

QB365 Question Bank Software Study Materials

Retailing Important 2,3 & 5 Marks Questions With Answers (Book Back and Creative)

11th Standard

Commerce

Total Marks : 75

2 Marks

10 x 2 = 20

- 1) State the meaning of multiple shops.

Answer : A number of identical retail shops with similar appearance normally deal in standardised and branded consumer products established in different localities owned and operated by manufacturers or intermediaries are called as chain stores or multiple shops.

- 2) What are speciality stores?

Answer : Speciality Stores:

Speciality stores deal in a particular type of product under one product line only. For example, Sweet shops specialised in Tirunelveli Halwa.

- 3) What is meant by Vending machines?

Answer : A vending machine is a new and complementary form of retailing. It is a machine operated by coins or tokens. The buyer inserts coin or a token into the machine and receives a specified quantity of a product from the machine.

- 4) What is Retailing?

Answer : Retailing is the process of selling the goods and services directly to the ultimate consumers in small quantities.

- 5) Who are called as Itinerant traders?

Answer : The traders who have no fixed place of sale are called Itinerants

- 6) Who are Fixed shop Retailers?

Answer : The retailers who maintain permanent establishment to sell their goods are called Fixed Shop Retailers. They do not move from place to place to serve their customers

- 7) What is mail order business?

Answer : Mail-order business is selling and buying of goods through post. The mail-order business houses receive orders from the public by post and deliver the articles by post, thus, personal shopping by the consumers is avoided.

- 8) What is teleshopping?

Answer : Teleshopping means shopping done through televisions, computers with internet. Small retail shop owners who have points of sale (POS) and Back Office Computer Systems provide shopping facilities to the customers. The customers connect their personal computers to them through the internet.

- 9) What is meant by street vendors?

Answer : The traders sit on the footpath of the road or at the end of the road (pavement) and sell their goods such as fruits, vegetables, books, etc., are called street vendors.

- 10) What is the name of the retail shop which deals in same type of goods in different localities? Give an example.

Answer : 1. Chain stores - USA

2. Multiple shops -Europe

3. Deal only in particular line of product and specialise in the same. Many such shops are in India.

4. Example : Bata.

3 Marks

10 x 3 = 30

11) Explain the characteristics of Super Markets?

Answer : The important characteristics of Super Market are listed below :

- (i) Supermarkets are generally situated at the main shopping centres
- (ii) The goods kept on racks with clearly labelled price and quality tags in such stores.
- (iii) The customers move into the store to pick up goods of their requirements, bring them to the cash counter, make payment and take home delivery.
- (iv) The goods are sold on cash basis only. No credit facilities are made available.

12) Explain the demerits of Multiple shops.

Answer : Demerits :

1. Limited choice of multiple shops :

They do not offer a wide variety of products to customers to suit different tastes or fashions.

2. Lack of personal services :

They have a limited appeal due to the absence of free home delivery, parking, credit and other services.

3. Lack of initiative :

There is a lack of interest and motivation on the part of paid employees of the stores. Lack of autonomy and the need for frequent reporting to the central office reduces their initiative and creates monotony of work.

4. Red tape :

They suffer from the problem of lack of prompt action or decision.

13) What are Limitations of Multiple Shops?

Answer : (i) Limited Variety :

Multiple shop deal only in limited range of products

(ii) Absence of Services :

Customers do not get credit facilities, home delivery and other facilities in multiple shops.

(iii) Lack of Personal Touch :

The owner has no direct personal contact with the customer. The paid staffs do not take much interest in each and every customer.

(iv) Inflexibility:

All the branches centrally controlled and uniform policies are adopted for all the shops

14) Discuss any three limitation of Multiple shops.

Answer : Limited variety:

Multiple shops deal only in limited range of products.

Absence of services:

Customers do not get credit, home delivery and other facilities.

Lack of personal touch:

The owner loses direct personal contact with the customers. The paid staffs do not take personal interest in each and every customer.

15) Write a short note on Mail order Houses.

Answer : Mail order houses are the retail outlets that sell their merchandise through mail. There is generally no direct personal contact between the buyers and the sellers in this type of trading. The customers may be asked to make full payment in advance or at the time of receiving the goods. In this arrangement, there is no risk of bad debt. Perishable goods like milk are not suitable for sale by mail order. Suitable goods are books, watches, etc.

Procedure for Mail order houses:

1. Advertisements provide information about the products to consumers
2. Order receiving and processing On receiving the orders, the goods are sent to the customers through the post office by Value Payable Post (VPP).
3. Receiving Payments

16) What do you mean by telephonic marketing?

Answer : Potential Customers are contacted through telephone or mobile to provide information about the products. Willing customers visit the office and place the orders. This method is useful for loan, financing, insurance services, credit card, etc. No middlemen in this marketing and cost reduced accordingly.

17) Why do multiple shops have lesser prices for their product than departmental stores?

Answer : The multiple shops do not provide much facilities, spend less on advertisement, deal in a single line of product, etc., so they have prices equal to their cost. Whereas, the departmental stores bear the overheads expenses of advertisement, avails amenities and services to its customers, etc. These costs are met by increasing the cost of the product. Hence, their prices are higher than the multiple shops and the ordinary retailers.

18) How is the profit distributed in co-operative society?

Answer : The consumer's cooperative society gives profit to its members in the form of dividends. But a certain percentage is fixed for it. The members are given bonus on their purchases which is known as a patronage dividends. Some portion of the profit is utilised for, some common good purpose of all.

19) What are the features of multi shops?

Answer : The features of multi shops are:

(i) Location:

These shops are located in fairly populous localities where sufficient number of customers can be approached.

(ii) Nature of product:

These shops deal in a particular product line and specialise in the same product i.e., standardised and branded consumer products.

(iii) Centralised management:

The manufacturing or procurement of goods for all the retail units is centralised at the head office, from where the goods are despatched to each of these shops.

(iv) Fixed price:

The prices of goods are fixed and all sales are made on cash basis.

(v) Role of Sales personnel:

The sales persons play an active role in helping the consumers to complete their shopping i.e., in the selection and choice of their goods as per the tastes.

20) Write note on mail order houses.

Answer : 1. Mail order houses are the retail outlets that sell their merchandise through mail.

2. There is generally no direct personal contact between the buyers and the sellers in this type of trading.

Procedure:

1. Advertisements provide information about the products to consumers.

2. Order Receiving and Processing: On receiving the orders, the goods are sent to the customers through the post office by Value Payable Post (VPP).

3. Receiving Payments

5 Marks

5 x 5 = 25

21) State the features of Departmental Stores.

Answer : A Departmental Store is a large retail establishment offering a wide variety of products, classified into well defined departments

Features:

(i) Large Size:

1. A Departmental store is a large scale retail showroom requiring large capital investment by forming a joint stock company managed by a board of directors.
2. There is a Managing Director assisted by a general manager and several department managers.

(ii) Wide Choice :

It acts as a universal provider of a wide range of products from low priced to very high expense goods e.g. pin to Car to satisfy all the expected human needs under one roof.

(iii) Departmentally organised:

1. Goods offered for sale are classified into various departments.
2. Each department specialises in one line of product and operates as a separate unit.

(iv) Facilities provided:

It provides a number of facilities and services to the customers such as restaurant, rest rooms, recreation, packing, free home delivery, parking, etc.

(v) Centralised purchasing:

All the purchases are made centrally and directly from the manufacturers and operate separate warehouses whereas sales are decentralised in different departments.

- 22) Explain the different types of Retailers.

Answer : Some of the types of retailers are as follows:-

1. Itinerant or Mobile Traders
2. Fixed Shop Retailers
3. Hawkers and Peddlers
4. Market Traders
5. Street Traders
6. Cheap Jacks
7. Fixed-Shop Small Retailers
8. Fixed-Shop Large Retailers
9. Independent Retailers
10. Chain Store Retailers
11. Manufacturer Owned Outlet
12. Franchise Outlet

- 23) Explain the types of Small Fixed Shop Retailers.

Answer : (i) Street Stalls:

These small shop-keepers are commonly found at street crossings or other busy street corners to attract floating customers and deal in cheap variety of goods like hosiery products, toys, soft drinks, etc. They set their supplies from local Suppliers and Wholesalers.

(ii) General Stores:

- (1) General Stores sell a wide variety of products under one roof, most commonly found in a local Market and residential areas to satisfy the day-to-day needs of the customer residing in nearby localities.
- (2) They remain open for long hours at convenient timings and often provide credit facilities to their regular customers. For Example: a provision store deals- in grocery, bread, butter, toothpaste, soaps, Washing Powder, Soft drinks, confectionery, stationery, cosmetics, etc.

(iii) Single line stores:

- (1) Single line stores are small shops which deal in a particular line of products such as garments, stationery, textiles, medicines, shoes, etc.
- (2) They are generally situated in market places and deal in a variety of goods in that line of product.

(iv) Speciality stores:

- (1) Speciality stores deal in a particular type of product under one product line only.
- (2) For Example sweet shops specialised in Tirunelveli Halwa, Bengali Sweets etc.

(v) Seconds Shops:

These shops deal with second-hand goods or used articles in a low price such as books, furniture, utensils, Cloths, automobiles, etc. and also new defective goods.

24) Explain the types of Mobil traders.

Answer : The types of Itinerants are as follows:

a. Peddlers and Hawkers:

Peddlers are individuals who sell their goods by carrying on their head or shoulders moving from place to place on foot.

Hawkers are petty retailers who sell their goods at various places such as bus stop, railway station, Public Park and gardens, residential areas and other public places using a convenient vehicle to carry goods from place to place

b. Street Vendors:

The traders sit on the footpath of the road or at the end of the road (pavement) and sell their goods such as fruits, vegetables, books, etc. are called Street vendors.

c. Market Traders:

Small traders open their shops at different places on fixed days or dates such as every Sunday or alternative Wednesdays and so on (Varasandhai - weekly market). They deal in one particular line of merchandise and in low priced consumer items of daily use. Examples Pollachi, Manapparai, Ranipet, etc.

d. Cheap Jacks:

Those retailers who have independent shops of temporary nature in a business locality are depending upon the potentiality of the area. They deal in consumer goods and services such as shoes and chappals, plastic items, repair of watches, etc.

25) What are the advantages and disadvantages of chain stores?

Answer : Advantages:

a) Economies of large scale:

Multiple shops are owned and operated by manufacturers or intermediaries. Centralised and bulk buying, results in lower costs.

b) Elimination of middlemen:

Goods are sold in multiple shops at relatively low prices. By selling directly to the consumers, it is able to eliminate unnecessary middlemen.

c) No bad debts:

All the sales are made in these shops on cash basis only. So, no bad debts will arise and no reduction of working capitals.

d) Convenience in shopping:

Shops are located in all important areas. Therefore, customers are not required to travel long distances for making purchases.

e) Public confidence:

Multiple shops enjoy public confidence due to fixed prices, standard quality, uniform appearance, and selection of goods with the help of salesmen.

Limitations:

a) Limited variety:

Multiple shops deal only in limited range of products

b) Absence of services:

Customers do not get credit, home delivery and other facilities.

c) Lack of personal touch:

The owner loses direct personal contact with the customers. The paid staffs do not take personal interest in each and every customer.

d) Inflexibility:

All the branches are centrally controlled and uniform policies are adopted for all the shops.