

1. The process of marking up prices by 100% is known as Markup pricing.
 - a. True
 - b. False

Ans :- a. True

2. Which among these need not be considered while forecasting figure?
 - a. Time
 - b. Sales Information
 - c. Competition Sales
 - d. Cost of Holding

Ans :- d

3. The process where the supplier maintains and replenishes the Inventory of the customer at customer's store?
 - a. Direct Store Delivery
 - b. Vendor Managed Inventory
 - c. Scan Based Trading
 - d. Consignment Sales

Ans :- b

4. The advertisements for Bertone Ramarro car claim that it is the most expensive car in the world. This is an example of ?
 - a. Target return pricing strategy
 - b. Market share pricing strategy
 - c. Prestige pricing strategy
 - d. Maintained markup pricing strategy

Ans :- c

5. Large Departments should be placed in ?
 - a. High Traffic areas
 - b. Low Traffic areas
 - c. Corners
 - d. Entrance

Ans :- a

6. One of the common causes of the bullwhip effect is:
 - a. Customers not paying attention to supply
 - b. The batching of orders
 - c. Suppliers keeping prices locked
 - d. Failure to update forecasts

Ans :- b

7. Predatory pricing is legal under competitive law
 - a. True
 - b. False

Ans:- b

8. The roughly 34% of adopters who are willing to try new products only when there is little or no risk associated with the purchase, when the purchase becomes an economic necessity, or when there is social pressure to purchase are
- Late Innovators
 - Pressure Adopters
 - Late Majority
 - Laggards
 - Early Majority

Ans :- c

9. Effective replenishment
- Avoids Out of stock situations
 - Improves UPC Velocity
 - Enhanced customer satisfaction
 - All of the above

Ans :- d

10. Operational metrics is associated with measuring Supply Chain efficiency. What does this help measure?
- Measure the efficacy of the inventory planning and replenishment systems for the warehouse
 - Will improve directly in response to the improvements in the other metrics
 - Measures the efficacy of the warehouse space usage
 - Measure the efficiency of the material handling operations within the warehouse

Ans :- d

11. Purchase order is part of which Merchandising function?
- Planning
 - Receiving
 - Buying
 - Sales

Ans :- c

12. Is it a good decision to have occasional shortages if the inventory holding costs are high?
- Yes
 - No

Ans :- b

13. Which amongst the following is a valid tender type in POS?
- Flexible Spending Accounts (FSA)
 - Money Orders
 - WIC (Woman Infant Children) Cards
 - All of the above

Ans :- d

14. Forecasting helps in increasing Cash flows

- a. True
- b. False

Ans :- a

15. Which perspective treats logistics as a part of Supply Chain Management?

- a. Traditionalist perspective
- b. Re-labeling perspective
- c. Intersectionist Perspective
- d. Unionist perspective

Ans :- d

16. The process of a manufacturer or wholesaler restricting a retailer into carrying only its products and nothing from competing vendors?

- a. Tying Contracts
- b. Exclusive Dealing Agreements
- c. Diverted Merchandise
- d. None of the above

Ans :- b

17. Format of store layout preferred where customers roam the entire store?

- a. Free flow
- b. Grid layout
- c. Circulation Spine layout
- d. Circulation Loop layout

Ans :- a

18. Which among the following is not a feature of a modern POS system?

- a. Helps in managing OOS
- b. Helps in customer retention
- c. Helps in automated purchasing
- d. Helps in category management

Ans :- c

19. Best form of merchandise presentation for apparels

- a. Shelving
- b. Hanging
- c. Stacking
- d. Folding

Ans :- b

20. Which of the following factors does Order Point depend on?

- a. Time to Replenish
- b. Safety Stock

- c. Expected Level of Sale
- d. None of the Above

Ans :- a and b

21. A pharmacy sells an over-the-counter drug, Vaxidene. Every 10 days, the vendor comes by to check the inventory levels and order more of the drug. It takes about 5 more days to get the new order in. Demand per day is about 20 bottles, but can vary. The pharmacy would like to keep a safety stock of about 30 bottles to protect against stock outs, just in case demand levels or lead times are greater than expected. What is the restock amount?

Ans :- $20(5 + 10) + 30 = 330$

22. Distribution assortment warehouse usually has a broad product line and is limited to a few strategic locations. True or false?

- a. True
- b. False

Ans :- a

23. Activity of determining & registering the actual storage location is part of which of the following Warehouse operations?

- a. Put-away
- b. Storage
- c. Receiving
- d. Order Picking
- e. Clerical/Office Administration

Ans :- a

24. A company that outsources its warehousing functions to another company that specializes in inventory and warehouse management is engaged in?

- a. Private warehousing
- b. Public warehousing
- c. Third-party warehousing
- d. Indirect warehousing
- e. Warehousing by proxy

Ans :- c

25. When a supply chain is uncoordinated, what causes the bull-whip effect?

- a. Delays in transmitting orders
- b. Overreacting to shortages
- c. Delays in receiving orders
- d. Ordering in batches
- e. All of the above

Ans :- e

26. Which of the below is not a factor when calculating Safety Stock?

- a. Demand Rate

- b. Lead Time
- c. Perpetual Inventory
- d. Forecast Error

Ans :- c

27. Automation of Store Ordering gives which of the following benefits?

- a. Improved Shelf Availability
- b. Reduction of price markdowns
- c. Lower Inventory Costs and Higher Margins
- d. All of the above

Ans :- d

28. The ability of a firm to outperform the competition, providing customers with a benefit the competition cannot, best describes

- a. Market Segments
- b. Competitive Advantage
- c. Competitive Excellence
- d. Marketing mix Strategy
- e. Marketing Plan

Ans :- b

29. Find the odd man out

- a. Planning
- b. Selling
- c. Marketing
- d. Buying

Ans :- b

30. In Inventory Management, Buffer stock in raw materials helps to reduce the possibilities for interrupting production.

- a. True
- b. False

Ans :- a

31. Which of the following factors are not considered by the inventory management system?

- a. Time required to process an order
- b. Extra Stock
- c. Raw materials movement
- d. Quality

Ans :- d

32. Which of the following is not a Supply Chain Activity?

- a. Inventory Management
- b. Consumer Analytics
- c. Demand & Supply Planning

- d. Warehousing
- e. Procurement

Ans :- b

33. Assortment Planning is a key buying function

- a. True
- b. False

Ans :- a

34. What is a disadvantage of Grid layout?

- a. Waste of floor space
- b. High Cost
- c. Limited browsing
- d. Difficulty in inventory arrangement

Ans :- c

35. In Inventory Management FIFO means newer inventories are sold first

- a. True
- b. False

Ans :- b

36. Which among the following is not part of the POS system?

- a. Barcode Scanner
- b. MICR Devices
- c. Coin Dispensers
- d. Weight Scales
- e. Signature Capture devices

Ans :- b

37. Warehouses emphasize ____ and their primary purpose is to maximize ____.

- a. Product storage; throughput
- b. Product storage; usage of available storage space
- c. Rapid movement of product; throughput
- d. Rapid movement of product; usage of available storage space

Ans :- c

38. Which among the following is not true about Controllers?

- a. Main computer where information, such as bar codes, prices and sales reports, are programmed and stored
- b. System that pushes price changes to the scales and terminals
- c. Powerful and flexible platform to run the retail software and other business applications
- d. Main information source for the network if multiple units are in use throughout the establishment

Ans :- b

39. Which is not an advantage of Free flow layout?

- a. Increased impulse purchase
- b. Ability to wander freely
- c. Low cost
- d. Visual appeal

Ans :- c

40. When we are dealing with pull processes, there is guarantee that demand will be fulfilled. True or false

- a. True
- b. False

Ans :- b

41. Which among the following is not part of the POS system?

- a. Magnetic Stripe Reader
- b. Programmable Keyboard
- c. Receipt Printer
- d. In-Store Processor

Ans :- d

42. Collection of observations of well-defined data items obtained through repeated measurements over time. Which of the below Demand Forecasting approaches satisfies this definition?

- a. Judgmental Approach
- b. Experimental Approach
- c. Relational Approach
- d. Time Series Approach

Ans :- d

43. Optimizing supply chain means

- a. Optimizing the flow of information
- b. Optimizing the store level in stock & customer forecast
- c. Reducing cost & improving efficiency
- d. None of the above

Ans :- c

44. The pricing decision in retailing is _____.

- a. Made independently of the product-assortment decision
- b. Increasingly based on sales pricing
- c. Key to the retailer
- d. The least important of all the retail marketing decisions
- e. Not an effective tool for store differentiation

Ans :- c

45. Inventory calculated from sales, replenishments and stock adjustments is called?

- a. Total Inventory
- b. Physical Inventory
- c. Perpetual Inventory
- d. None of the above

Ans :- c

46. Bunkers, Gondolas, Light Boxes and Vignettes are devices used in?

- a. In-Store Merchandising
- b. Packaging
- c. Transportation of Goods
- d. Vendor Managed Inventory

Ans :- a

47. Which layout maximizes exposure to merchandising, browsing and cross shopping?

- a. Free flow
- b. Grid layout
- c. Circulation Spine layout
- d. Circulation Loop layout

Ans :- d

48. Which among the following is regarded as the first generation of POS SYSTEMS?

- a. Electronic Cash Registers
- b. Transaction Counters
- c. Computer Assisted Sales
- d. Self-Checkouts

Ans :- a

49. Which of the following is not a measure for coping with the distortion in demand information?

- a. Reducing variability by everyday low pricing (EDLP)
- b. Information sharing across the chain
- c. Developing strategic partnerships
- d. Reducing lead time
- e. Forecast updating by supply chain partners

Ans :- e

50. Document issued by warehouse in favor of the owner of the goods is called _____

- a. Warehouse-keeper's record
- b. Bill of Storage
- c. Warehouse-keeper's document
- d. Warehouse-keeper's warrant

Ans :- d

51. A product sells for \$25 and has variable costs per unit of \$15. Each unit sale therefore makes a contribution of \$10 towards the fixed costs of the business. If the business had fixed costs of \$30,000, then how many units does it need to sell (in order to break even)?

- a. 7000
- b. 2900
- c. 3000
- d. 5500

Ans :- Selling price per unit = \$25

Variable cost per unit = \$15

Contribution per unit = $25 - 15 = 10$

Fixed costs = \$30,000

Break-even units = $30,000 / 10 = 3,000$

52. Which among the following is not true about POS?

- a. Helps the business to analyze sales and item turnover
- b. Helps in demand forecasting
- c. Helps in optimizing sales
- d. Helps in store inventory management

Ans :- c

53. Which amongst the following devices can scan the magnetically encoded routing numbers, bank accounts, and check numbers on cheques?

- a. MICR Devices
- b. Barcode Scanners
- c. Magnetic Stripe Readers
- d. Signature Capture Devices

Ans :- a

54. The most common form of cost-plus pricing is straight mark-up pricing, which

- a. Occurs when price is calculated by adding a set percentage to the cost
- b. Is based on the costs involved in producing the product
- c. Calculates price by looking at both costs and what can be done to assure that a plant can operate at its capacity
- d. Is based on the costs involved with fixed costs only
- e. Subtracts a percentage of the cost from the cost to determine the selling price

Ans :- a

55. Why retailers are considered the most important part of the supply chain?

- a. They can set pricing strategies based on costs of goods sold
- b. They can determine what items will be promoted and how
- c. They can engage in both horizontal and vertical integration
- d. They receive discounts from suppliers
- e. They can best gauge customers' wants and needs

Ans :- e

56. ""Financial Metrics"" is associated with measuring Supply Chain efficiency. What does this help measure.
- a. Public
 - b. Private
 - c. Contract
 - d. Multi-client

Ans :- b

57. Store Format used by wholesale retailers
- a. Free flow
 - b. Grid layout
 - c. Circulation Spine layout
 - d. Circulation Loop layout

Ans :- b

58. The factors influencing pricing are
- a. Large quantity of the product in the market
 - b. Generic brands
 - c. Efficient buyers
 - d. Companies trying to regain market share
 - e. All of the above

Ans :- e

59. From the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by _____.
- a. Marketers
 - b. Manufacturers
 - c. Channel members
 - d. Distributors
 - e. Consumers

Ans :- e

60. Which of the following are not participants in supply chain management systems?
- a. Consumers
 - b. Manufacturers
 - c. Warehouses
 - d. Stores
 - e. Suppliers

Ans :- a

61. Which of the following statement is false about stock spotting?
- a. A firm following stock spotting warehouses a narrow product assortment
 - b. A firm following stock spotting places stocks in a large number of small warehouses
 - c. A firm following stock spotting warehouses a deep product assortment

- d. A firm following stock spotting places stocks for specific markets for a limited time period

Ans :- c

62. Category Management benefits

- a. Customers
- b. Manufacturers
- c. Vendors
- d. Suppliers

Ans :- a

63. This term encompasses a host of different standards and technical specifications for passing information electronically between suppliers and retailers?

- a. EDI
- b. DEX
- c. NEX
- d. SBT

Ans :- a

64. Which among this is not part of inventory

- a. Raw Materials
- b. Finished goods at the factory
- c. Goods at the Warehouse
- d. Scrap material
- e. Goods purchased by the Customer

Ans :- e

65. Pegging is used for both softlines & hardlines

- a. True
- b. False

Ans :- a

66. A reason that supply chains can fail is:

- a. The increasing cost of transportation
- b. Decreasing inventories
- c. Having members in different industries
- d. Failure to use cross docking
- e. Lack of trust among members

Ans :- e

67. Which of the following is not a characteristic of public warehousing?

- a. Requires no capital investment from user
- b. User receives a regular bill for space used
- c. Good for companies dealing with large volumes of inventory
- d. Lack of control by user
- e. All are characteristics

Ans :- c

68. Inventory holding patterns is independent of the nature of business

- a. True
- b. False

Ans :- b

69. Items needing frequent restocking can be placed near

- a. Storerooms
- b. Cash registers
- c. Both
- d. None

Ans :- c

70. Which of the following is not true about Warehouse Management System (WMS)?

- a. Directed picking, directed replenishment and directed put-away are the key to WMS
- b. WMS uses historical documents to execute warehouse tasks
- c. WMS should have a flexible location system
- d. WMS should have built-in level of integration

Ans :- b

71. Promotional display creating high volume low cost image

- a. Shelving
- b. Dumping
- c. Pegging
- d. Folding

Ans :- b

72. A supply chain is essentially a sequence of linked

- a. Customer and prospects
- b. Supplier and manufacturer
- c. Suppliers and customers
- d. Warehousing and wholesaling units
- e. Events in the marketing process

Ans :- c

73. What type of Order does not directly affect the merchandising buyer?

- a. New Seasonal Merchandise
- b. Re-orders based on inventory levels
- c. BackOrder on e-Commerce
- d. Special Orders for special items

Ans :- c

74. Main factor of Psychological pricing is

- a. Fractional prices suggest to consumers that goods are marked at the lowest possible price

- b. Prices are deliberately set very low by a dominant competitor in the market in order to restrict or prevent competition
- c. The price set might even be free, or lead to losses by the predator
- d. They may buy from the cheapest provider or perhaps from the one which offers the best customer service

Ans :- a

75. All are characteristics of private warehousing, except:

- a. Owned or occupied on a long-term lease by the firm using them
- b. Feasible when demand patterns are irregular
- c. Users have a great deal of control
- d. May reduce an organization's cost
- e. All are characteristics

Ans :- b

76. The following factors influence the buying process

- a. Size of the business
- b. Product
- c. Market Specifics
- d. Suppliers

Ans :- a

77. The process by which a consumer or business customer begins to use a good, service, or an idea is known as

- a. Product Adoption
- b. Product Awareness
- c. Product Diffusion
- d. Product Adaptation
- e. Product Availability

Ans :- a

78. The operation of a _____ is to supply processed materials, components, and subassemblies into the assembly plant in an economic and timely manner.

- a. Assembly line
- b. Production support warehouse
- c. Commodity Warehouse
- d. Cooperative Warehouse
- e. Bonded Warehouse

Ans :- b

79. Which of the following is not a result of Bullwhip effect?

- a. Problems with quality
- b. Overtime expenses
- c. Lost customer service
- d. Shortened lead time

- e. Unnecessary adjusted capacity

Ans :- d

80. In Inventory Management LIFO means companies sell old inventories first

- a. True
- b. False

Ans :- b

81. A cost setting strategy whereby a retail outlet deliberately sells particular desirable products below their cost to attract customers is called

- a. Product-form Pricing
- b. Prestige Pricing
- c. Special Event pricing
- d. Loss leader pricing
- e. Psychological discounting

Ans :- d

82. POS systems let you manage inventory, flag items for reorder, track promotions and analyze sales patterns. True or False?

- a. True
- b. False

Ans :- a

83. There should always be a balance between Cost of Carrying inventory and lost sale due to stock out

- a. True
- b. False

Ans :- a

84. Which of the following roles do not directly deal with the customers?

- a. Courtesy Clerk
- b. Bagging Clerk
- c. Cashier
- d. File Maintenance Clerk

Ans :- d

85. Which of the following methods are not used to check merchandise received into a store?

- a. Blind Check Method
- b. Dummy Invoice Method
- c. Direct Check Method
- d. None of the above

Ans :- b

86. When is Safety stock strategy employed?

- a. Product life cycle is short

- b. Lead time of product is long
- c. Lead time of product is short
- d. Inventory turnover is predictable

Ans :- b

87. What is not considered while planning inventory levels for non-perishable items

- a. Sales History
- b. Inventory Velocity
- c. Loss due to Shrink
- d. Product Promotion Plan

Ans : c

88. Which of the following is not included in cycle view of supply chain process?

- a. Replenishment Cycle
- b. Inventory Cycle
- c. Manufacturing Cycle
- d. Customer order Cycle
- e. Procurement cycle

Ans :- b

89. What are end caps?

- a. Displays kept at end of / near to registers
- b. Displays located at the end of the aisles
- c. Displays located at end of checkout lane
- d. None of the above

Ans :- b

90. Which of the following is not true about merchandising inventory

- a. Items are not manufactured by the organization
- b. The value of the ending merchandise is accounted
- c. The items in shipment are not part of the inventory
- d. Work in progress items are part of the inventory

Ans :- d

91. Sanjay Kapoor is a chef in a downtown restaurant. He has sent out press releases to the major local media and has invited food critics to dine in his restaurant. Sanjay is engaging in

- a. Public relations
- b. Personal selling
- c. Sales promotion
- d. Advertisement

Ans :- a

92. Merchandise Planning considers

- a. Sales
- b. Margins

- c. Inventory Levels
- d. All of the above

Ans :- d

93. The payment method in which your bank guarantees to pay when presented with a set of specified export documents by the supplier is

- a. Advance payment
- b. Letters of credit
- c. Documentary collection
- d. Open account trading

Ans :- b

94. In marketing terms, we say that the number of intermediary levels indicates the _____ of a channel.

- a. Depth
- b. Width
- c. Length
- d. Complexity

Ans :- c

95. POS systems let you manage inventory, flag items for reorder, track promotions and analyze sales patterns. True or False?

- a. True
- b. False

Ans :- a

96. Lead time refers to the

- a. The time to replenish the buffer stock
- b. The time taken by the manufacturer to deliver the order
- c. The time between the placing of an order and the receipt of goods ordered
- d. The time taken by a buyer to place an order

Ans :- c

97. Supply chain management is becoming a necessity, especially for large companies, for all of the following reasons except

- a. The need to improve operations
- b. Increasing levels of outsourcing
- c. Competitive pressures
- d. Government regulations require them to
- e. The need to manage inventories

Ans :- d

98. Companies manage their supply chains through _____.

- a. Transportation modes
- b. Competitors

- c. Information
- d. Skilled operators

Ans :- c

99. Which of the following is an advantage of private warehouse

- a. Total control over the warehousing function and its integration into the overall system
- b. Only utilizing and paying for the space you need
- c. More flexibility in terms of space, resources etc
- d. No capital expenditure required

Ans :- a

100. IS can be used to reduce cycle time by:

- a. Reduced complexity of the supply chain
- b. Improved data integration between elements of the supply chain
- c. Increased efficiency of individual processes
- d. Reduced cost through outsourcing
- e. All of the Above

Ans :- e

101. A product sells for \$15 and has variable costs per unit of \$11. Each unit sale therefore makes a contribution of \$4 towards the fixed costs of the business. If the business had fixed costs of \$20,000, then how many units does it need to sell (in order to break even)

Ans :- 5000 units

102. Some goods arriving at Wal-Mart at a delivery dock are moved directly onto a truck going out of another dock, they are never put into inventory. This saves money and is called _____.

- a. Just-in-time production
- b. An intermediary swap
- c. Cross-docking
- d. Supplier willingness
- e. Dual handling

Ans :- c

103. A portable platform designed to allow a pallet jack to lift, move and store various loads is called a _____.

- a. Case
- b. Skid
- c. Tow-motor
- d. Forklift
- e. Lift truck

Ans :- b

104. Which amongst the following POS systems are commonly used by street and conference vendors?

- a. Wireless POS
- b. Software-based POS
- c. Web-based POS
- d. Electronic Register POS

Ans :- a

105. The bullwhip effect is most closely associated with:

- a. Late deliveries from suppliers
- b. Demanding Customers
- c. Demanding Suppliers
- d. Inventory Buildup
- e. Delayed Differentiation

Ans :- d

106. A supply chain is a sequence of firms that perform activities required:

- a. To find products that are similar
- b. To facilitate wholesalers inventory selections
- c. To create synergy in their training programs
- d. To create and deliver goods to consumers
- e. To support the acquisition of raw materials

Ans :- d

107. PCI DSS does not cover compliance of POS Systems:

- a. True
- b. False

Ans :- b

108. The average inventory for an item is 100 units, the annual demand is 300 units. How many inventory turns are there per yer

- a. 1/3
- b. 3
- c. 30
- d. 3000

Ans :- b

109. At the break-even point

- a. Revenue or income from sales are just equal to costs
- b. Variable costs equal fixed costs
- c. Marketers can identify how many units of a product have to be sold to make money
- d. Theoretical point that companies try to achieve
- e. Point where variable costs are higher than fixed costs indicating potential profitability

Ans :- a

110. Merchandise Management does not focus on

- a. Product

- b. Price
- c. Customer
- d. Appeal

Ans :- c

111. Receiving is a store level function for seasonal goods?

- a. True
- b. False

Ans :- a

112. Which of the following sections in a store is an excellent area to place small accessory items that appeal to impulse buying?

- a. Merchandising Area
- b. Cash Area
- c. Display Area
- d. Backroom

Ans :- b

113. Total stocking cost is

- a. Ordering excess and Ordering Less
- b. Ordering Excess only
- c. Ordering Less only
- d. None of the above

Ans :- d

114. Category signage is the biggest form of signage in a store

- a. True
- b. False

Ans :- b

115. Why is it important to have an efficient supply chain?

- a. There will be fewer stockouts
- b. Retailers can experience fewer associates are needed to replenish stock
- c. The planning strategy becomes more predictable
- d. Retailers will have more time for customer services
- e. There will be less negotiating with vendors

Ans :- a

