(2)**

Ans19. The time lags present in the supply chain from supplier to user at every stage, requires that you maintain certain amounts of inventory to use in this lead time. Inventory is to be maintained for consumption during variation in lead time.

Short Questions: (3 marks each).

Answer any 5 questions out of the given 7 questions:

20. What are the three basic reasons for keeping an inventory? **(3)**

Ans20. The three basic reasons are :

1. Time: The time lags present in the supply chain from supplier to user at every stage, requires that you maintain certain amounts of inventory to use in this lead time. Inventory is to be maintained for consumption during variation in lead time.

2. Uncertainty: inventories are maintained as buffers to meet the uncertainties in demand, supply and movement of goods.

3. Cost effectiveness: bulk buying movement and storing brings in cost effectiveness thus inventory is needed.

21. Write a short note on A hub and spoke distribution method. **(3)**

Ans21. A hub and scope distribution method is acentralized, integrated logistics system designed to keep the costs down. It receives products from many different origins, consolidate the product and then send them directly to the

destinations. This method of distribution reduces transportation cost, improves cycle times and reduces inventory.

22. What are the objectives of inventory management system? **(3)**

Ans22. The objectives are:

1. A controlled level of mark downs.
2. Minimum investment in unnecessary inventory.
3. Proper inventory turnovers.
4. Minimum expenses associated with the store of merchandise.
5. Balancing of inventory against sales
6. Minimal merchandise shrinkage

23. Write the eligibility for security guard. **(3)**

Ans23. A person should fulfills the standards of personal fitness as specified in the PSARA ACT 2005. The specifications are:

1. Height: 160 cm for male and 150 cm for female
2. Weight: according to standard table of height and weight.
3. Eyesight: far sight vision 6/6, near vision 0.6/0.6 with or without correction, free from color blindness.
4. Read and understand displays in English alphabets and Arabic numerals
5. A candidate should be free from evidence of any contagious or infectious disease.

24. Explain the importance Buffer Inventory. **(3)**

Ans24. Inventory is sometimes used to protect against the uncertainties of supply and demand, as well as unpredictable events such as poor delivery reliability or poor quality of supplier's product. These inventory cushions are termed as safety stocks. It is any amount held on hand that is over and above that currently needed to meet demands.

25Who are the participants in SCM? **(3)**

Ans25. Participants in SCM are

1. Suppliers
2. Manufactures
3. Manufacturing units
4. Distributors
5. Wholesalers
6. Retailers

26. State the limitation of SCM. **(3)**

Ans26. The limitations are:

1. It is time consuming if the chain is large.
2. The possibility that the intermediaries will extract rather than add value.
3. It is expensive structure if the organizer selects the wrong or large chain.

Long/Essay type questions (5 marks each)

Answer any 5 questions out of the given 7questions:

27. Write the Duties and responsibilities of inventory Control Supervisor.**(5)**
Ans27.Duties
1. Coordinates staff, processes and procedure to support the DC in maintaining and exceeding inventory accuracy goals.
2. Analyze data and publish reports.
3. Maintain system data integrity.
4. Track performance by area, determine problems and root causes.
5. Implement and administer all approved changes to current inventory program

Responsibilities;
1. Coordinate and perform physical inventories of daily/weekly cycle accounts and adjusts inventory records if necessary.
2. Investigate inventory variances.
3. Perform other related duties as assigned by management.
4. Review and monitor the timely confirmation and accuracy of inbound inventory and outbound shipments.

28. Explain the types of security guards.   **(5)**
Ans28. The types of security guards are:
1. Personal security guards: they are appointed for the purpose of providing physical security to their employers.
2. Residential security guards :they are employed in residential colonies, apartments, aged homes to provide security to their clients.
3. Corporate security guards: they are employed for internal and external security of business assets.
4. Private security guards: they are employed by businessman or entrepreneurs for private security services..
5. Mobile security guards.: these guards keep moving around the perimeter and observe and monitor people for suspicious behavior.
6. Static security guards: they stay at one place and monitor the movement of people and materials. They may also use electronic surveillance system.

29. Elaborate the seven Principles of SCM.   **(5)**
Ans29. The seven principles of SCM are;
1. Segment customers based on the service needs of distinct groups and adapt the supply chain and serve segments profitably.
2. Customize the logistics network to the service requirements and profitably of customer segments.

3. Listen to market signals and align demand planning accordingly across the supply chain, ensuring consistent forecasts and optimal resource allocation.
4. Differentiates product closer to the customer and speed out version across the supply chain
5. Manage source of supply to reduce the total cost of owning materials and services.
6. Develop a supply chain wide technology that supports multiple level of decision making and gives a clear view to the flow of products, services and information.
7. Adopt channel spanning performance measures to gauge collective success in reaching the end user effectively and efficiently.

30. List any five features of Retail billing. **(5)**
Ans30. The features are :
1. Retail billing deals with end customers and billing an individual customer.
2. Retail billing always need to be 100% accurate.
3. It can be handled by specialized billing systems like Convergys and Amdocs billing systems.
4. It meets customer satisfaction and regulatory obligations.
5. A billing is assumed to be successful as long as it is fulfilling the criteria of Timely billing and Billing accuracy.

31. Write the functions of Accounting. **(5)**
Ans31 The functions are :
1. Recording of information.
2. Classification of data.
3. Making summaries
4. Dealing with financial transactions
5. Interpreting financial Information
6. Communicating results
7. Providing reliable information.

32. Explain the Dairy supply chain. **(5)**
Ans32. The dairy supply chain is unique. The raw milk needs to be collected at the village pooling points. This complex supply chain requiring multiple transportation legs and make the scope of work very wide. It includes
1. Transportation identifying the special requirement of vehicles, vendors, payment and billing, vehicle operations and placement.
2. Warehousing: identifying locations of warehouses, setting up of warehouses, ensuring stock accuracy.
3. Processing plants: operating filling machines, coding, carton sealing/taping, material handling activities.
4. Distribution: invoicing, accounting, MIS reporting, empty crates management etc.

33. What is a SKU? Explain with examples. **(5)**

Ans33. It is a unique identifier for each distinct productand service that can be purchased. For example if a particular product has a MRP of Rs 10and there is a revision in price, say the price now becomes Rs15, then Rs10 and Rs15 will have to be stocked separately and billed separately so they become two different SKUs.

SKUs can then be printed into a barcode and placed on the product. When scanning SKUs, the system recognizes the price and prepares the sale for that price.