EXTERNAL INTEGRATED SUMMATIVE ASSESSMENT

EXEMPLAR 3A

STUDENT NAME & SURNAME	
ID NUMBER	
EISA REGISTRATION NUMBER	
ASSESSMENT CENTRE	
ASSESSMENT CENTRE ACCREDITATION NUMBER	
QUALIFICATION	**OCCUPATIONAL CERTIFICATE: RETAIL MANAGER GENERAL (RETAIL STORE MANAGER)**
SAQA ID	**91789**
CREDITS	**507**
PAPER	**1A** (there are 2 papers to be written: 1A and 1B)
DATE OF EISA	DD/MM/YYYY
DURATION	**4 HOURS**
TOTAL MARKS	**120**

GENERAL EISA RULES

1. Students are **only** allowed to use the supplied EISA booklets.
2. Students are **only** allowed to use a black pen for their answers.
3. Students to ensure that their name, surname and EISA registration number appears on the front of your EISA booklet.
4. This is a closed book examination; therefore, no other material or belongings are to be brought into the assessment centre. Should you bring any other material or belongings into the assessment centre, you will be required to leave such at the front of the assessment centre examination room. The assessment centre will not be held liable for any loss or damage to property brought into the assessment centre examination room.
5. All EISA booklets must be handed back to the invigilator intact. No pages may be torn off from the EISA booklet. The removal of EISA booklets from the examination room is prohibited.
6. Students may make use of a calculator in this EISA.
7. Unless this is an online examination where access to a computer will be made available to you; the use of any communication devices, including smart watches, cell phones, tablets, i-Pads, head phones and laptops are prohibited.
8. All cell phones are to be switched off for the duration of the EISA.
9. The invigilator will not assist you with the explanation of questions related to the EISA.
10. Students are prohibited from conversing in any manner with other students.
11. Students may not leave the examination venue within one hour of the start of the examination and in the last 10 minutes of the allotted examination period.
12. Students who are found to be disruptive and unruly in the assessment centre will be requested to leave the assessment centre by the invigilator.

I HEREBY CONFIRM THAT I HAVE READ THE ABOVE EISA RULES AND DECLARE THAT I UNDERSTAND AND ACCEPT THE RULES.

_____

SIGNATURE OF STUDENT

CANDIDATE INSTRUCTIONS

- Candidates must complete all questions in this EISA.
- Candidates must ensure that they use only a black pen when completing this EISA.
- Should you require additional space to complete your answer, please request additional paper from your invigilator. Ensure that you indicate your name, surname and EISA registration number at the top of the additional paper. Also ensure that the question number is clearly marked on your additional paper.

Question 1

Managing Stakeholder Relations and Communications in Retail

(31 Marks)

Cape Foods is an established grocery retail store in the city centre of Cape Town and the business is located near the student hostel of Ikapa College. The frequent customers of the supermarket are the college students. The customers usually purchase convenient items such as bread, milk, canned foods, cold meat etc. On one Monday morning, the City Health Inspector made a public announcement that one brand supplying Cape Foods was unsafe for human consumption. The store had to remove all products of this particular brand from its stock including all the other products that were displayed next to the concerned brand. This caused chaos and panic from customers. Many customers were returning the products, some claiming to have been ill after consuming the condemned brand.

1.1 Create a communication strategy to convince the relevant stakeholders that the products at Cape Foods are still safe to consume and that the company respects the health and safety laws of the country. Your strategy must also detail the medium to be used when communicating with the identified stakeholders.

(8 marks)

1.2 The operational staff at Cape Foods have also heard about the negative news in the media. Draw up an action plan to be communicated to the store operational staff informing them about the current situation and how the company will deal with it.

(4 marks)

1.3 Using an appropriate medium, communicate the action plan to the store operational staff.

(4 marks)

1.4 Compile a one-page report to your senior manager detailing the strategies that you are going to implement in order to overcome the challenges that Cape Foods is currently facing.

(6 marks)

1.5 Using the communication strategy that you created in Question 1.1 above, describe how you would present this strategy to staff members at different levels at the company.

(9 marks)

(Total Marks for Question 1 = 31)

Question 2:

Retail Financial Management

(45 Marks)

Please analyse Gateway Supermarket's financial reports for the months of May, June and July 2019 respectively and answer the questions that follow.

Income Statement	**May**	**June**	**July**
Sales	R 2 500 000	R2 400 000	R2 300 000
Cost of goods sold	R1 260 000	R1 210 000	R1 140 000
Gross profit	**R1 240 000**	**R1 190 000**	**R1 160 000**
Selling expenses	R700 000	R660 000	R640 000
Operating profit	**R540 000**	**R530 000**	**R520 000**
Rent	R10 000	R12 000	R15 000
Shrinkage	R54 000	R62 000	R71 000
Discounts	R8 000	R9 000	R11 000
Telephone	R4 000	R5 000	R6 000
Interest	R69 000	R76 000	R84 000
Wages	R15 000	R17 000	R18 000
Income before tax	**R380 000**	**R349 000**	**R315 000**
Tax expense	R152 000	R139 000	R115 000
Net income	**R228 000**	**R210 000**	**R200 000**
Balance Sheet			
Assets	**May**	**June**	**July**
Cash	R60 000	R50 000	R45 000
Accounts receivable	RR500 000	R450 000	R410 000
Inventory	R300 000	R270 000	R250 000
Total current assets	**R860 000**	**R770 000**	**R705 000**
Fixed assets	R2 180 000	R2 000 000	R1 980 000
Total assets	**R3 040 000**	**R2 770 000**	**R2 685 000**
Equity and Liabilities			
Accounts payable	R200 000	R170 000	R180 000
Bank loan	R460 000	R440 000	R420 000
Total current liabilities	**R660 000**	**R610 000**	**R600 000**
Bonds payable	R860 000	R860 000	R860 000
Total liabilities	**R1 520 000**	**R1 470 000**	**R1 460 000**
Common stock (30 000 shares)	R120 000	R120 000	R120 000
Retained earnings	R1 400 000	R1 180 000	R1 105 000
Total liabilities and equity	**R3 040 000**	**R2 770 000**	**R2 685 000**

- *All figures must be rounded off to two decimal numbers where applicable.*

Additional information:

1. The shrinkage stock in units was as follows:
    - May 2019 – 2000
    - June 2019 – 1800
    - July 2019 - 1670

Use the financial information above to answer the questions below. Please note that as you calculate the ratios, you need to reflect the following:

(a) The definition/purpose of the ratio.

(b) The application formulae.

(c) Round off all answers to the second decimal.

2.1 Determine the profitability situation of Gateway Supermarket by calculating the gross profit and net profit margins for the company for each of the three months. As part of your answer identify and prioritise areas requiring improvement.

(10 marks)

2.2 Calculate the liquidity position of Gateway Supermarket for each of the three months using the current ratio only.

(6 marks)

2.3 Advise Gateway Supermarkets management on the company's liquidity position using the acid test ratio and recommend appropriate action.

(4 marks)

2.4 After analysing the company's profitability and liquidity position, compile a report to senior management detailing actions needed to improve the situation.

(10 marks)

2.5 Develop an action plan to communicate the company's financial situation to store's operational staff.

(7 marks)

2.6 Calculate the following ratios:

a) return on investment for May and July 2019 respectively.

(2 marks)

b) inventory turnover ratios for June and July 2019 respectively.

(2 marks)

c) Selling expenses to net sales ratios for May and July 2019 respectively.

(2 marks)

d) Inventory shrink percentages for May and June 2019 respectively.

(2 marks)

(Total Marks for Question 2 = 45)

Question 3

Employee Performance Management

(44 Marks)

ABC trading is a well-established retail group based in KwaZulu-Natal. The group has a total of 15 branches across the province with a total of 260 employees. The Human Resource department of the business is located at the head office in Umhlanga Rocks. Twice a year, business carries out employee performance evaluations in line with the company's bonus structure (mid-year and end of year bonuses).

The performance of the staff members is measured based on the following areas:

- sales targets (and general key performance areas (KPAs)
- customer complaints
- absenteeism and
- personal development.

There have been some challenges at the KwaMashu branch with regards to the store not meeting its sales targets. Employees blame this on the frequent service delivery protests in the community and these protests also contribute to the high level of absenteeism at the branch which is far much higher than the absenteeism experienced at other branches. On the other hand, the store manager claims that staff members at the branch take advantage of the two-day sick leave policy (in which they are not required to produce a medical certificate) to stay off work. The manager further states that this is more so on peak periods (month end, before/after public holidays and some Mondays).

Recently, Joshua one of the most experienced staff members at the store appeared before a disciplinary committee facing charges of flouting company regulations by not reporting for work for more than two days without any authorised leave. Disciplinary hearings are also lined up for two other employees, Thandiwe and Michael who also have also been absent for at least four days in a month. What worries the shop manager is that these employees are normally absent either on Mondays or on days immediately after pay day. Last month the shop manager had to ask Michael to go back home after he reported for work drunk. Michael is the most senior staff member in the butchery and he is in charge of all the equipment in the butchery. The management and operations of the equipment in the butchery requires staff to be always be meticulous in the performance of their duties as failure to observe some operational procedures in the use of the equipment could result in occupational injuries or even death.

Melissa works at the store's customer service and help desk counter. She has been with the branch for the past three years and she is one of the staff members that the shop manager relies on. She has received several compliments from customers for the way she handles any issues that they bring to her. Melissa fully understand the company's complaints handling procedures and she has been able to share her knowledge with her colleagues. The cash office is led by Thabo who is the supervisor for that section. Company policies and procedures dictate that all cash must be banked at most a day

after it has been received and that all over and under bankings must be reported. As a qualified bookkeeper, Thabo manages his section well and the shop manager has not faced any problems of non-compliance or poor performance from the cash office.

3.1 Analyse the expected performance of any three staff members mentioned in the case study

(9 marks)

3.2 Evaluate actual performance of any four staff members mentioned in the case study

(9 marks)

3.3 Differentiate between compliance and performance issues in the case study. In your answer identify and explain at least two of each.

(4 marks)

3.4 Propose and explain any two strategies that the company can implement to improve the performance of any two employees whose actual performance does not meet requirements.

(6 marks)

3.5 Suggest two strategies that the company can implement to improve compliance where compliance standards are not being met.

(6 marks)

3.6 Not every employee at the store is performing below standard. What two strategies should the company implement to enhance the performance of those staff members who are already meeting or exceeding the set performance standards?

(4 marks)

3.7 Communicate in writing to all staff members the strategies that you identified in 3.6 above.

(6 marks)

(Total Marks for Question 3 = 44)

(TOTAL MARKS FOR THE EXAM: 120)

MARK ALLOCATION GRID (For use by the Assessor only)

QUESTION	MARK	MARKS AWARDED
1.1	8	
1.2	4	
1.3	4	
1.4	6	
1.5	9	
TOTAL Q1	31	
2.1	10	
2.2	6	
2.3	4	
2.4	10	
2.5	7	
2.6	8	
TOTAL Q2	45	
3.1	9	
3.2	9	
3.3	4	
3.4	6	
3.5	6	
3.6	4	
3.7	6	
TOTAL Q3	44	
GRAND TOTAL	120	

ASSESSOR DETAILS

ASSESSOR NAME & SURNAME	
REGISTRATION NUMBER	
SIGNATURE	
DATE	

INTERNAL MODERATOR DETAILS

MODERATOR NAME & SURNAME	
REGISTRATION NUMBER	
SIGNATURE	
DATE	