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| **KNOWLEDGE TEST** | |
| Qualification | 103150 OC: Retail chain store manager |
| Knowledge module | KM07 Concepts and principles of improving financial performance  NQF5 Credits 3 |

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

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

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| **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **GUIDELINES FOR ANSWER** | **MARKS** |
| KM07 IAC0101 | 1. Describe the goals of financial management in a retail store |  | 2 |
| KM07 IAC0102 | 1. Explain the principles of budgets |  | 10 |
| KM07 IAC0102 | 1. Explain what a budget is |  | 2 |
| KM07 IAC0103 | 1. Describe two methods of budgeting |  | 6 |
| KM07 IAC0104 | 1. Explain 3 types sales reports in retail |  | 6 |
| KM07 IAC0104 | 1. Explain 5 types of inventory reports in retail |  | 10 |
| KM07 IAC0102 | 1. Explain promotional sales reports |  | 2 |
| KM07 IAC0201 | 1. Explain what the gross profit ratio is |  | 3 |
| KM07 IAC0201 | 1. Explain what the net profit ratio measures |  | 3 |
| KM07 IAC0201 | 1. Explain what the current ratio measures |  | 2 |
| KM07 IAC0202 | 1. Explain what opening inventory on a retail chain store’s income statement is and how it impacts on the bottom line |  | 3 |
| KM07 IAC0202 | 1. Explain what closing inventory on a retail chain store’s income statement is and how it impacts on the bottom line |  | 3 |
| KM07 IAC0202 | 1. Explain what purchases on a retail chain store’s income statement is and how it impacts on the bottom line |  | 2 |
| KM07 IAC0202 | 1. Explain what revenue on a retail chain store’s income statement is |  | 1 |
| KM07 IAC0203 | 1. Explain the difference between fixed and variable costs are. Give two examples of each |  | 6 |
| KM07 IAC0204 | 1. List and describe 4 controllable expenses at retail chain store level |  | 8 |
| KM07 IAC0301 | 1. Describe shrinkage in a retail store |  | 3 |
| KM07 IAC0302 | 1. List risk of losses in retail |  | 3 |
| KM07 IAC0301 | 1. Explain the impact of shrinkage and losses in retail |  | 10 |
| KM07 IAC0303 | 1. Describe the various types of shrinkage in a retail business |  | 12 |
| KM07 IAC0304 | 1. Discuss methods for preventing losses other than theft |  | 6 |
| KM07 IAC0305 | 1. Describe methods for detecting and preventing shoplifting |  | 8 |
| KM07 IAC0306 | 1. Describe methods for preventing employee theft |  | 10 |
| KM07 IAC0402 | 1. Describe 8 of the following areas of risk in retail:  * Strategic * Compliance and regulations * Operational * Financial * Technology * Data * Talent * Culture/reputation * Consumer expectations * Inventory management * Competition |  | 24 |
| KM07 IAC0403 | 1. Describe the steps in risk management process/cycle |  | 10 |
| KM07 IAC0404 | 1. Describe risk management /control strategies |  | 10 |
| KM07 IAC0501 | 1. Explain what asset control is in retail environment |  | 2 |
| KM07 IAC0501 | 1. Describe the purpose of asset control in retail |  | 1 |
| KM07 IAC0502 | 1. Explain the key principles of asset control in retail |  | 12 |
| KM07 IAC0503 | 1. Explain the impact of asset maintenance on the bottom line |  | 3 |
| KM07 IAC0504 | 1. List the 5 steps for asset maintenance required by chain store managers |  | 5 |
| KM07 IAC0601 | 1. Describe how budgets are used to analyse store performance |  | 5 |
| KM07 IAC0602 | 1. Describe how comparison between actual performance against budget is used to analyse store financial performance |  | 10 |
| KM07 IAC0602 | 1. Explain the purpose of comparing present against past performance |  | 5 |
| KM07 IAC0603 | 1. Describe 3 methods for improving 4 expenses that are controllable at chain store manager level |  | 12 |