

EXTERNAL INTEGRATED SUMMATIVE ASSESSMENT

LEARNER REGISTRATION NUMBER	
ASSESSMENT CENTRE	
ASSESSMENT CENTRE ACCREDITATION NUMBER	
QUALIFICATION	Occupational Certificate: Retail Manager: Retail Store Manager
SAQA ID	91789
CREDITS	507
DATE OF EISA	
DURATION	4 Hours 09:00 -13:00
TOTAL MARKS	200 Marks
PASS MARK	120 Marks

GENERAL EISA RULES

This External Integrated Summative Assessment (EISA) question paper consists of five (5) Questions and Thirty Five (35) pages.

INSTRUCTIONS

NB! The question paper is used as the answer sheet

1. Please read the questions carefully;
2. This is a Closed Book assessment;
3. Read the instructions for each question before answering;
4. Use the mark allocation for each written question to guide the length of your answer;
5. Candidates are not allowed any form of assistance and must always adhere to the invigilator's instructions;
6. All cell phones are to be switched off for the duration of the EISA
7. Candidates may not leave the Assessment Centre within the ONE HOUR (1) of the start of the EISA; and during the last 15 minutes of the allotted EISA period;
8. Candidates are prohibited from conversing during the duration of the EISA;
9. Candidates who are found to be disruptive in the Assessment Centre will be requested to leave the Assessment Centre by the invigilator;
10. Candidates are only allowed to use a calculator and black pens; and
11. The candidate is required to **ANSWER ALL QUESTIONS.**

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

SIGNATURE OF STUDENT

Managing Stakeholder Relations and Communications in Retail

Question 1

Read the Case Study below and answer the following questions.

EXOTIC LUGGAGE

Exotic Luggage was founded in 2010, at a time when there were very few online retailers selling Luggage in South Africa. The company grew over the years, mainly by offering several customer-friendly services that no other online retailers provided. Exotic Luggage offered free delivery across the country and a generous returns policy. Some of these services were offered at a considerable cost to the company. Moreover, Exotic Luggage ensured that customer service was embedded in the company's culture.

After evaluating the retailers' profits, the management of Exotic Luggage introduced a new customer services charter. The company has planned to retrain all staff members in line with the new customer service charter. The new customer service charter places emphasis on the customer service representatives to be friendly and helpful to customers, and even allows them to go to the extent of directing customers to competitors websites if a particular product was not available within the company.

The new customer services charter has not been well received by some sections of the company especially the labour union which objects to the requirement that all customer service representatives must undergo retraining for a period of up to a month. The union has there threatened to go on strike if its demands are not fulfilled.

- 1.1 As the Stakeholder Relationships and Customer Services Manager of Exotic Luggage you are tasked to create a communication strategy to persuade the labour union to accept the new customer services charter that was introduced at the company. Your strategy must include a description of the medium to be used when communicating with the stakeholders **(6 marks)**

1.2 Draw up an action plan to be communicated to all staff detailing the roll-out of the training programme for the customer service representatives
Develop an action plan to be communicated to the staff of the store addressing their concerns and how the company

The action plan must include the following:

- What is the objective of the actions?
- Who will be responsible for the actions?
- When will the actions be taken?
- What resources will be required?

(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 Exotic Luggage is currently facing. **(4 marks)**

Retail Financial Management

Question 2

Analyse financial reports for Alpha Retailers the months of April 2024, May 2024 and June 2024 respectively and answer the questions that follow.

ALPHA RETAILERS: INCOME STATEMENT			
	APRIL 2024 R'000	MAY 2024 R'000	JUNE 2024 R'000
Sales	R820	R850	R834
Cost of Sales	R550	R600	R634
Gross profit	R270	R250	R200
Selling expenses	R84	R95	R102
Operating Profit	R186	R155	R98
Expenses			
Discounts	R22	R21	R20
Telephone	R14	R12	R18
Stationery	R8	R9	R10
Admin expenses	R12	R15	R12
Shrinkage	R20	R9	R18
Income before tax	R110	R89	R20
Tax expense	R46	R37	R8
Net income	R64	R52	R12

ALPHA RETAILERS : BALANCE SHEET

ASSETS	APRIL 2024 R'000	MAY 2024 R'000	JUNE 2024 R'000
Cash	R390	R340	R503
Accounts receivable	R350	R320	R440
Inventory	R87	R95	R90
Current assets	R827	R755	R1 033
Fixed assets	R500	R450	R401
Total assets	R1 327	R1 205	R1 434
Equity and Liabilities			
Accounts payable	R330	R279	R332
Bank loan	R200	R280	R405
Total current liabilities	R530	R559	R737
Bonds payable	R187	R146	R187
Total liabilities	R717	R705	R924
Common stock (100 000 shares)	R160	R100	R120
Retained earnings	R450	R400	R390
Total liabilities and equity	R1 327	R1 205	R1 434

Additional information:

Month	Shrinkage Stock in Units
April 2024	187
May 2024	95
June 2024	130

Corporate tax rate : 42%

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

- 2.1 Determine the profitability situation of Alpha Retailers 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 two areas requiring improvement.

(8 marks)

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Employee Performance Management

Question 3

Read the Case Study below and answer the following questions

NDLOVU CURIOS

Ndlovu Curios a 100% female owned company , operates across the Kruger National Park in Limpopo and Mpumalanga. Each store has a store manager, two cashiers and one merchandiser. The Head office of Ndlovu curios is in Nelspruit business sells traditional curios, clothing, jewellery, handmade artwork, and special gifts , natural body products and memorabilia. There are also a few convenient items such as batteries , beverages and snacks . All Products sold is proudly South African and most of the traditional curios and artwork are made by locals around the Kruger National Park area. The main customer base of the store are the international tourists who visit the Park. The store also ensures that they are ecofriendly . There are currently 10 stores, and the business is fully female owned. Each store has a store manager, two cashiers and one merchandiser. The Head office of Ndlovu curios is in Nelspruit. The store is regular visited by the two female owners to monitor the performance of the stores.

Skukuza is one of the busiest sites at the Krugernational Park , it is situated on the southern banks of the Sabie River. The store manager is Thandi, she has been working for Ndlovu Curios for the past five years. She was placed at the store through a learnership and due to her excellent performance and successful completion of her National Certificate: Wholesale and Retail Generic Management she was appointed as Merchandiser, then cahier and in the last two years as manager of the store. Since being employed as Manager she recommended changes to the layout of the store and also recommended that the displays in the store are made of recycled material to provide an earthy and ecofriendly tone to the store. She also developed a service charter that was adopted by the owners across all 10 stores. The company policy requires that all staff meet sales targets.

Lerato who matriculated last year and who is a niece to one of the owners, was appointed as a merchandiser of the store, she is currently completing her merchandiser skills programme course. Lerato regularly pitches up for work late for which she has

already received two verbal warnings and during the day she does not check on the displays to ensure optimal stock levels on the store floor. Thandi continuously has to call on her to replenish the shelves and displays. Lerato complained to Thandi that the hours are too long, as well her dissatisfaction with her salary, although her salary is in line with the company policy and the sectoral determination for wholesale and retail set by govern.

In the last year all stores introduced a new brand of natural body products, and all sales assistants received training form head office to promote the product. Denise is the sales assistant in the store she holds a matric certificate as well as certificate in wholesale and retail operations level 2. Thandi has noticed that the sales of the natural body products are very low, the management at head office also informed her that the sales of the product are below average compared to the other nine stores. Thandi has spoken to Denise and has taken her through product training for a second time. Thandi has noticed that Denise has become very withdrawn and is not her happy and welcoming self. This is now not only affecting the sales of the new product, but other products that normally track the foreign customers are showing a decline in sales. There also appears to be very little communication between Denise and Thandi. Thandi has stepped in to promote sales.

Steven , the only male in the store, has been with the store for two years, he works at the Point of Sale. He is currently pursuing a BCOM degree through distance education. He is a very optimistic and hardworking young man, and he picks up the slack for both Lerato and Denise. He always follows company policy, and he has not had any discrepancies in his daily cash ups at the Point of Sale.

3.1 Analyse the expected performance of any three staff members mentioned in the case study **(6 marks)**

Managing The Retail Supply Chain

Question 4

Analyse the case study and answer the questions.

GAUTENGMART

GautengMart, established in 2012, has quickly become a recognized retail brand throughout Gauteng, South Africa's economic powerhouse. The company has strategically positioned itself as a key provider of both essential goods and high-demand products in urban and peri-urban areas where access to major retail chains is more competitive but still varied by locality. With stores spread across major hubs such as Johannesburg, Pretoria, Midrand, Centurion, and Germiston, GautengMart serves the diverse shopping needs of communities, from bustling city centers to suburban neighborhoods.

The decision to focus on a mix of urban and peri-urban areas stems from the company's founding mission: to deliver affordable, high-quality products to regions that, despite their proximity to large markets, are often overlooked by larger retailers due to varying income levels and dense populations. While Gauteng is highly urbanized and commercially active, it is also known for its pockets of underserved communities where economic disparities and dense urban sprawl create logistical challenges. GautengMart identified this gap and capitalized on it by building stores that offer a wide range of goods, from fresh groceries and electronics to household items.

GautengMart's approach of entering both high-traffic urban areas and underserved suburban regions has paid off, with residents relying on the chain not only for daily essentials but also for specialized products that would otherwise require trips to larger, more crowded malls. GautengMart has distinguished itself from local grocery stores and independent shops, providing customers with a more comprehensive shopping experience without the need to travel far.

Concerns:

- **Fresh Beans:** A local supplier in Johannesburg is currently facing stock shortages, impacting GautengMart's ability to meet demand across its stores in the region.
- **Frozen Fish Cakes:** Previously popular in Midrand, deliveries have been delayed as the supplier based in Durban struggles with transportation logistics.
- **Coffee:** Supplied reliably by a local vendor in Pretoria who uses their own vehicles for delivery, ensuring consistent stock levels across all stores.
- **Rice:** Sourced from an international supplier, leading to longer lead times, especially for stores located in more congested areas like Johannesburg.
- **Smartwatches:** Delivered from Cape Town, over 1,400 kilometers away, causing extended delivery times to GautengMart stores in Pretoria and Centurion.
- **Televisions:** Supplied by a Durban-based vendor, but the lack of their own delivery vehicles often results in delayed shipments to stores in Johannesburg and Midrand.
- **Pasta:** A late order placed by the buyer resulted in stock shortages in Germiston, limiting sales opportunities.
- **Large Items** (e.g., large plastic bins, shelving units, storage containers): These bulky products are stored at GautengMart's central distribution center in Pretoria due to space constraints in smaller stores.
- **High-Value Items** (e.g., Smartwatches, tablets, etc): Sourced from a supplier in Port Elizabeth who does not provide transportation, requiring GautengMart to arrange delivery to its stores in Gauteng.
- **Large Plastic Bins:** An incorrect order led to insufficient stock across multiple locations, causing shortages.

By addressing these supply chain challenges with strategic partnerships and improved logistics, GautengMart aims to continue to meet the demands of its diverse customer base across Gauteng's urban and suburban landscapes.

GAUTENGMART STOCK AND SALES REPORT (1 SEPTEMBER 2023 TO 31 DECEMBER)

Item	Beginning Inventory	+ Purchases	= Ending Inventory (Actual)	Total Number of Units Sold	X Selling Price Per Unit	= Total Sales	Theoretical Stock on Hand
Fresh Beans	200	0	0	200	R20.00	R4 000.00	0
Frozen Ice cream	0	0	300	0	R33.00	R0.00	0
Fresh Bananas	200	700	0	900	R20.00	R18 000.00	0
Frozen Fish Cakes	254	416	300	199	R33.00	R6 567.00	471
Frozen Fish Fingers	457	450	460	56	R25.00	R1 400.00	851
Coffee	381	64	280	298	R66.00	R19 668.00	147
Pasta	402	232	300	48	R54.00	R2 592.00	586
Rice	30	325	0	355	R125.00	R44 375.00	0
Tea	63	267	140	179	R77.00	R13 783.00	151
Smartwatches	45	426	0	471	R399.00	R187 929.00	0
Tablets	408	439	0	847	R1 299.00	R1 100 253.00	0
Televisions	319	367	0	686	R2 999.00	R2 057 314.00	0
Dishwashing Liquid	107	330	200	117	R34.00	R3 978.00	320
Shelving Units	57	287	0	344	R150.00	R51 600.00	0
Large Plastic Bins	44	86	0	130	R228.00	R29 640.00	0
Tool Chests	33	107	54	86	R399.00	R34 314.00	54
Storage Containers	383	64	400	18	R199.00	R3 582.00	429

- *The mark up on all the products is 35%.*
- *All figures must be rounded off to two decimal numbers where applicable.*

4.3 From the following eight items, evaluate the performance of any five and provide one recommendation for each of your selected items:

- Fresh Beans
- Frozen Ice cream
- Fresh Bananas
- Rice
- Tea
- Smartwatches
- Televisions
- Large Plastic Bins

(10 marks)

Retail Operations Management

Question 5

Analyse the case study and answer the questions

Analyse the case study and answer the questions.

XYZ SUPERMARKET

In today's competitive grocery market, supermarkets face the dual challenge of maintaining profitability while catering to increasingly discerning consumers. Customers are not only looking for the best prices but are also prioritizing quality, sustainability, and health in their purchasing decisions. Recognizing these trends, XYZ Supermarket—a well-established regional grocery chain—sought to differentiate itself from its competitors and increase customer loyalty through the introduction of its own house brand, "XYZ Essentials."

The decision to launch this house brand was driven by several key factors. First, extensive market research indicated a growing consumer preference for private-label products that offer high quality at lower prices compared to national brands. Customers expressed a willingness to switch to a store brand if it provided equivalent quality and taste while being more budget-friendly. Additionally, the demand for organic, natural, and sustainably sourced products was on the rise, prompting XYZ Supermarket to align its offerings with these consumer preferences.

Moreover, the grocery landscape has become increasingly saturated with various brands vying for market share. In this environment, a strong house brand can serve as a critical differentiator, allowing XYZ Supermarket to create a unique identity and foster deeper connections with its customer base. The house brand not only has the potential to enhance profit margins but also enables the supermarket to exert more control over product quality, sourcing, and pricing.

"XYZ Essentials" aims to capture the essence of quality and value, providing customers with a diverse range of grocery items, from pantry staples to specialty goods. By

MARK ALLOCATION GRID (FOR USE BY MARKER AND MODERATOR ONLY)

QUESTIONS ANSWERED	SUBTOTAL MARKS		
	MARKS	MARKS AWARDED	MARKS: POST MODERATION
1.1	6		
1.2	4		
1.3	4		
1.4	4		
1.5	2		
Total Question 1	20		
2.1	8		
2.2	6		
2.3	6		
2.4	6		
2.5	6		
2.6	8		
Total Question 2	40		
3.1	6		
3.2	6		
3.3	6		
3.4	8		
3.5	8		
3.6	6		
Total Question 3	40		
4.1	15		
4.2	15		
4.3	10		
4.4	10		
Total Question 4	50		
5.1	30		
5.2	10		
5.3	10		

Total Question 5	50		
GRAND TOTAL	200		
Borderline (117-119)			
Adjusted Final Mark			

MARKER DETAILS

NAME & SURNAME	
SIGNATURE	
DATE	

MODERATOR DETAILS

NAME & SURNAME	
SIGNATURE	
DATE	