Certificate in Marketing Skills

SELLING SKILLS

WEDNESDAY, AUGUST 17, 2005. TIME: 2.00 pm - 4.00 pm

Please attempt Section A and TWO questions from Section B.
Do **NOT** repeat question in answer, but show clearly the number of the question attempted on the appropriate page of the Answer Book.

SECTION A (50%)

1.   Case Study: A Marginal Issue

On your first day working on the sales counter of a light hardware store a customer buys a product from you for €75 *inclusive* of VAT at 25%. This was the only item the consumer purchased. Pleased with your first sale, you tell your colleagues. Through the course of the conversation you establish that this is the item the shop sells most frequently and that it is purchased from the supplier for €55 *exclusive* of VAT.

You are required to answer **each** of the following questions. Questions do not carry equal marks.

(a)   Calculate the retailer's margin and mark-up and the amount of VAT paid by the consumer.   (15 marks)

(b)   Outline the possible reasons why a retail outlet might sell its most popular item with such a low margin and comment on whether or not you think the policy works in this case.   (15 marks)

(c)   Advise the retailer on the factors to be taken into account in setting a retail price and, based on the limited information you have available, suggest a more suitable price for the item in question.   (20 marks)

P.T.O.

SECTION B (50%)
(Please attempt TWO questions. All questions carry equal marks)

2.   Advise the manager of an electrical goods store on the issues of space allocation, departmentalisation, and merchandise location in his store.

3.   Using a motor car as an example to illustrate your answer explain any five sale closing techniques with which you are familiar.

4.   (a)   Outline any five of the seven elements of a valid contract.

      (b)   Advise the branch manager of a furniture store of his/her obligations under the Consumer Information Act.

5.   (a)   Outline the strategies a salesperson might use to reduce the perceived risk of a prospective customer.

      (b)   List ten factors a salesperson should take account of in attempting to manage his time more efficiently.