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 Dr. A

Final

Part B

B1)

	Feb.	March	April	May	June	July
Planned Sales	\$300,000	\$200,000	\$300,000	\$200,000	\$400,000	\$250,000
+Planned Reductions	\$ 20,000	\$26,000	\$31,000	\$17,000	\$46,000	\$50,000
+EOM Stock	\$200,000	\$80,000	\$110,000	\$90,000	\$210,000	\$70,000
=Total Monthly Needs	\$520,000	\$306,000	\$441,000	\$307,000	\$656,000	\$370,000
-BOM Stock	\$160,000	\$200,000	\$80,000	\$110,000	\$90,000	\$210,000
=Planned Purchases	\$360,000	\$106,000	\$361,000	\$197,000	\$566,000	\$ 160,000
-Merch on Order	\$125,000	\$15,000	\$145,000	\$35,000	\$170,000	\$24,000
<b>=Open to Buy (at Retail)</b>	<b>\$235,000</b>	<b>\$91,000</b>	<b>\$216,000</b>	<b>\$162,000</b>	<b>\$396,000</b>	<b>\$ 136,000</b>

<b>Open to Buy (at cost)</b>	<b>\$117,500</b>	<b>\$45,500</b>	<b>\$108,000</b>	<b>\$81,000</b>	<b>\$198,000</b>	<b>\$68,000</b>
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B2) Average Monthly Sales= Add planned sales per month then divide by 6 (however many months given in problem)

$$\$300,000 + \$200,000 + \$300,000 + \$200,000 + \$400,000 + \$250,000 = \$ 1,650,000$$

$$\$ 1,650,000 / 6 = \mathbf{\$275,000}$$

B3) Average Monthly on Order= Add all on order then divide by 6 (#of months)

$$\$125,000 + \$15,000+ \$145,000+ \$35,000 + \$170,000+ \$24,000= \$514,000$$

$$\$514,000 / 6 = \mathbf{\$85,666.67}$$
 (\$85666.66)

B4) MD \$ / Planned Sales - per month given

**Feb:**  $\$8,000 / \$300,000 = \mathbf{2.67\%}$

**March:**  $\$12,000 / \$200,000 = \mathbf{6\%}$

**April:**  $\$4,000 / \$300,000 = \mathbf{1.33\%}$

**May:**  $\$3,000 / \$200,000 = \mathbf{1.5\%}$

**June:**  $\$18,000 / \$400,000 = \mathbf{4.5\%}$

**July:**  $\$25,000 / \$250,000 = \mathbf{10\%}$

### Part C

C1) Add all planned sales x % given

Then add sum of planned sales + product of first part (this will be answer in bold)

$$\$ 1,650,000 \times 6.2\% = \$102,300$$

$$\$ 1,650,000 + \$102,300 = \mathbf{\$1,752,300}$$

C2) Previous year sale- sum of all planned sales

%= answer of difference in first part / sum of all planned sales

$\$1,820,000 - \$1,650,000 = \$170,000$

$\% = \$170,000 / \$1,650,000 = 10.30\%$

The XYZ store had an increase in sales. One major factor that led to the increase is due to the fact that in store shopping has increased as COVID restrictions were reduced and now fully lifted. Customers no longer have to wear face masks if they are fully vaccinated (Loeb, 2021). In addition to this, according to Forbes, The National Retail Federation estimates a 10.5% to 13.5% increase in retail atmospheres (Loeb, 2021). As people become more carefree and comfortable with the circumstances surrounding the pandemic more people will be able to roam the streets which means more in store shopping will occur, as seen at store XYZ.

Another reason is that there is economic revival as individuals are being vaccinated, highly decreasing the cases of COVID-19 patients. According to Yahoo Finances, the predictions of the National Retail Federation are reiterated and stand at estimated increases of “\$4.44 trillion to \$4.56 trillion” (Singh, 2021). With online sales jumping “18% and 23% to a range of \$1.09 trillion to \$1.13 trillion”(Singh, 2021). Furthermore, there are changes implemented in order to increase and speed up the supply chains so that retailers may tailor to the rapidly growing economy. As individuals return to in person activities that lead to greater fluctuation of currency in markets allowing businesses to reap its benefits if consumers are spending more.

## References

Loeb, W. (2021, June 20). *In-Store Shopping Is On The Rise – A Good Sign For All Retailers*. Forbes.  
<https://www.forbes.com/sites/walterloeb/2021/06/20/in-store-shopping-is-on-the-rise--a-good-sign-for-all-retailers/?sh=7e25bcc23492>.

Singh, S. (2021, June 11). *Retail Sales Likely to Rise Sharply as Economy Revives: 5 Picks*. Yahoo! Finance.  
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