TUTOR MARKED ASSIGNMENT (TMA)

Course Code	**:**	**BRL-112**
Course Title	**:**	**BUYING AND MERCHANDISING – II**
Assignment Code	**:**	**BRL-112/TMA/2026-27**
Coverage	**:**	**All Blocks**

Maximum Marks: 100

Attempt all the questions.

(A) Short Type Questions

1. What do you mean by merchandising? Explain any three roles played by a retail merchandiser. **(10)**

2. What is retail buying? Enumerate the factors affecting the buying decisions of a buying centre. **(10)**

3. What is gross margin and operating profit? How are they calculated? Explain with suitable examples. **(10)**

4. Define mark-up. Explain different types of mark-ups and distinguish them. **(10)**

5. What do you mean by book inventory? Explain the retail method of inventory valuation with the help of an example. **(10)**

6. What is meant by a merchandise plan? Explain the different factors that are considered while preparing it. **(10)**

7. Explain the steps involved in the development of a new product with the help of a suitable example. **(10)**

(B) Essay Type Questions

8. What do you mean by visual merchandising? How does one classify the categories for better presentation in the store? Briefly explain each category. **(15)**

9. Describe the present scenario of the organised retail sector in India. Explain schematically the process of buying and merchandising being followed by Shoppers Stop. **(15)**

1. What do you mean by merchandising? Explain any three roles played by a retail merchandiser. (10)

Answer

Merchandising is the process of planning, selecting, obtaining, pricing, presenting and controlling goods so that a retailer offers the right products, in the right quantities, at the right place and time, at a price customers accept and the business can profitably sustain. It joins the retailer's understanding of customer demand to practical purchasing and store operations. Thus, merchandising goes beyond arranging items on shelves; it encompasses assortment decisions, stock availability, price structure, seasonal changes and evaluation of sales results. For example, a department store selling winter jackets must forecast local demand, select suitable sizes and colours, negotiate purchase terms, decide prices, allocate display space and clear remaining stock at the season's end.

Role 1: Assortment planner and interpreter of customer needs. A retail merchandiser studies the target market, sales history, local preferences, customer feedback and changing fashion or technology trends. Using this evidence, the merchandiser prepares an appropriate mix of brands, styles, sizes, colours, quality and price points. The aim is to offer adequate choice without unnecessary duplication. A store serving college students may require affordable casual wear, whereas an outlet in an office district may need more formal apparel. The merchandiser also decides the width of the assortment (number of product lines) and its depth (variety within each line). Both affect customer satisfaction and the capital tied up in inventory.

The assortment role requires continuous review. A fast-selling shoe in only one size does not satisfy overall demand if common sizes are missing. Similarly, holding many fashionable colours but too few basic colours can produce stock-outs and markdowns simultaneously. Product life cycle and seasonality must be reflected in range decisions.

Role 2: Buyer and supplier coordinator. The merchandiser helps turn the assortment plan into actual merchandise through vendor identification, negotiation, order scheduling and delivery follow-up. Buying decisions consider quality, cost, delivery reliability, payment terms, minimum-order quantities, return arrangements and ethical sourcing. The merchandiser coordinates with suppliers and warehouse/store teams so goods arrive before promotional campaigns or festivals, not after demand has passed. Comparing two suppliers involves total landed cost and service levels, not merely quoted unit price.

For example, Supplier A may quote a lower purchase price but require long lead times. Supplier B may charge slightly more but offer frequent replenishment. For