

ADVANCED DIPLOMA IN KNITWEAR STUDIES AND MERCHANDISING
ADVANCED DIPLOMA IN APPAREL STUDIES AND MERCHANDISING

Examination Paper

1st Term 2014

Module Name: 741
Module Code: Apparel Industry and Merchandising
Date: 12 Mar 2014
Time Allowed: **3** hours
Reading Time: **15** minutes
Examination Time: 7:15pm – 10:15pm

This question paper has **3** pages (including this page).

INSTRUCTION TO CANDIDATES:

- This paper has **EDIGHT (8)** questions.
 - Answer any **FIVE (5)** questions
 - All questions carry equal marks.
-

The following tools with an asterisk (*) are **NOT ALLOWED** in the examination:

- Paperback Dictionary *
- Electronic Dictionary *
- Open Book Examination Material *
- Programmable Calculator *

DO NOT TURN OVER THE PAGE UNTIL YOU ARE TOLD TO DO SO

Question 1

The role of marketing manager is to coordinate a successful marketing strategy through the implementation of the marketing process activities. Please identify the key marketing process activities and use example(s) to illustrate. **(100%)**

Question 2

(a) Spell out the dealing terms of FOB and LDP, and give their definitions. **(20%)**

(b) Now you have received an enquiry of quotation of a men's 100% cotton woven shirt with garment wash made in China to USA in terms of FOB and LDP. Please provide your costing to your clients by below conditions. (all prices quoted in US\$) **(80%)**

Fabric cost: 100% cotton woven fabric is \$1.85/yd

Fabric consumption before washing : 2.1yd/pc

Shrinkage of fabric: 3% at both weft and warp

Trims cost: \$0.5/pc

Total wastage (including cutting and sewing) of fabric: 5%

Wastage of trims: 3%

Direct time of labour : 20mins

Wage rate of direct labour: \$3/hr

Washing cost: US\$3/dz

Overheads: \$0.3/pc

Entire operation and administrative expenditure of last year was \$1,500,000 and 5,000,000pcs were produced

Sea freight from China to US: \$0.2/pc

Import duty of a men's cotton woven shirt shipped from China to US: 19.7%

Question 3

(a) Before making decision of buying, people will normally do an information search. **(50%)**
Where are the sources of information? **(20%)**
And describe what factors would affect the amount of information search. **(30%)**

(b) Being a retailer, how would you reduce the information search? **(50%)**

Question 4

(a) How is a supply chain working in the retailing business? Also explain its objective. **(60%)**

(b) Explain the Push/Pull View of Supply Chain Processes with example. **(40%)**

Question 5

- (a) During market week, what would normally happen in meeting? **(60%)**
- (b) After market week, some trial run may be requested by buyer. Being a merchandiser, please describe the pros and cons of trial run. **(40%)**

Question 6

As China is claimed to be the “World’s Factory” today, why do we still need to explore other off shore sourcing places? Give 4 reasons to support your argument. **(100%)**

Question 7

Renminbi (China Currency) has been getting stronger in recent years. For a merchandiser of a sourcing office in Hong Kong of a USA brand, what are the impacts of stronger RMB and what should you do to tackle this issue? List out 4 impacts and 4 solutions for it. **(100%)**

Question 8

Nowadays, apparel industry in Hong Kong including trading and manufacturing is shrinking and its business environment is more competitive than past several decades. Many merchandising companies and operations have been moving out of Hong Kong to mainland China due to cost advantages in wage, rental and efficiency for being closer to the supply chain, and the trend seems to continue. Being a merchandiser, what can you do to overcome such great challenges? Suggest 4 answers. **(100%)**

- END -