TUTOR MARKED ASSIGNMENT (TMA)

Course Code	**:**	**BRL–006**
Course Title	**:**	**Buying and Merchandising-1**
Assignment Code	**:**	**BRL–006/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

Supermarkets specialising in groceries and staple products are large, organised, predominantly self-service retail outlets offering food and essential household requirements under one roof. Staples such as rice, wheat flour, pulses, edible oil, sugar and salt generate frequent visits because households need them regularly. The distinctive features of this format arise from combining everyday convenience with high-volume purchasing, disciplined stock control and competitive pricing.

Wide, need-based assortment

A supermarket brings together packaged and loose staples, fresh produce, dairy, beverages, snacks, cleaning products and personal-care articles. Within each category it stocks several brands, pack sizes, price points and sometimes a store brand. Thus, a customer may compare a five-kilogram economy pack of rice with a smaller premium pack without visiting separate shops. The assortment is usually broad in essential categories but more selective in specialised luxury items. The retailer should also adapt it to local tastes, dietary preferences, festivals and household incomes.

Self-service and visible merchandise

Customers usually select goods from labelled racks or gondolas and pay at central checkout counters. Wide aisles, category signs, shelf labels and shopping baskets reduce dependence on sales staff. Frequently purchased products should be easy to find, while complementary goods can be displayed nearby; for instance, breakfast cereals near milk or baking ingredients. Clear unit-price displays make differences between pack sizes understandable. Efficient shelf organisation supports faster shopping and provides space to replenish stock safely.

Value prices through economies of scale

Because supermarkets purchase in substantial quantities and aggregate demand across many customers or stores, they can negotiate favourable trade terms, use central distribution and spread fixed costs over large sales volumes. They usually operate on relatively small percentage margins for high-turnover staples. Promotions, loyalty offers, multipacks and private-label products can reinforce a value image. However, a low selling price must be evaluated against acquisition cost, wastage, handling and the margin necessary for sustainability.