# TUTOR MARKED ASSIGNMENT (TMA)

| | | |
|---|---|---|
| **Course Code** | **:** | **BRL–107** |
| **Course Title** | **:** | **Buying and Merchandising-I** |
| **Assignment Code** | **:** | **BRL–107/TMA/2026-27** |
| **Coverage** | **:** | **All Blocks** |

**Maximum Marks: 100**

**Attempt all the questions.**

## (A) Short Type Questions

**1.** Discuss the special features of supermarkets that deal in groceries and staple products. **(10)**

**2.** Highlight the importance of branding in the retail business. Discuss the various steps involved in brand management. **(10)**

**3.** Discuss any four methods of pricing, highlighting their utility and circumstances, under which they are used. **(10)**

**4.** Discuss different steps in the process of budget planning giving suitable examples. **(10)**

**5.** Explain the importance of sales forecasting in the retail business, outlining the different factors that are considered when making these forecasts. **(10)**

**6.** "Selecting an appropriate vendor is a key step in the success of an enterprise." Discuss. **(10)**

**7.** **Distinguish between:** **(5+5)**

**a)** Trade Discount vs. Quantity Discount

**b)** Merchandise Planning vs. Assortment Planning

## (B) Essay Type Questions

**8.** Distinguish between national brands and private label brands. What are the advantages and challenges faced by private label brands? **(15)**

**9.** What is meant by key performance indicator? Give suitable examples, and explain the main KPIs of buying and merchandising. **(15)**

## 1. Discuss the special features of supermarkets that deal in groceries and staple products. (10)

### Answer

A supermarket dealing in groceries and staple products is a large, organised, predominantly self-service retail outlet that offers food and frequently needed household goods under one roof. Its success depends on providing reliable quality, convenient shopping and competitive prices for items customers buy repeatedly. Unlike speciality shops, it serves routine household needs across several product categories.

### Special features

**Wide range of essential merchandise.** Such supermarkets typically stock cereals, rice, wheat flour, pulses, sugar, edible oils, spices, packaged food, dairy products, beverages, cleaning products and personal-care goods. They offer several brands, pack sizes and price points within each category. A household can therefore complete much of its regular shopping in one visit.

**Self-service and orderly display.** Most customers select merchandise from clearly labelled aisles, shelves and display units before making a combined payment at a checkout. Category signboards, shelf labels, barcodes and price tags reduce the need for repeated assistance. Staff still help with weighing, product location, fresh-food handling and customer queries.

**High-volume, relatively low-margin operation.** Rice, flour, oil and other staples are price-sensitive products. A supermarket commonly relies on high sales volumes, rapid replenishment and controlled operating costs rather than unusually high margins on every essential item. It may earn different margins on premium brands, convenience foods and non-food categories.

**Fast inventory turnover.** Groceries are purchased frequently, and some have short shelf lives. Sales data, reorder points, delivery schedules and stock rotation become important. The first-expiry-first-out method is especially useful for dated foods, while first-in-first-out practices help manage other stock. Strong controls reduce stockouts, damage and expiry losses.

**Bulk purchasing and supplier coordination.** Chains or larger stores can consolidate purchases across outlets, negotiate freight and volume terms, and obtain dependable deliveries. However, the lowest purchase price is not always the lowest total cost; storage expenses, breakage, delayed delivery and poor quality must also be considered.

**Transparent pricing and promotional offers.** Printed shelf prices, digital billing, economy packs, weekly discounts, loyalty incentives and seasonal