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| **KNOWLEDGE TEST**  **KM03 Concepts and principles of buying merchandise** | |
| Qualification | 332301 Retail buyer |
| Knowledge module | KM03 Concepts and principles of buying merchandise |

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| Learner surname |  |
| Learner full names |  |
| Learner ID number |  |
| Date |  |

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| Total possible marks | 220 | Minimum marks required | 176 (80%) |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 1 | KM03KT01 IAC0301 | Discuss the negotiation process by referring to the phases and briefly describing each. | 6 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 2 | KM03KT01 IAC0302 | Discuss different negotiation strategies used in the industry | 25 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 3 | KM03KT01 IAC0303 | Discuss conflict that may arise in negotiations and methods to manage this conflict | 15 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 4 | KM03KT01 IAC0304 | Discuss the different relationships business has with suppliers and their impact on the negotiation process | 20 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 5 | KM03KT01 IAC0305 | Explain how a buyer should prepare for a negotiation with a supplier | 20 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 6 | KM03KT01 IAC0306 | Describe the various terms a buyer could negotiate including:   * payment terms * settlement discounts * advertising allowances * growth incentives * penalties * rebates * swell allowances   For each of the above, explain the impact they will have on the negotiation process. | 30 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 7 | KM03KT01 IAC0307 | Describe typical methods for recording minutes of a negotiation. | 10 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 8 | KM03KT01 IAC0308 | Describe what needs to be included in a buying contract for supplier of merchandise | 20 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 9 | KM03KT02 IAC0201 | Discuss the 10 generally accepted pricing strategies used in the industry | 25 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 10 | KM03KT02 IAC0202 | Explain the difference between margin and markup. Give examples. | 5 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 11 | KM03KT02 IAC0203 | Discuss the makeup of GP and the buying factors that impact on profit. | 10 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 12 | KM03KT02 IAC0204 | Discuss the concept of loss leaders and the impact they have on a business | 5 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 13 | KM03KT02 IAC0205 | Discuss the factors in the economy that could impact on the setting of the selling price of a product. | 10 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 14 | KM03KT03 IAC0301 | Discuss the factors that impact on order quantities including:   * Number of stores * Expected sales * Over/undersell * Past sales * Promotions * Trends * Budget * Lead time | 7 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 15 | KM03KT03 IAC0302 | Describe generally accepted methods used to calculate order quantities | 15 |

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| **Question #** | **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **MARKS** |
| 16 | KM03KT03 IAC0303 | Discuss typical methods used to record orders placed | 6 |