



KING FAHD UNIVERSITY OF PETROLEUM & MINERALS
College of Industrial Management
Department of Management & Marketing



Second Semester 2007-2008 (072)
MKT 340-01 & 02: Retailing Management
Section 1

Major Examination 2

May, 2008

Time Allowed: 1 Hour

Full Name of Student:

Student's ID No.....

GENERAL INSTRUCTIONS: *The paper is divided into three sections (A, B and C). Participants are asked to attempt all questions in SECTIONS A and B for 10 Marks and select **ONE** question out of 2 for 10 Marks in SECTION C.*

SECTION A: *This section consists of multiple-choice questions. Attempt all questions for 5 marks*

1) Ahmed has excess money to invest in *Tadawul*. He therefore wanted to find out what the net sales and the net profit after tax were during the year 2007 of Azizia Panda Hypermarkets. Ahmed should look at the company's

- a) Balance sheet
- b) Strategic profit model
- c) Financial Objectives
- d) Income statement

2) Which of the following source of competitive advantage implemented by a Saudi retailer can be less sustainable?

- a) Exclusive Merchandise
- b) Convenient Locations
- c) More employees
- d) Shared systems with vendors

3) Which of the following location opportunities in Jeddah is likely to have a limited trade area?

- a) Merchandise Kiosk
- b) Free Standing Sites
- c) Main Street
- d) Central Business District

4) Which of the following sources of competitive advantage has been the most critical success factor for retailers such as MacDonald's and Starbucks?

- a) More employees
- b) Convenient Location
- c) Bigger Warehouse
- d) Hours of Operation

5) Which of the following locations can best work for a retailer that sells newspapers?

- a) Drug store
- b) Merchandise kiosk
- c) Outlet store
- d) Lifestyle center

- 6) What is the most important element that makes it difficult for retailers to offer consistent customers service?
- a) very costly
 - b) inconsistency of customers
 - c) lack of proper supervision
 - d) lazy staff
- 7) Shopping activity during the weekend is likely to be very brisk in all the following locations in Riyadh except
- a) Free Standing Sites
 - b) Mixed Use Developments
 - c) Central Business District
 - d) Community Centers
- 8) _____ is the geographic area encompassing most of the customers who would patronize a specific retail site.
- a) Share of Wallet
 - b) Trade Area
 - c) Territory
 - d) Region
- 9) Al Kohair Group intends to develop a new mall and has been talking to Hyper Panda to locate in the mall. Retailers that are sometimes courted by such mall developers because they attract a significant number of consumers to a shopping area are often called _____
- a) Traffic
 - b) Anchor
 - c) Shopping Mall
 - d) Outlet Centers
- 10) Which of the following retailer would most likely be found in a power center in Saudi Arabia?
- a) SACO
 - b) Carrefour
 - c) Aldo
 - d) The Gap

SECTION B: This section consists of **True or False questions**. Attempt all questions for 5 marks

- 1) In building a sustainable advantage retailers typically relies on a single approach
- a) True
 - b) False
- 2) Energy costs as a percentage of sales cannot be used to assess the performance of Carrefour's store manager
- a) True
 - b) False
- 3) Saudi retailers such as *ALDO* cannot create an emotional tie with customers.
- a) True
 - b) False
- 4) Another name of power center is strip shopping center
- a) True
 - b) False

- 5) Strategic Alliance is formed when the entering retailer pools its resources with local retailer to form a new company in which ownership, control, and profits are shared.
- a) True
 - b) False
- 6) The use of store space is the only critical asset that can be controlled by store managers in order to enhance store operations productivity.
- a) True
 - b) False
- 7) The performance of a retailer can be accurately assessed by simply looking at isolated measures peculiar to that store
- a) True
 - b) False
- 8) Store design and layouts often need not to be adjusted in different parts of the world
- a) True
 - b) False
- 9) Among all the diversification opportunities open to retailers, related diversifications are considered the riskiest and often are not successful
- a) True
 - b) False
- 10) Choosing a particular location type involves evaluating a series of trade-offs by retailers.
- a) True
 - b) False

SECTION C: Essay Questions

Answer ONE (1) out of two (2) questions for 10 marks.

Note that credit will be given for good ideas and development, organization and coherence, word choice, good sentences and paragraph, grammar and usage, and good conclusion.

- 1a) What is a shopping Mall?
 - 1b) Discuss the advantages, disadvantages and
 - 1c) Challenges that a retailer is likely to face if he decides to go for this location opportunity.
- 2) In many shopping malls in Saudi Arabia, fast-food retailers are located together in an area known as a food court. In your opinion, what are the possible advantages and disadvantages to the fast-food retailers?



