

Buf 2255 Merchandising Planning & Buying
 Final Exam
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Feb

Bl. February

+ Planned sales = 300,000

Planned reductions = 4,000 + 8,000 + 6,000 = 200,000

Planned EOM stock = \$200,000

Total monthly needs = \$520,000

Beg. & month stock = \$140,000

Planned purchases = \$360,000

merch. on order = \$125,000

Open to buy (retail) = \$235,000

Open to buy (cost) = \$117,500 (235,000(2))

Final Answer

March

+ Planned sales = \$200,000

Planned reductions = 4,000 + 8,000 + 12,000 = 24,000

24,000

224,000

- Planned EOM stock = 80,000

Total Monthly needs = 304,000

BOM stock 200,000

106,000

- 15,000 merch. on order

$\frac{91,000}{2}$

\$91,000 open to buy at retail

\$45,500 open to buy at cost

Final Answer

April

$$\begin{aligned} + \text{Planned Sales} &= 300,000 \\ \text{Planned reductions} &= 15,000 + 4,000 + 12,000 \\ &= 31,000 + 300,000 = 331,000 \end{aligned}$$

$$\text{Planned EOM stock} = + 110,000$$

$$\text{Total monthly needs} = 441,000$$

$$\text{BOM stock} = - 80,000$$

$$\text{Planned Purchases} = 361,000$$

$$\text{merch on order} = - 145,000$$

$$\text{Open to buy (retail)} = \$ 216,000$$

$$\text{Open to buy (cost)} = \$ 108,000 \quad (216,000/2)$$

Final Answer.

May

$$+ \text{Planned Sales} = \$ 200,000$$

$$\begin{aligned} \text{Planned reductions} &= 3,000 + 14,000 + 17,000 + 200,000 \\ &= 217,000 \end{aligned}$$

$$\text{EOM Stock} = + 90,000$$

$$\text{Total monthly needs} = \$ 307,000$$

$$\text{BOM stock} = - 110,000$$

$$\text{Planned purchases} = + 197,000$$

$$\text{merch on order} = - 35,000$$

$$\text{Open to buy at (retail)} = + 162,000$$

$$\text{Open to buy at (cost)} = \$ 81,000 \quad (162,000/2)$$

Final Answer.

June

$$+ \text{Planned Sales} = 400,000$$

$$\begin{aligned} \text{Planned reductions} &= 20,000 + 8,000 + 18,000 = 46,000 + 400,000 \\ &= 446,000 \end{aligned}$$

$$\text{EOM Stock} + 210,000$$

$$\text{Total monthly needs} = 656,000$$



Total monthly needs = 656,000
BOM Stock = - 90,000
Planned Purchases = 566,000
- merch. on order = 170,000

(Open to buy at retail) = \$396,000	(396,000/2)	Final Answer
(Open to buy at cost) = \$198,000		

July

Planned Sales = \$200,000
Planned reductions = 25,000 + 14,000 + 6,000 = 45,000
245,000 +
Planned expense = 70,000
Total monthly needs = 315,000
BOM Stock = - 210,000
Planned Purchases = 105,000
merch on order = - 23,000

(Open to buy at retail) = \$82,000	(82,000/2)	Final Answer
(Open to buy at cost) = \$41,000		

B2. Average monthly Sales

February: \$300,000

March: \$200,000

April: \$300,000

May: \$200,000

June: \$400,000

July: \$200,000

Add then divide by 6

$$\boxed{1,600,000 / 6 = \$266,666.67}$$

average monthly sales

Final answer

B3. Average monthly on order

Feb: \$125,000

March: \$15,000

April: \$145,000

May: \$35,000

June: \$170,000

July: \$23,000

Add then divide by 6

$$\boxed{513,000 / 6 = \$85,500}$$

average monthly on order

Final answer

B4. Markdown % for each month

$$\text{Feb: } 8,000 / 300,000 = .026 = \underline{2.67\%}$$

$$\text{March: } 12,000 / 200,000 = .06 = \underline{6\%}$$

$$\text{April: } 4,000 / 300,000 = \underline{1.33\%}$$

$$\text{May: } 3,000 / 200,000 = .015 = \underline{1.5\%}$$

$$\text{June: } 18,000 / 400,000 = .045 = \underline{4.5\%}$$

$$\text{July: } 25,000 / 200,000 = .125 = \underline{12.5\%}$$

Final answers

C1. Feb: \$300,000

March: \$200,000

April: \$300,000

June: \$400,000

July: \$200,000

$$= 1,600,000 \times 9.1\% = \$145,600$$

$$\$145,600 + 1,600,000 = \$1,745,600$$

Increase by 9.1%

C2. Prior year: \$1,740,000

Current year: \$1,600,000

$$= -\$140,000 \text{ decrease in sales}$$

$$(\text{prior})\% = 140,000 / \$1,740,000 = 8.04\%$$