

Paper Reference(s)

**6953/01**

**Edexcel GCE**

**Applied Information and  
Communication Technology**

**Unit 3: The Knowledge Worker**

**May 2007**

**Scenario**

Please open this material immediately. It should be distributed to candidates no sooner than three working weeks before the examination.

The description overleaf will be used as the scenario for the above specification, and will be reissued with the examination paper. This scenario should be used in conjunction with the spreadsheet model supplied with the scenario, for the purposes of preparing candidates for the examination. This material must not be taken into the examination.

Further details are in the Instructions for the Conduct of Examinations, available from the Edexcel website for this qualification and subject.

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## **Denim Daze – Stock Control**

Denim Daze is a successful chain of stores selling a wide range of denim clothing. The stores can only sell the Denim Daze range, which includes jeans for both men and women, denim skirts, shirts, jackets, waistcoats, bags and hats. The range is aimed at young people between the ages of 14–29. The reputation of the chain is growing and, after an initial spurt when the chain first opened, sales have increased steadily at 2% per year since the year 2000.

Lauren Chevre is the manager of the Birmingham store. She has been the manager since it opened in 2001, having spent a year as a shop floor supervisor at the Liverpool store. The shop employs 30 permanent staff and 55 part-time staff. Of these staff, 20 of the permanent staff and all but two of the part-time staff work the shop floor as sales assistants.

### **New Collection**

Denim Daze has its own set of designers and periodically they produce a new set of designs. Every Spring, Summer and Autumn a new collection of clothes is introduced. Although fundamentally the same items of clothes are sold, the designers make subtle, and sometimes not so subtle, changes to the design of the items to take into account the seasons and new fashions. Each season lasts 17 weeks. Each time a season changes, all unsold items are written off and returned to the warehouse where they are distributed to a number of independent outlets and sold off cheaply. The Denim Daze shops are then stocked with items from the new range. Sales of the Autumn collection will start this year on 1st June. It is Lauren's responsibility to ensure the correct amount of stock is ordered from the warehouse to maximise the profit of the Birmingham store.

### **Stock Control in the Birmingham Store**

Stock control has been recently computerised. Ordering of stock is now done automatically. Every Friday the main computer in the Head Office accesses the computers in each store and checks the stock level of each item. The items will be delivered ten days later on a Monday.

If the stock level has fallen below a certain value, then more stock of that item is ordered. For the Birmingham store, it is Lauren's responsibility to set this value along with the number of items to be ordered when an order is generated. These values are called the 're-order level' and the 're-order quantity' respectively. Initially these have been set to the values in table 1 but Lauren feels that these can be improved upon and new values set, which would increase the profitability of the store. She has started to build a spreadsheet model to help her with this decision, but had to leave it incomplete due to the pressure of her other work.

**Table 1**

<b>Stock ID</b>	<b>Description</b>	<b>Colour</b>	<b>Gender</b>	<b>Style</b>	<b>Re-Order Level</b>	<b>Re-Order Quantity (Batches)</b>	<b>Number in Batch</b>
SG07143	mens jeans	dark	M	loose	1500	20	100
SG07151	mens jeans	stonewash	M	loose	1500	20	100
SG07159	mens jeans	dark	M	comfort	1500	20	100
SG07167	mens jeans	stonewash	M	comfort	1500	20	100
SG07175	ladies jeans	dark	F	comfort	1500	20	100
SG07181	ladies jeans	dark	F	bootleg	1500	20	100
SG07187	ladies jeans	dark	F	tight	1500	20	100
SG07193	ladies jeans	stonewash	F	comfort	1500	20	100
SG07199	ladies jeans	stonewash	F	bootleg	1500	20	100
SG07205	ladies jeans	stonewash	F	tight	1500	20	100
SG07211	ladies jeans	grey	F	comfort	1500	20	100
SG07217	ladies jeans	grey	F	bootleg	1500	20	100
SG07223	ladies jeans	grey	F	tight	1500	20	100
SG07229	mens jacket	denim	M	lined	1500	20	100
SG07235	mens jacket	denim	M	unlined	1500	20	100
SG07241	ladies bag	denim	F		1500	20	200
SG07242	ladies bag	denim	F		1500	20	200
SG07243	hat	denim	U		1500	20	200
SG07244	hat	denim	U		1500	20	200
SG07245	ladies waistcoat	dark denim	F		1500	20	100
SG07248	ladies waistcoat	light denim	F		1500	20	100
SG07272	ipod case	denim	U		3000	20	300

## Description of the model

The model Lauren has started contains these worksheets.

Worksheet	Description
Stock Order Settings	When the model is complete this worksheet will be where the re-order levels and re-order quantities are set. There is a summary section at the top which, when all the formulae have been added, will show the profitability with these settings.
Predicted Stock by Week	When the model is complete this worksheet will contain a prediction of the stock held at the store during each week of the season.
Predicted Sales by Week	When the model is complete this sheet will contain a prediction of how many of each item may be sold during each week of the season.
Order Triggered	This worksheet will contain whether or not an order has been triggered for each item during each week of the season.
Deliveries by Week	When the model is complete, this worksheet will calculate the number of each item delivered in each week of the season. It will also calculate the total value of the orders, which will be used in the profitability calculation in the 'Stock Order Settings' worksheet.
Sales Revenue	When the model is complete this worksheet will contain the calculated sales revenue for the season. This will be used in the profitability calculation.

**Some cells in the model are password protected. Should you wish to experiment with the model, the password is *edexcel*. Be aware that if you change the contents of any protected cell the model may not work.**