



WEDNESDAY, AUGUST 15, 2007. 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: *Selling the Car*

A woman of about 35 enters your car showroom. She walks past several cars and begins to examine in detail a metallic red model. You infer from this that she knows exactly what she is looking for. Some of the features of the car she is examining are:

- It has six air bags
- Air conditioning is standard
- It seats 5 adults comfortably
- It has a spacious boot
- It achieves a speed of 100 kilometers per hour in 10 seconds
- It has an anti-lock braking system (ABS)
- It has a 1.8 litre engine
- It costs €25,000.

1. (a) How will you approach this prospective customer (be specific)?
(5 marks)
- (b) What questions will you ask of this prospective customer to assist you in making your sales presentation?
(10 marks)
- (c) Outline the sales presentation you would make to sell this car.
(20 marks)
- (d) Presuming that the woman buys the car, describe the *follow-up* you will engage in to retain her custom and explain the importance of this stage.
(15 marks)

P.T.O.

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

2. A hardware store buys lawnmowers for €300 excluding VAT and sells them for €500 excluding VAT. The VAT rate is 20%.
- (a) How much will a consumer pay for a lawnmower? (5 marks)
 - (b) What is the mark-up in percentage terms? (5 marks)
 - (c) What is the sales margin in % terms? (5 marks)
 - (d) What is the sales margin in monetary terms? (5 marks)
 - (e) How much VAT does the retailer pay for each lawnmower when purchasing them? (5 marks)
- (Note:** A VAT rate of 20% is used for the convenience of the question rather than indicating the existence of such a rate in the Republic of Ireland)
3. (a) Explain the techniques a salesperson might use to alleviate a consumer's perceived risk. (15 marks)
- (b) Advise a salesperson on handling a situation where a prospective customer suggests that the competitive product is of greater quality. (10 marks)
4. (a) Describe **four** methods for setting the retail price. (18 marks)
- (b) Identify **seven** measures that might be used to evaluate the annual performance of a retail outlet (7 marks)
5. Using a personal computer as an example to illustrate your answer, explain any five sale closing techniques that a salesperson might use. (25 marks)