



Certificate in Marketing Skills

SELLING SKILLS

WEDNESDAY, MAY 17, 2006. TIME: 2.00 pm - 4.00 pm

Please attempt Section A and TWO questions from Section B.

(If more than the specified number of questions are attempted, delete those you do not wish to have marked. Otherwise the Examiner will mark **QUESTION 1** and the next **TWO** questions in your Answer Book).

All questions carry equal marks.

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%)

Case Study: A Customer Complaint

When you arrived at work this morning, as marketing manager of Celtic Dairy Products, the following letter was on your desk.

Dear Sir/Madam,

Yesterday I purchased a six-pack of your yoghurt from a local shop. I refrigerated it immediately on getting home and it was in my car for no more than 15 minutes.

When I opened a tub sometime later it was immediately apparent that the yoghurt had congealed and was obviously 'gone-off', though it was well within its "best-before" date. Unfortunately, my five-year old child had already eaten half a tub and was violently ill during the evening, requiring medical attention.

I look forward to hearing your company's comments on this regrettable situation.

Yours faithfully,

Mary Murphy

You are required to answer **each** of the following questions.

1. (a) Outline the value of customer complaints to a company. (10 marks)
- (b) Assess the situation described above from the perspective of your company and prepare a response to the complaint. (30 marks)
- (c) In addition to what you have said in your response to Ms. Murphy what other actions will you take in relation to this incident? (10 marks)

P.T.O.

SECTION B (50%)
(Please attempt TWO questions)

2. A retailer buys Aran jumpers for €40 each and sells them with a 50% mark-up. The VAT rate is 21%.
- (a) What is the retailer's sales margin in monetary terms? (5 marks)
 - (b) What is the retailer's sales margin in percentage terms? (5 marks)
 - (c) What value has the retailer added to the product? (5 marks)
 - (d) What is the selling price, excluding VAT? (5 marks)
 - (e) What is the selling price, including VAT? (5 marks)
3. (a) Outline the elements of a valid contract. (15 marks)
- (b) What are the obligations of a retailer under the Sale of Goods and Supply of Services Act? (10 marks)
4. (a) Explain the terms *core merchandise* and *secondary merchandise*. (5 marks)
- (b) Advise the manager of a new supermarket on space allocation, departmentalisation, and merchandise location. (20 marks)
5. (a) Outline the stages of the selling process as it applies in retailing. (20 marks)
- (b) What qualities should a retailer look for in selecting salespeople. (5 marks)