

QUESTION BANK: GTH 501 – APPAREL MERCHANDISING

UNIT I: INTRODUCTION TO MERCHANDISING

PART – A: Multiple Choice Questions (30 Questions)

1. A person who buys goods for personal use is called a _____.
 - a) Retailer
 - b) Consumer
 - c) Wholesaler
 - d) Exporter
2. A person who purchases products from a shop for himself or others is known as a _____.
 - a) Customer
 - b) Manufacturer
 - c) Supplier
 - d) Exporter
3. The process of buying raw materials and executing orders from order receipt to dispatch is known as _____.
 - a) Designing
 - b) Apparel Merchandising
 - c) Quality Control
 - d) Packaging
4. Which type of business unit sells goods directly to the end consumer?
 - a) Exporter
 - b) Importer
 - c) Retailer
 - d) Trader
5. An entity that buys goods from one country and sells them to another country is an _____.
 - a) Importer
 - b) Exporter
 - c) Intermediate trader
 - d) Agent
6. Which export season generally covers lightweight cotton clothing for warm weather?
 - a) Winter
 - b) Autumn
 - c) Spring / Summer

d) Holiday

7. What is the main role of an apparel merchandiser?

- a) Sewing garments
- b) Executing orders from buyer request to final delivery
- c) Designing logos
- d) Repairing machinery

8. Which sample is created first to show the buyer the overall look and fit of a design?

- a) Production sample
- b) Development sample
- c) Shipment sample
- d) TOP sample

9. The sample sent to the buyer to check the actual size, fit, and pattern before production starts is the _____.

- a) Approval sample
- b) Salesman sample
- c) Counter sample
- d) Pre-production (PP) sample

10. A sample used by sales representatives to show clients and gather advance market orders is called a _____.

- a) Salesman sample
- b) Shipment sample
- c) Size set sample
- d) Fabric sample

11. Which sample is pulled directly from the actual running production line for quality check?

- a) Development sample
- b) Production sample
- c) Photo shoot sample
- d) Design sample

12. A sample selected from the final packed carton before dispatching the order to the buyer is called a _____.

- a) Pre-production sample
- b) Shipment sample
- c) Sales sample
- d) Pattern sample

13. Who brings together buyers and manufacturers without taking ownership of goods?

- a) Retailer
- b) Trader / Broker
- c) Consumer
- d) Final Customer

14. The export season that focuses on heavy garments, jackets, and sweaters is _____.

- a) Summer
- b) Spring
- c) Winter
- d) Cruise

15. Buying offices that act on behalf of foreign buyers in garment sourcing countries are called _____.

- a) Retail stores
- b) Sourcing / Buying offices
- c) Mills
- d) Warehouses

16. Which skill is most critical for an apparel merchandiser when negotiating with fabric suppliers?

- a) Pattern drafting
- b) Communication and negotiation skills
- c) Sketching ability
- d) Ironing technique

17. What is the correct sequence in apparel order execution?

- a) Shipment -> Production -> Sampling -> Order receipt
- b) Order receipt -> Sampling -> Production -> Shipment
- c) Production -> Order receipt -> Shipment -> Sampling
- d) Sampling -> Shipment -> Order receipt -> Production

18. Which sample requires buyer sign-off before cutting bulk fabric?

- a) Development sample
- b) Pre-production (PP) sample
- c) Salesman sample
- d) First proto sample

19. A buyer who purchases products directly from overseas garment factories is called an _____.

- a) Importer
- b) Retailer
- c) Local vendor

d) Wholesaler

20. A buying agency's primary job is to _____.

- a) Manufacture fabric
- b) Connect foreign buyers with suitable garment factories
- c) Sell directly to end consumers
- d) Stitch garments

21. Winter, Spring, Summer, and Autumn in apparel export are referred to as _____.

- a) Fashion trends
- b) Buying/Export Seasons
- c) Merchandising plans
- d) Production calendars

22. Assertion (A): The Pre-Production sample (PP sample) must be approved before starting bulk cutting.

Reason (R): PP sample approval ensures that all buyer requirements, trims, and construction details are correct, avoiding costly errors during bulk production.

- a) Both A and R are true, and R is the correct explanation of A
- b) Both A and R are true, but R is NOT the correct explanation of A
- c) A is true, but R is false
- d) A is false, but R is true

23. A factory receives an order for 10,000 t-shirts. The buyer asks for samples to check the sizing for S, M, L, XL sizes. Which type of sample should the merchandiser submit?

- a) Shipment sample
- b) Size set sample
- c) Photo sample
- d) Development sample

24.

Sample Type	Purpose
X	Given to sales agents to get advance store orders
Y	Taken from packed goods just before final dispatch

Identify X and Y correctly:

- a) X = Salesman sample, Y = Shipment sample
- b) X = Pre-production sample, Y = Development sample
- c) X = Fit sample, Y = Counter sample
- d) X = Production sample, Y = Salesman sample

25. An exporter in Tirupur receives an enquiry from a brand in Germany. Who is the Importer and who is the Exporter?

- a) Exporter: Tirupur factory; Importer: German brand
- b) Exporter: German brand; Importer: Tirupur factory
- c) Both are retailers
- d) Both are buying agents

26. Why is a Customer different from a Consumer?

- a) A customer buys the product; a consumer uses the product.
- b) A customer uses the product; a consumer sells the product.
- c) A customer is always a business; a consumer is always an exporter.
- d) There is no difference between them.

27. Arrange the following merchandising sampling steps in the correct chronological order:

- 1. Pre-production sample submission
- 2. Development sample (Proto sample)
- 3. Shipment sample
- 4. Production sample

- a) 2 -> 1 -> 4 -> 3
- b) 1 -> 2 -> 3 -> 4
- c) 4 -> 3 -> 2 -> 1
- d) 2 -> 4 -> 1 -> 3

28. If a merchandiser fails to get sample approval on time, what is the most likely operational impact?

- a) Fabric cost reduces
- b) Bulk production is delayed, leading to missed shipment deadlines
- c) Garment quality automatically improves
- d) Buyer increases order quantity

29. A retailer buys garments from a local wholesaler and sells them directly to individual store visitors. What role does this entity play in the supply chain?

- a) Manufacturer
- b) Retailer
- c) Importer
- d) Buying Office

30. A buying house wants to ensure that a factory in India follows strict quality standards throughout bulk stitching. Which sample check is most suitable during actual ongoing sewing?

- a) Development sample check

- b) TOP / Running Production sample check
- c) Salesman sample check
- d) Design sketch review

PART – B: Descriptive Questions (5 Questions)

1. Define apparel merchandising. Explain the key roles and responsibilities of an apparel merchandiser in a garment export house.
2. Explain the different types of export seasons followed in the international garment industry with suitable examples.
3. Define sampling. Describe the various types of samples prepared in the garment industry from order enquiry to shipment.
4. Differentiate clearly between:
 - a) Customer and Consumer
 - b) Importer and Exporter
 - c) Buyer and Buying Office
5. An apparel export unit in Chennai receives a high-value order for 20,000 summer cotton shirts from a US buyer. Draw a neat process flow diagram showing all merchandising stages from receipt of order to final shipment dispatch. Analyze three critical risk areas in this process flow where delays could cause order cancellation.

ANSWER KEY: PART A (MCQs) — UNIT I

1. b) Consumer
2. a) Customer
3. b) Apparel Merchandising
4. c) Retailer
5. c) Intermediate trader
6. c) Spring / Summer
7. b) Executing orders from buyer request to final delivery
8. b) Development sample
9. a) Approval sample
10. a) Salesman sample
11. b) Production sample
12. b) Shipment sample
13. b) Trader / Broker
14. c) Winter
15. b) Sourcing / Buying offices
16. b) Communication and negotiation skills

- 17. b) Order receipt -> Sampling -> Production -> Shipment
- 18. b) Pre-production (PP) sample
- 19. a) Importer
- 20. b) Connect foreign buyers with suitable garment factories
- 21. b) Buying/Export Seasons
- 22. a) Both A and R are true, and R is the correct explanation of A
- 23. b) Size set sample
- 24. a) X = Salesman sample, Y = Shipment sample
- 25. a) Exporter: Tirupur factory; Importer: German brand
- 26. a) A customer buys the product; a consumer uses the product.
- 27. a) 2 -> 1 -> 4 -> 3
- 28. b) Bulk production is delayed, leading to missed shipment deadlines
- 29. b) Retailer
- 30. b) TOP / Running Production sample check

UNIT II: MERCHANDISING PLANNING

PART – A: Multiple Choice Questions (30 Questions)

- 1. A master document that plans sales goals, stock levels, and purchases for a season is called a _____.
 - a) Merchandising Plan
 - b) Tech pack
 - c) Marker plan
 - d) Pattern draft
- 2. "OTB" in merchandising planning stands for _____.
 - a) Order to Buyer
 - b) Open to Buy
 - c) Over the Box
 - d) Output to Business
- 3. The primary tool used to plan and control inventory investments over a six-month period is the _____.
 - a) Six-Month Merchandise Plan
 - b) Flowchart
 - c) Size chart
 - d) Cost sheet
- 4. A schedule that outlines every step of production with target completion dates is called a _____.

- a) TNA (Time and Action) Calendar
- b) Bill of Materials
- c) Purchase Order
- d) Cut Plan

5. Assortment planning determines the balance between product _____.

- a) Length and weight
- b) Width (breadth) and depth of styles, sizes, and colors
- c) Price and tax
- d) Thread count and needle size

6. Open to Buy (OTB) helps merchandisers understand _____.

- a) How much money is available to purchase additional inventory
- b) How to stitch garments faster
- c) The total weight of exported fabric
- d) The salary of workers

7. Planning sales goals starts with analyzing _____.

- a) Past sales data and market trends
- b) Worker attendance
- c) Machine specifications
- d) Fabric elasticity

8. A Merchandising Calendar helps in _____.

- a) Scheduling tasks to ensure timely order delivery
- b) Calculating tax rates
- c) Designing sewing machine parts
- d) Printing garment labels

9. The variety of different product categories offered by a retailer is called assortment _____.

- a) Depth
- b) Breadth (Width)
- c) Height
- d) Density

10. The number of stock-keeping units (SKUs) or quantity offered within a specific product category is called assortment _____.

- a) Depth
- b) Breadth
- c) Length
- d) Volume

11. What is the first step in creating a new merchandising plan?
- a) Buying stock blindly
 - b) Analyzing previous merchandising plan performance
 - c) Dispatching goods
 - d) Closing the retail store
12. TNA in apparel industry stands for _____.
a) Time and Action
b) Total Net Amount
c) Thread and Needle Assembly
d) Testing and Approval
13. Buying plan in retail merchandising outlines _____.
a) The planned purchases in terms of units and currency for a specific period
b) The list of machine suppliers
c) The factory building map
d) Worker shift timings
14. Reductions in a six-month merchandise plan include _____.
a) Markdowns, employee discounts, and stock shortages
b) Sales profit and tax
c) Fabric weight loss
d) Factory electricity bills
15. In a TNA calendar, the "Target Date" represents _____.
a) The actual date a task was completed
b) The planned date by which a task should be completed
c) The date the order was booked
d) The shipment departure date only
16. Which element is included in a typical 6-month merchandise plan?
a) Planned Sales
b) Planned BOM (Beginning of Month Inventory)
c) Planned Reductions
d) All of the above
17. Merchandising scheduling ensures that garments arrive at retail stores _____.
a) After the season ends
b) Right at the beginning of the selling season
c) Anytime without planning
d) Only during holidays
18. EOM stock in a merchandising plan stands for _____.
a) End of Month
b) End of Merchandise
c) End of Market
d) End of Material

- a) End of Month Stock
- b) Element of Material Stock
- c) Export Order Quantity
- d) Execution of Order Stock

19. BOM stock stands for _____.

- a) Beginning of Month Stock
- b) Bill of Material Stock
- c) Buyer Order Management
- d) Basic Output Measurement

20. Open-to-Buy (OTB) is calculated as _____.

- a) Planned Purchases minus Orders Already Placed (On Order)
- b) Total Sales plus Profit
- c) Total Inventory plus Factory Cost
- d) Fabric Cost minus Trim Cost

21. A critical path in merchandising refers to _____.

- a) The sequence of essential activities in a TNA that directly impacts delivery date
- b) The road taken by the delivery truck
- c) The path inside the factory building
- d) The pattern cutting line

22. A merchandiser has a Planned Purchase budget of \$50,000 for the month of April. Orders already placed (On Order) for April total \$32,000. What is the Open-to-Buy (OTB) amount?

- a) \$82,000
- b) \$18,000
- c) \$1.56
- d) \$50,000

23. Assertion (A): Time and Action (TNA) calendar is considered the backbone of apparel merchandising.

Reason (R): It assigns specific timelines and responsibility for every activity from order confirmation to final shipment.

- a) Both A and R are true, and R is the correct explanation of A
- b) Both A and R are true, but R is NOT the correct explanation of A
- c) A is true, but R is false
- d) A is false, but R is true

24.

Month	Planned Sales	Planned Reductions	Planned EOM Stock	Planned BOM Stock

May	\$20,000	\$2,000	\$30,000	\$25,000

Formula for Planned Purchases = Planned Sales + Planned Reductions + Planned EOM Stock - Planned BOM Stock.

Calculate Planned Purchases for May:

- a) \$27,000
- b) \$23,000
- c) \$52,000
- d) \$17,000

25. A store sells 5 types of shirts (breadth) and each shirt comes in 4 colors and 5 sizes (depth). What is the total number of SKUs?

- a) 14
- b) 20
- c) 100
- d) 50

26. What happens if a merchandiser underestimates "Planned Reductions" in the six-month plan?

- a) The actual available inventory will be lower than expected, leading to stock shortages.
- b) Profit will automatically double.
- c) Sales will automatically increase.
- d) Fabric cost will decrease.

27. If lab dip approval for fabric dyeing is delayed by 10 days in the TNA calendar, what action should the merchandiser take first?

- a) Cancel the order immediately
- b) Compress subsequent activities or request an extension/fast-track dyeing to prevent shipment delay
- c) Ignore the delay and wait until cutting
- d) Ship un-dyed fabric

28. In setting up a Six-Month Plan, which logical step should happen first?

- a) Calculate Open to Buy -> Plan Sales Goals -> Analyze Previous Year's Plan
- b) Analyze Previous Year's Plan -> Forecast Sales Goals -> Determine Stock Levels & Purchases
- c) Dispatch Order -> Plan Sales Goals -> Prepare TNA
- d) Plan Purchases -> Calculate Reductions -> Analyze Previous Plan

29. If a retail brand wants to target a broad customer base with many garment styles but low stock quantity per style, which assortment strategy should it choose?

- a) Broad breadth and shallow depth
- b) Narrow breadth and deep depth
- c) Narrow breadth and shallow depth
- d) Zero breadth and maximum depth

30. A garment factory's shipment date is June 30. Fabric arrival was scheduled for May 15 but actually arrived on June 10. How will this impact the TNA?

- a) Production line will run smoothly without overtime
- b) Critical path is breached, creating high risk of late delivery unless overtime/air freight is used
- c) Delivery date automatically shifts to July 30 without buyer penalty
- d) No impact on production

PART – B: Descriptive Questions (5 Questions)

1. What is a Six-Month Merchandise Plan? Explain the key elements required to prepare a six-month plan in detail.
2. Define Assortment Planning. Explain the concepts of Assortment Breadth (Width) and Assortment Depth with suitable apparel industry examples.
3. Explain Open-to-Buy (OTB). Discuss its purpose, importance, and method of calculation in retail merchandising.
4. What is a Merchandising Calendar? Explain the step-by-step process of preparing a Time and Action (TNA) calendar for an apparel export order.
5. You are the lead merchandiser for an order of 15,000 women's denim jackets with a lead time of 90 days.
 - a) Draft a sample TNA Calendar tabular format listing key activities (Fabric sourcing, Lab dip, PP sample, Cutting, Sewing, Packing, Final Inspection, Shipment) along with target days.
 - b) Suppose the fabric mill delays delivery by 12 days. Analyze how you will re-align the remaining tasks to meet the strict shipment deadline without compromising quality.

ANSWER KEY: PART A (MCQs) — UNIT II

1. a) Merchandising Plan
2. b) Open to Buy
3. a) Six-Month Merchandise Plan
4. a) TNA (Time and Action) Calendar
5. b) Width (breadth) and depth of styles, sizes, and colors
6. a) How much money is available to purchase additional inventory
7. a) Past sales data and market trends
8. a) Scheduling tasks to ensure timely order delivery

- 9. b) Breadth (Width)
- 10. a) Depth
- 11. b) Analyzing previous merchandising plan performance
- 12. a) Time and Action
- 13. a) The planned purchases in terms of units and currency for a specific period
- 14. a) Markdowns, employee discounts, and stock shortages
- 15. b) The planned date by which a task should be completed
- 16. d) All of the above
- 17. b) Right at the beginning of the selling season
- 18. a) End of Month Stock
- 19. a) Beginning of Month Stock
- 20. a) Planned Purchases minus Orders Already Placed (On Order)
- 21. a) The sequence of essential activities in a TNA that directly impacts delivery date
- 22. b) \$18,000
- 23. a) Both A and R are true, and R is the correct explanation of A
- 24. a) \$27,000
- 25. c) 100
- 26. a) The actual available inventory will be lower than expected, leading to stock shortages.
- 27. b) Compress subsequent activities or request an extension/fast-track dyeing to prevent shipment delay
- 28. b) Analyze Previous Year's Plan -> Forecast Sales Goals -> Determine Stock Levels & Purchases
- 29. a) Broad breadth and shallow depth
- 30. b) Critical path is breached, creating high risk of late delivery unless overtime/air freight is used

UNIT III: PRICING AND SALES PROMOTION

PART – A: Multiple Choice Questions (30 Questions)

- 1. Adding a fixed markup percentage to the total cost of production to set the selling price is known as _____.
 - a) Cost-Plus Pricing
 - b) Discriminatory Pricing
 - c) Marginal Cost Pricing
 - d) Loss Leader Pricing

2. Setting different prices for the same product for different buyers or markets is called _____.

- a) Cost-plus pricing
- b) Discriminatory / Differential Pricing
- c) Skimming pricing
- d) Cost-based pricing

3. Pricing a product based only on the additional cost of producing one extra unit is called _____.

- a) Full cost pricing
- b) Marginal Cost Pricing
- c) Premium pricing
- d) Penetration pricing

4. In the AIDA model of advertising, what does 'AIDA' stand for?

- a) Attention, Interest, Desire, Action
- b) Action, Interest, Demand, Approval
- c) Attraction, Investment, Design, Analysis
- d) Advertisement, Intention, Discount, Agreement

5. DAGMAR model in advertising stands for _____.

- a) Defining Advertising Goals for Measured Advertising Results
- b) Direct Advertising Goods for Market Analysis Report
- c) Developing Apparel Goods for Mass Market Reach
- d) Digital Advertising Growth and Marketing Action Plan

6. Which factor is MOST critical when calculating the fabric cost of a garment?

- a) Fabric consumption per garment (GSM, width, marker yield) and fabric unit price
- b) Color of the sewing thread
- c) Type of carton box used
- d) Brand name of sewing machine

7. Short-term incentives given to customers to encourage quick purchase of garments are known as _____.

- a) Personal selling
- b) Sales Promotion
- c) Branding
- d) Public relations

8. Face-to-face communication between a sales representative and a customer to make a sale is called _____.

- a) Public Relations

- b) Personal Selling
- c) Outdoor Advertising
- d) Print Advertising

9. Advertising on buses, trains, and taxis is categorized as _____.

- a) Print advertising
- b) Transit advertising
- c) Television advertising
- d) Point of sale display

10. Billboards and hoardings placed along highways belong to which form of advertising?

- a) Radio advertising
- b) Outdoor advertising
- c) Digital email marketing
- d) Newspaper advertising

11. Building a good public image for a brand through news releases and non-paid media coverage is called _____.

- a) Propaganda / Public Relations
- b) Direct sales
- c) Discounting
- d) Cost-plus pricing

12. The text or written matter printed in an advertisement is called _____.

- a) Layout
- b) Copy (Copywriting)
- c) Slogan
- d) Logo

13. What is the primary purpose of a "Buy One, Get One Free" (BOGO) offer?

- a) Long-term brand building
- b) Immediate sales promotion to clear inventory
- c) Fabric cost reduction
- d) Increasing production capacity

14. What happens when the price of a fashion garment drops significantly?

- a) Demand generally increases
- b) Demand always drops to zero
- c) Production cost automatically increases
- d) Fabric consumption changes

15. What component forms the largest portion (around 60-70%) of the total manufacturing cost of a basic garment?

- a) Packaging cost
- b) Fabric cost
- c) Thread cost
- d) Transportation cost

16. Fabric consumption is usually measured in _____.

- a) Liters per garment
- b) Meters or Yards per garment (or grams for knits)
- c) Square inches per thread
- d) Kilograms per needle

17. Advertising through newspapers and magazines is called _____.

- a) Broadcast advertising
- b) Print advertising
- c) Outdoor advertising
- d) Transit advertising

18. Information spread systematically to influence public opinion, often controlled by an organization, is called _____.

- a) Personal selling
- b) Propaganda
- c) Sampling
- d) Discounting

19. Which pricing strategy covers variable production costs and contributes to fixed overheads during low demand?

- a) Cost-plus pricing
- b) Marginal cost pricing
- c) High-end skimming pricing
- d) Premium pricing

20. A short, memorable catchphrase used in advertising campaigns is called a _____.

- a) Headline
- b) Slogan / Tagline
- c) Body copy
- d) Call to action

21. In garment fabric cost calculation, "Wastage percentage" accounts for _____.

- a) Fabric lost during cutting, damages, and shrinkage
- b) Salary of store managers

- c) Profit margin
- d) Retail store rent

22. A woven shirt requires 1.5 meters of fabric. The fabric costs \$4 per meter. Trims cost \$1, manufacturing labor costs \$2, and factory overheads are \$1. If the manufacturer uses a Cost-Plus pricing strategy with a 25% markup on total cost, what is the final selling price?

- a) \$10.00
- b) \$12.50
- c) \$15.00
- d) \$8.50

23. Assertion (A): Fabric wastage allowance must be included while calculating total garment cost.

Reason (R): Cutting losses, end-bits, fabric defects, and thermal shrinkage reduce the actual usable fabric during garment production.

- a) Both A and R are true, and R is the correct explanation of A
- b) Both A and R are true, but R is NOT the correct explanation of A
- c) A is true, but R is false
- d) A is false, but R is true

24. A luxury apparel brand charges \$500 for a leather jacket in a high-end boutique in New York, but sells the same jacket online during end-of-season clearance in developing markets for \$200. Which pricing strategy is applied?

- a) Cost-plus pricing
- b) Discriminatory / Differential Pricing
- c) Marginal cost pricing
- d) Break-even pricing

25. Stage of AIDA | Consumer Mental State

Attention | Consumer becomes aware of the garment brand

Interest | Consumer feels curious about the garment features

Desire | Consumer develops a strong wish to own the garment

Action | ?

What is the final 'Action' stage?

- a) Consumer ignores the ad
- b) Consumer makes the actual purchase
- c) Consumer asks for a free sample
- d) Consumer files a complaint

26. An apparel store wants to promote its new eco-friendly organic cotton jeans. Which advertising copy combination will be most effective for eco-conscious youth?

- a) Focus on cheap prices only
- b) Emphasize sustainability, trendy fit, and water-saving production process
- c) Show heavy industrial machinery images without product photos
- d) Use confusing legal language

27. What is the effect of an unexpected increase in yarn prices on garment fabric cost?

- a) Fabric cost per meter increases, raising total garment cost and reducing profit margin if price remains fixed
- b) Garment cost decreases
- c) Fabric consumption decreases automatically
- d) No impact on price

28. An exporter has excess stock of 2,000 plain t-shirts. The fixed costs of the factory are already covered by regular orders. To clear this inventory without loss, what is the minimum price the exporter can quote per unit?

- a) Total cost + 50% profit
- b) Price equal to or slightly above the marginal (variable) cost of raw material and labor
- c) Double the retail market price
- d) Free of cost only

29. Which sales promotion technique is best suited for an online apparel store trying to clear last season's stock quickly?

- a) Increasing retail prices
- b) "Flat 50% Off" limited-time clearance sale with promo codes
- c) Television ad without discount mention
- d) Sponsoring a golf tournament

30. Statement 1: "Advertising increases garment cost and makes clothing expensive for consumers."

Statement 2: "Advertising increases sales volume, allowing mass production which lowers per-unit garment cost."

Which inference is correct?

- a) Statement 1 is completely false in all scenarios
- b) Both statements present valid perspective points: initial cost rises due to ad spend, but long-term mass volume reduces unit manufacturing cost
- c) Statement 2 is completely wrong
- d) Advertising has zero relation to sales volume

PART – B: Descriptive Questions (5 Questions)

1. Explain the various pricing methods used in the apparel industry (Cost-plus pricing, Marginal cost pricing, and Discriminatory pricing) with advantages and disadvantages of each.

2. Detail the key factors and step-by-step procedure involved in calculating the total fabric cost for a garment order.

3. Explain the AIDA and DAGMAR models of advertising with clear diagrams and apparel marketing examples.

4. Define Copywriting. Discuss the key components of effective print media advertisement copy for a new fashion clothing brand.

5. A manufacturer is quoting for 5,000 knitted polo t-shirts.

- Fabric consumption = 0.25 kg per t-shirt
- Yarn/Fabric rate = \$8 per kg
- Dyeing and finishing cost = \$2 per kg
- Trims and accessories = \$0.80 per shirt
- Making / CM (Cut and Make) cost = \$1.50 per shirt
- Freight and packaging = \$0.40 per shirt

Tasks:

a) Calculate the total manufacturing cost per t-shirt (including 5% fabric wastage allowance).

b) If the buyer demands a 10% price reduction on your quoted price (including 20% profit margin), justify whether the manufacturer should accept using marginal pricing or suggest cost-cutting methods.

ANSWER KEY: PART A (MCQs) — UNIT III

1. a) Cost-Plus Pricing
2. b) Discriminatory / Differential Pricing
3. b) Marginal Cost Pricing
4. a) Attention, Interest, Desire, Action
5. a) Defining Advertising Goals for Measured Advertising Results
6. a) Fabric consumption per garment (GSM, width, marker yield) and fabric unit price
7. b) Sales Promotion
8. b) Personal Selling
9. b) Transit advertising
10. b) Outdoor advertising
11. a) Propaganda / Public Relations
12. b) Copy (Copywriting)
13. b) Immediate sales promotion to clear inventory
14. a) Demand generally increases
15. b) Fabric cost
16. b) Meters or Yards per garment (or grams for knits)

- 17. b) Print advertising
- 18. b) Propaganda
- 19. b) Marginal cost pricing
- 20. b) Slogan / Tagline
- 21. a) Fabric lost during cutting, damages, and shrinkage
- 22. b) \$12.50
- 23. a) Both A and R are true, and R is the correct explanation of A
- 24. b) Discriminatory / Differential Pricing
- 25. b) Consumer makes the actual purchase
- 26. b) Emphasize sustainability, trendy fit, and water-saving production process
- 27. a) Fabric cost per meter increases, raising total garment cost and reducing profit margin if price remains fixed
- 28. b) Price equal to or slightly above the marginal (variable) cost of raw material and labor
- 29. b) "Flat 50% Off" limited-time clearance sale with promo codes
- 30. b) Both statements present valid perspective points: initial cost rises due to ad spend, but long-term mass volume reduces unit manufacturing cost

UNIT IV: RETAIL MERCHANDISING

PART – A: Multiple Choice Questions (30 Questions)

- 1. The process of selling apparel and accessories directly to the ultimate end-consumer for personal use is called _____.
 - a) Wholesale merchandising
 - b) Retail Merchandising
 - c) Export manufacturing
 - d) Industrial buying
- 2. A large retail store organized into separate departments (e.g., Men's wear, Women's wear, Kids' wear) under one roof is a _____.
 - a) Outlet store
 - b) Department Store
 - c) Warehouse club
 - d) Kiosk
- 3. Retailers that sell goods at lower prices by accepting lower profit margins and pushing high volume are called _____.
 - a) Boutique stores
 - b) Discounters / Discount stores

- c) Luxury stores
- d) Custom tailors

4. Stores owned by garment manufacturers to sell their own overstock, canceled orders, or previous season garments directly to public are called _____.

- a) Departmental stores
- b) Factory Outlet stores / Outlet source
- c) Supermarkets
- d) Mail order houses

5. Retail stores that purchase overruns, second-quality goods, and canceled order stock at deep discounts from manufacturers are _____.

- a) Off-price Retailers
- b) High-end specialty stores
- c) Flagship stores
- d) E-tailers

6. A retail store format where members pay an annual fee to buy apparel and bulk goods at deeply discounted wholesale prices is a _____.

- a) Department store
- b) Warehouse Club
- c) Boutique
- d) Pop-up shop

7. Selling garments directly to consumers through websites, mobile applications, and online portals is known as _____.

- a) Mail order retailing
- b) E-Tailing (Electronic Retailing)
- c) Door-to-door selling
- d) Wholesale distribution

8. Selling goods through printed catalogs sent to customers' homes via post/courier is called _____.

- a) Mail Order Merchants / Catalog Retailing
- b) E-Tailing
- c) Visual display
- d) Boutique store

9. Buying canceled export garments or slow-moving stock at extremely low price to clear factory space is called _____.

- a) Premium buying
- b) Close-out buying
- c) Custom ordering

d) Pre-order

10. Non-store retailing includes which of the following selling methods?

- a) E-Tailing and Mail Order
- b) Department Stores
- c) Discount Hypermarkets
- d) Shopping Malls

11. Which retail store format focuses strictly on a specific narrow product category (e.g., only bridal wear or only sportswear) with expert service?

- a) Specialty Store / Boutique
- b) Warehouse club
- c) Discount store
- d) Outlet store

12. Macy's, Marks & Spencer, and Nordstrom are classic examples of _____.

- a) Discount stores
- b) Department Stores
- c) Mail order catalogs
- d) Warehouse clubs

13. TJ Maxx and Ross Stores are popular global examples of _____.

- a) Off-price Retailers
- b) Luxury Boutiques
- c) E-Tailing websites
- d) Departmental stores

14. What is the major advantage of E-tailing over brick-and-mortar physical stores?

- a) Customers can feel the fabric texture before buying
- b) 24/7 accessibility without physical store space limits
- c) Zero product returns
- d) Instant physical delivery

15. What is a key challenge faced by E-tailers in the apparel market?

- a) High garment return rates due to size and fit issues
- b) Lack of internet access
- c) Inability to list multiple colors
- d) Over-stitching of seams

16. Selling products through television shopping channels, mobile apps, and internet portals falls under _____.

- a) Store-based retailing
- b) Non-store retailing

- c) Traditional wholesale
- d) Export trading

17. A temporary retail space opened for a short duration to create buzz or clear seasonal inventory is called a _____.

- a) Pop-up store
- b) Department store
- c) Warehouse store
- d) Permanent outlet

18. In retail, "Close-out" stock refers to _____.

- a) Brand-new upcoming season designs
- b) Remaining goods liquidated quickly when a line or store is closing
- c) Custom-tailored garments
- d) High-priced limited editions

19. Costco and Sam's Club are global examples of _____.

- a) Specialty Boutiques
- b) Warehouse Clubs
- c) E-tailing blogs
- d) Street markets

20. "Click and Collect" in modern retail merchandising allows customers to _____.

- a) Order garments online and pick them up at a nearby physical retail store
- b) Stitch garments online
- c) Print fabric at home
- d) Return goods without receipt

21. Direct response TV marketing and catalog selling belong to _____.

- a) In-store retailing
- b) Direct / Non-store retailing
- c) Wholesale manufacturing
- d) Sourcing agencies

22. Assertion (A): Online apparel retailers (E-tailers) experience higher product return rates compared to physical department stores.

Reason (R): Online customers cannot try on garments or touch fabric quality before placing an order.

- a) Both A and R are true, and R is the correct explanation of A
- b) Both A and R are true, but R is NOT the correct explanation of A
- c) A is true, but R is false
- d) A is false, but R is true

23.

Retail Store Type	Pricing Strategy	Product Assortment
Department Store	Full retail / moderate markup	Broad category, mid-to-high quality
Factory Outlet	Discounted (20-50% off retail)	Brand's excess stock, previous season
Off-Price Retailer	Inconsistent deep discount	Mixed brands, overruns, close-outs

A customer wants to buy a premium brand designer dress at 40% below store price. Which store should they visit?

- a) High-street Department Store
- b) Factory Outlet or Off-Price Store
- c) Custom Tailor Shop
- d) Flagship Luxury Store

24. An apparel manufacturer in Tirupur produced 50,000 t-shirts. The foreign buyer canceled the shipment due to a minor delay. The manufacturer wants to liquidate the entire lot quickly without ruining its regular brand market image. Which channel should they choose?

- a) Selling to close-out buyers / off-price exporters
- b) Displaying in high-end luxury boutiques
- c) Burning the goods
- d) Selling individually through high-cost mail order catalogs

25. Order placement online -> Payment processing -> Warehouse picking & packing -> Courier delivery -> Customer doorstep.

This logistical sequence belongs to:

- a) Departmental store retailing
- b) E-Tailing workflow
- c) Visual merchandising display
- d) Factory sewing assembly

26. Compare Department Stores and Specialty Boutiques:

- a) Department stores have narrow selection; Boutiques sell everything.
- b) Department stores cover multiple product lines under one roof; Boutiques specialize deeply in a single fashion niche.
- c) Boutiques are always cheaper than department stores.
- d) Department stores do not have physical store buildings.

27. A startup apparel brand wants to test customer demand for a new denim fit with minimal capital investment in real estate rent. Which retail model should they adopt first?

- a) Open 10 large department stores in prime shopping malls
- b) Launch an E-Tailing platform and a temporary Pop-up store
- c) Build a multi-story warehouse club
- d) Establish a factory outlet chain

28. Why do Warehouse Clubs require customers to pay a membership fee?

- a) To cover losses from selling garments at near-wholesale margins
- b) To pay for customer garment alteration services
- c) To restrict entry to fabric manufacturers only
- d) To fund TV advertising

29. What is the impact of Omnichannel retailing (integrating physical stores + E-tailing + social media)?

- a) Customer shopping experience becomes seamless, increasing brand reach and total sales
- b) Sales decrease due to store confusion
- c) Fabric wastage increases
- d) Garments become un-stitchable

30. "E-Tailing will completely eliminate physical retail apparel stores in the near future." Evaluate this statement:

- a) True, physical stores are already completely closed worldwide.
- b) False, because many customers still prefer trying fit, touching fabrics, and immediate physical gratification provided by store shopping.
- c) True, internet removes the need for clothes.
- d) False, because e-tailing does not exist in fashion.

PART – B: Descriptive Questions (5 Questions)

1. Define Retail Merchandising. Explain the classification of apparel retail formats (Store-based vs. Non-store retailing) with examples.

2. Compare and contrast the following retail store types:

- a) Department Stores vs. Discount Stores
- b) Off-Price Retailers vs. Factory Outlets

3. Explain Non-Store Retailing in detail. Discuss the features, growth, and challenges of E-Tailing and Mail Order Retailing in the fashion industry.

4. Define Close-outs and Warehouse Clubs. Explain how these retail formats source inventory and profit from discount operations.

5. A traditional brick-and-mortar menswear retail brand in India is experiencing declining footfalls due to growing consumer shift toward E-Commerce platforms.

a) Analyze the core reasons behind this shift in consumer behavior.

b) Formulate an Omnichannel Strategy for the retailer to combine physical store advantages with digital E-Tailing capabilities.

ANSWER KEY: PART A (MCQs) — UNIT IV

1. b) Retail Merchandising

2. b) Department Store

3. b) Discounters / Discount stores

4. b) Factory Outlet stores / Outlet source

5. a) Off-price Retailers

6. b) Warehouse Club

7. b) E-Tailing (Electronic Retailing)

8. a) Mail Order Merchants / Catalog Retailing

9. b) Close-out buying

10. a) E-Tailing and Mail Order

11. a) Specialty Store / Boutique

12. b) Department Stores

13. a) Off-price Retailers

14. b) 24/7 accessibility without physical store space limits

15. a) High garment return rates due to size and fit issues

16. b) Non-store retailing

17. a) Pop-up store

18. b) Remaining goods liquidated quickly when a line or store is closing

19. b) Warehouse Clubs

20. a) Order garments online and pick them up at a nearby physical retail store

21. b) Direct / Non-store retailing

22. a) Both A and R are true, and R is the correct explanation of A

23. b) Factory Outlet or Off-Price Store

24. a) Selling to close-out buyers / off-price exporters

25. b) E-Tailing workflow

26. b) Department stores cover multiple product lines under one roof; Boutiques specialize deeply in a single fashion niche.

27. b) Launch an E-Tailing platform and a temporary Pop-up store

28. a) To cover losses from selling garments at near-wholesale margins

29. a) Customer shopping experience becomes seamless, increasing brand reach and total sales

30. b) False, because many customers still prefer trying fit, touching fabrics, and immediate physical gratification provided by store shopping.

UNIT V: VISUAL MERCHANDISING

PART – A: Multiple Choice Questions (30 Questions)

1. The art and practice of displaying and presenting products in a retail store to attract customers and induce sales is called _____.

- a) Apparel Merchandising
- b) Visual Merchandising
- c) Fabric Sourcing
- d) Industrial Engineering

2. The structure or architectural canopy projecting over the entrance of a retail store showing the brand name is called a _____.

- a) Signage
- b) Marquee
- c) Awning
- d) Planogram

3. Any visual graphic, display board, or logo sign used to communicate store identity or directions to shoppers is known as _____.

- a) Signage
- b) Seam
- c) Placket
- d) TNA

4. A secondary roof-like fabric or metal cover extending over a storefront window to protect from sun and rain is an _____.

- a) Awning
- b) Marquee
- c) Mannequin
- d) Island display

5. The first visual impression point that invites customers into a retail store from the shopping mall aisle is the _____.

- a) Store Entry / Entrance
- b) Fitting room
- c) Cash counter
- d) Back store room

6. Displaying fashionable outfits on mannequins in front store glass spaces to attract passers-by is called _____.

- a) Window Display
- b) Floor layout
- c) Stockroom arrangement
- d) Point of sale receipt

7. Lighting used in retail stores to highlight specific product displays or mannequins is called _____.

- a) Ambient lighting
- b) Accent lighting
- c) Task lighting
- d) Natural light

8. A small specialized retail shop that offers high-end, trendy, or exclusive fashion apparel and personalized service is a _____.

- a) Boutique
- b) Hypermarket
- c) Wholesale warehouse
- d) Off-price outlet

9. Which principle of visual display helps guide the customer's eye to a main central focal point?

- a) Balance, Focal Point, and Contrast
- b) Random clutter
- c) Complete darkness
- d) Maximum stock piling

10. A three-dimensional life-sized model used to display clothes in retail store windows is a _____.

- a) Hanger
- b) Mannequin
- c) Fixture
- d) Bust form

11. What is a key responsibility of a Visual Merchandiser?

- a) Stitching garment seams
- b) Creating attractive window displays, store layouts, and theme presentations
- c) Negotiating shipping container freight charges
- d) Operating embroidery machines

12. A planogram is a _____.

- a) Visual diagram that shows exactly where specific retail products should be placed on shelves or racks
- b) Gram weight of fabric
- c) Chart of sewing needles
- d) Letter sent to buyers

13. Which display method places merchandise neatly hanging on round or straight metal racks?

- a) Hanging display
- b) Folded shelf display
- c) Dump bin display
- d) Floor pile display

14. Displaying garments grouped by complete color story or coordinated outfits is called _____.

- a) Color blocking / Color story display
- b) Random mixing
- c) Size-wise cluttering
- d) Monochrome packing

15. What visual merchandising problem occurs when store displays are overcrowded with too many garments?

- a) Cluttered display leading to customer confusion and reduced garment value perception
- b) High light reflection
- c) Excess mannequin count
- d) Improved store clean image

16. General overall lighting that provides uniform illumination throughout the entire retail store is called _____.

- a) Ambient lighting
- b) Accent lighting
- c) Spotlight
- d) Neon display

17. Displays located right next to the checkout cash counter to encourage last-minute buying are called _____.

- a) Window displays
- b) Point of Purchase (POP) / Impulse displays
- c) Awning displays
- d) Exterior signages

18. Symmetrical balance in visual merchandising display means _____.

- a) Equal visual weight on both sides of a central vertical axis
- b) One side is completely empty and the other is heavily loaded
- c) Random arrangement of mannequins
- d) Displaying garments upside down

19. Asymmetrical balance in store display creates _____.

- a) Informal dynamic balance using different objects with equal visual weight
- b) Mirror image arrangement
- c) Total chaos
- d) Flat visual appearance

20. What type of display window allows shoppers to look directly through the window into the whole retail store interior?

- a) Closed-back window display
- b) Open-back window display
- c) Shadow box window display
- d) Elevator display

21. A small window display unit used for displaying small items like jewelry, ties, or wallets is called a _____.

- a) Shadow box display
- b) Island display
- c) Open window display
- d) Marquee sign

22. Assertion (A): Effective window displays directly increase store foot traffic and sales conversion.

Reason (R): The storefront window display acts as the "silent salesperson" that creates interest and draws potential buyers into the store.

- a) Both A and R are true, and R is the correct explanation of A
- b) Both A and R are true, but R is NOT the correct explanation of A
- c) A is true, but R is false
- d) A is false, but R is true

23.

Lighting Type	Primary Function in Apparel Store
Ambient Lighting	General overall store visibility
Accent Lighting	Highlighting new arrival focal garments / mannequins
Task Lighting	Illuminating cash counters and fitting rooms

A store wants to highlight its high-end silk saree collection on an island display platform. Which lighting type is most critical?

- a) Task lighting
- b) Accent lighting (spotlights)
- c) Dim night lighting
- d) Standard ambient ceiling tubelight only

24. Match the store front elements with their function:

- 1. Marquee -> A. Protective overhead canvas canopy
- 2. Awning -> B. Main architectural signage board above entrance
- 3. Signage -> C. Directional graphics, brand logo, and promotional posters

- a) 1-B, 2-A, 3-C
- b) 1-A, 2-B, 3-C
- c) 1-C, 2-A, 3-B
- d) 1-B, 2-C, 3-A

25. A visual merchandiser places warm-toned bright lights over a dull beige winter display. Why is this lighting decision correct?

- a) It increases contrast, draws attention, and makes neutral-colored garments look vibrant and appealing.
- b) It hides garment quality defects.
- c) It lowers electricity bills.
- d) It prevents customers from seeing prices.

26. A fashion boutique suffers from customer congestion near the main door while the back sections of the store remain unvisited. What visual merchandising technique should be applied?

- a) Place an attractive focal display / feature wall with bright accent lighting at the rear end of the store to draw customers inward
- b) Lock the back store section
- c) Remove all mannequins from the store
- d) Turn off store lights

27. What is the main drawback of an Open-Back window display compared to a Closed-Back window display?

- a) Open-back window displays can distract the shopper's view with busy interior store activities, reducing focus on the main window garments.
- b) Open-back display requires double lighting cost.
- c) Open-back display cannot use mannequins.
- d) Open-back display is illegal.

28. Store Entrance -> Decompression Zone -> Feature Display / Focal Point -> Primary Aisle -> Cash Counter.

Why is the "Decompression Zone" (first 5 to 15 feet near entrance) kept open and uncluttered?

- a) To allow shoppers to slow down, adjust to store environment, and mentally transition to shopping mode
- b) To store empty cardboard boxes
- c) To line up security guards
- d) To display clearance discount bins

29. If a store displays blue t-shirts, green shorts, and red jackets randomly mixed together on one single rack, what display problem is created?

- a) Lack of color harmony / visual clutter, making it difficult for consumers to coordinate outfits or locate sizes
- b) Improved aesthetic appeal
- c) Reduced fabric shrinkage
- d) Increased margin profit

30. "Visual merchandising is only about making a store look pretty; it does not impact profitability."

Critique this statement:

- a) True, visual arrangement has no connection to revenue.
- b) False, effective visual merchandising optimizes floor space, cross-sells products, guides shopper flow, and directly increases impulse buying and sales volume.
- c) True, aesthetics reduce sales.
- d) False, because visual merchandisers are store security staff.

PART – B: Descriptive Questions (5 Questions)

1. Define Visual Merchandising. Discuss the key elements of store exterior display (Signage, Marquee, Entries, Window Display, Lighting, and Awnings) in detail.

2. Explain the core principles of visual design displays (Balance, Focal Point, Proportion, Rhythm, Color, and Contrast) with neat sketches and store examples.

3. Describe the role and key responsibilities of a Visual Merchandiser in modern retail store operations.

4. Discuss the different methods of merchandise display (Hanging, Folding, Pegging, Island display, Dump display) and analyze common problems faced in retail display execution.

5. You are appointed as the Lead Visual Merchandiser for a new 2,000 sq. ft. exclusive ethnic wear boutique in a high-end mall.

- a) Plan a suitable visual merchandising display layout including storefront window display, interior lighting scheme, focal displays, and mannequin positioning.
- b) Formulate a theme-based window display concept for the upcoming festive/wedding season (e.g., Diwali or Wedding Collection), highlighting props, background, color palette, and lighting strategies.

ANSWER KEY: PART A (MCQs) — UNIT V

- 1. b) Visual Merchandising
- 2. b) Marquee
- 3. a) Signage
- 4. a) Awning
- 5. a) Store Entry / Entrance
- 6. a) Window Display
- 7. b) Accent lighting
- 8. a) Boutique
- 9. a) Balance, Focal Point, and Contrast
- 10. b) Mannequin
- 11. b) Creating attractive window displays, store layouts, and theme presentations
- 12. a) Visual diagram that shows exactly where specific retail products should be placed on shelves or racks
- 13. a) Hanging display
- 14. a) Color blocking / Color story display
- 15. a) Cluttered display leading to customer confusion and reduced garment value perception
- 16. a) Ambient lighting
- 17. b) Point of Purchase (POP) / Impulse displays
- 18. a) Equal visual weight on both sides of a central vertical axis
- 19. a) Informal dynamic balance using different objects with equal visual weight
- 20. b) Open-back window display
- 21. a) Shadow box display
- 22. a) Both A and R are true, and R is the correct explanation of A
- 23. b) Accent lighting (spotlights)
- 24. a) 1-B, 2-A, 3-C
- 25. a) It increases contrast, draws attention, and makes neutral-colored garments look vibrant and appealing.
- 26. a) Place an attractive focal display / feature wall with bright accent lighting at the rear end of the store to draw customers inward

27. a) Open-back window displays can distract the shopper's view with busy interior store activities, reducing focus on the main window garments.

28. a) To allow shoppers to slow down, adjust to store environment, and mentally transition to shopping mode

29. a) Lack of color harmony / visual clutter, making it difficult for consumers to coordinate outfits or locate sizes

30. b) False, effective visual merchandising optimizes floor space, cross-sells products, guides shopper flow, and directly increases impulse buying and sales volume.