TRAINERS` NOTES

on MATCOM "Learning Elements" for staff of consumer cooperatives

international labour office, geneva

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MATCOM

Material and techniques for cooperatives management training

The MATCOM Project was launched in 1978 by the International Labour Office, with the financial support of Sweden. In its third phase (1984-1986) MATCOM is financed by Denmark, Finland and Norway.

In collaboration with cooperative organizations and training institutes in all regions of the world, MATCOM designs and produces material for the training of managers of cooperatives and assists in the preparation of adapted versions for use in various countries. MATCOM also provides support for improving the methodology of cooperative training and for the training of trainers.

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# TRAINER'S NOTES

on the MATCOM "Learning Elements" for staff of consumer co-operatives

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ISBN 92-2-105151-X

Printed in Vienna, Austria, 1985
The performance of co-operative shops is obviously of the utmost importance to the development of the consumer co-operative movement.

But a shop is only as good as its staff. Consequently we should spare no effort to improve the staff training programmes for consumer co-operatives.

As trainers we have a great responsibility: we need prompt results and better shop performance. We must, therefore, use training programmes and materials that are effective and job-oriented.

The MATCOM series of study booklets ("Learning Elements") is specifically designed to meet the training needs of consumer co-operatives in developing countries.

This booklet comprises backup notes for the instructors on the use of the MATCOM Elements. There are both general guidelines and detailed notes on each Element.
THE "MATCOM ELEMENTS"

Basic Features

- In their original edition, the Elements are in English.
- Each Element deals with a single specific topic (see the list on page 1.)
- All Elements concentrate on what is essential for the trainee to learn so that he can improve his performance in the shop.
- An Element contains informative texts and illustrations, instructions for work procedures, questions and exercises.
- The Elements are "self-instructional" - the trainee can study them on his own.
- Elements vary in size from 24 to 64 pages and may take the trainee from 1 to 8 hours to complete.
- The instructor assists trainees by checking their answers to the questions and exercises in the Element.
- As a complement to their study of the Element, trainees participate in group discussions and practical assignments organised by the instructor. These exercises form an essential part of the training.

To order MATCOM Elements or a free catalogue of all MATCOM training material, write to:

International Labour Office
PUBLICATIONS Section
CH-1211 GENEVA 22
Switzerland.
A FLEXIBLE SYSTEM

The MATCOM Elements can be utilised in various ways. Here are a few examples:

**Institutional Training**

The trainee studies the Elements as part of his college programme, or studies them at home prior to the college course.

In both cases, the complementary group exercises are organised by the college instructor.

**Extramural Training**

The trainee studies the Elements at home or on the job.

He meets fellow trainees in a "study circle" on a regular basis to follow-up discussions and practical exercises under the guidance of a retail instructor.

Thanks to their "modular design" MATCOM Elements can be used in training programmes at different levels and for various categories of staff.

For example:

Some of the Elements may fit your 'Basic Course for Shop Assistants'.

while others may be just right for your 'Supermarket Manager Course'.

Whatever the target group, there is a possibility of combining the relevant MATCOM Elements with other training material in order to create a more varied and effective programme.
RECOMMENDED APPROACH

for a training course based on MATCOM Elements

1. Independent study of Elements

Give each trainee an Element to study. Ask him to complete the reading within a fixed time and to answer all the questions in the Element in writing.

Note 1: Trainees may alternatively be asked to study several Elements at home, prior to their arrival at the training institute.

Note 2: If it is not possible to give each trainee his own copy of the Element, the training institute may have a set of Elements, which can be repeatedly used; the trainees borrow their copies. In this case they should, of course, write their answers on separate sheets of papers.

2. Checking the answers – feedback

Collect the Elements from the trainees for the separate answer-sheets) and check to see that the questions, including the "Check-out" at the end, have been correctly answered. Hand back the Elements for answer-sheets) to the trainees with your comments and "marks".

Note 1: Feedback of this type greatly reinforces the learning and should take place without delay.

Note 2: It is very important that trainees should understand the real purpose of the questions and exercises in the Element: to help trainees to learn and understand. If the trainees "cheat" and do not actually take the time to do all exercises seriously, they will be the only ones to suffer. They should also properly understand the role of the instructor; he is not there to test the trainees, but to help them with their studies. He must, therefore, check the answers in order to determine whether some particular points require further explanation.
A "review session"

Conduct a session with the main purpose of:

a) Reviewing (summing up) all the main points of the Element;

b) Checking further so as to be certain that all trainees have grasped the contents;

c) Discussing and elaborating further on the more difficult parts of the Element;

d) Preparing for the following "complementary exercises".

Note: It is important that the trainees, not the instructor, should be the most active participants in the review session. The role of the instructor here is to plan the session, elicit ("draw out") from the participants the key points and lead the discussions, but it is the trainees who should give accounts of the subject matter contents, ask and answer questions, report their own experiences, and take part in the discussions. The instructor functions as the co-ordinator and, when needed, as a resource person.

Complementary exercises

Organise some, or all, of the exercises proposed at the end of the Element.

Note 1: Some of the proposed exercises have to be done in a shop. It is therefore recommended that several study visits be organised. These visits must be carefully planned together with the shop managers, so that the exercises can be properly implemented.

Note 2: It is important that each group be given adequate time to report on their findings and recommendations, or to demonstrate the results of their practical assignments.
NON-FORMAL TRAINING ACTIVITIES

Classroom lectures? Not necessarily!

Some examples of other, non-formal, training activities:

Co-operative Officer:

"When I go on a field trip I bring some of the Elements. I give them to shop personnel and ask them to study the booklets until I come back after one month. Then we discuss the Elements and I check if they have applied what they have read. Before I leave I give them some new Elements to study until next time."

Shop Assistant:

"I attended a course at the Co-operative College, where I saw some of the Elements. I was interested so I managed to get some more Elements from the training officer. I study these on my own now. When I have read them I will pass them on to my colleagues."

Supermarket Manager:

"I have translated some of the Elements and reproduced a few copies on our stencil machine. I have scheduled study of the Elements during working hours - not the rush hours, of course - for some of my staff. Then we have group discussions and I let them try out in the shop what they have learnt."

Co-operative Union Instructor:

"I have ten copies of each Element. I have selected a group of ten shop assistants working in various shops in this town. They study an Element at home, then we meet one evening in one of the shops to discuss the Element. We also have some practical exercises. Then I hand out a new Element for their home studies and we meet after three weeks again to discuss the new Element. In this way we go through five Elements in a four months period."

Assistant Registrar:

"We have translated, adapted and reproduced the Elements, so that there is now one set of Elements in each shop. In each district we have a training officer who organises and checks that all staff study the Elements according to a special schedule."

Shop Supervisor:

"I work alone in this little village shop. I have no experience and no one to ask. But I have now read these Elements, and I think I know how to run the shop now. Some of the booklets were a bit advanced for this little shop, but I apply whatever is relevant."

Committee-member:

"Before we started this co-operative we had a training programme and we were given some of the MATCOM Elements. They helped us to get things right from the beginning."

College Lecturer:

"I have organised an evening "study circle" for eight shop assistants. It is very informal, no lecturing as such, mostly discussions of the content of the Elements, and we go through the questions together. We meet once a week in a shop, and because of the practical exercises we have really revived that shop."
ADAPTATION OF MATCOM ELEMENTS

Why are MATCOM Elements produced in such a simple way (typewritten, in black and white, without photographs ... )?

The reasons:

Each Element is first prepared in a "universal" edition. This means that it has not been designed with a specific country in mind. In principle, it could be used anywhere in the world by an English-speaking trainee.

From a training point of view, however, it would be much better if everything mentioned in the text referred to conditions in your own country. To take some very basic examples, you would certainly prefer the prices and weights to be stated in the currency and measurements with which you are familiar. In MATCOM's universal edition we have used "Training Dollars" (T$) and the metric system (which you may not have in your country). Also, you may find some of the examples of goods and consumer habits in the MATCOM Elements a little strange ......

You may therefore wish to adapt certain Elements to the conditions in your country. This can easily be done.

Thanks to the simple graphic production technique used, you can easily re-edit any of the pages. Prices, measurements, paragraphs of text or even entire pages can be changed, in your own training institute, using simple reproduction equipment.

Procedure for adapting the Elements:

1. Thorough planning is needed. You should first of all remember that each Element is just one part of a system. This means that you cannot change much of an Element's content without interfering with the system as a whole. Therefore, you should make only minor modifications necessary to facilitate the studies of your trainees.
2. Cover the words or figures to be substituted with white correcting fluid or white adhesive labels (correcting tapes). Then type in the new words and figures.

3. Use a similar technique to alter the illustrations if required.

4. If need be, you can re-type a whole paragraph on a sheet of paper and paste it in position on the original page.

5. Add your name at the bottom of page 2 of the Element, like this:

   Adapted for use in Aybiciland
   by William Oyinka and Tom Alli,
   Federal Co-operative College, Bridgetown.


6. The MATCOM Element thus adapted can be reproduced using any suitable means available. The simple techniques used for the preparation of the original make it possible to print copies on an electro-stencil machine, or to make offset copies of better quality.

Translations

The MATCOM Elements have also been published in French, by ILO. In addition, work is going on in several countries to translate the Elements to the national languages, e.g. Arabic, Burmese, Chinese, several Indian languages, Bahasa Indonesia, Thai, Kiswahili, Turkish, Portuguese and Spanish.

Copyright

For copyright reasons, a copy of your adapted and/or translated script should be sent to MATCOM with a request for permission to reproduce and distribute the Element in your country. Such applications are most welcome and permission is granted free of charge.
COLLABORATION

The MATCOM Project will be glad to discuss the possibility of technical assistance to co-operative training institutes interested in the use of MATCOM Elements.

Such assistance could consist of one or more of the following activities:

- Collaboration with retail management teachers with a view to adapting and/or translating the MATCOM Elements.
- Final preparation of adapted originals for reproduction.
- Design of training programmes for staff of consumer co-operatives.
- Running of a "pilot course" based on MATCOM material.
- Training of trainers in the use of the MATCOM training material and retail management training techniques in general.

Requests for any type of collaboration should be sent to:

The MATCOM Project
c/o CO-OP Branch
International Labour Office
CH-1211 GENEVA 22
SWITZERLAND
The following section contains "Trainer's Notes" for each MATCOM Element. The notes are arranged according to topics (see the list of contents on page 1).

When preparing for a training programme, trainers are advised to study the Trainer's Notes along with the Elements.
<table>
<thead>
<tr>
<th></th>
<th>T$</th>
</tr>
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<tbody>
<tr>
<td>Sales</td>
<td>32.000</td>
</tr>
<tr>
<td>- Cost of goods</td>
<td>- 28.800</td>
</tr>
<tr>
<td>= Gross surplus</td>
<td>= 3.200</td>
</tr>
<tr>
<td>- Cost of running the shop</td>
<td>- 3.450</td>
</tr>
<tr>
<td>Net Loss</td>
<td>= - 250</td>
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</tbody>
</table>

**An illustration from the Element "Basic Economics of a Consumer Co-operative"**
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to describe how income is created in retailing, to state the basic kinds of expenditures and the relationship between them and income, to explain why a surplus is necessary and its use in accordance with co-operative principles.

USE:

This Element should be included in basic training programmes for committee members and staff.

PREREQUISITES:

To benefit from this Element the trainee should be able to perform simple percentage calculations.

TIME NEEDED:

For independent study: 4 to 6 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 3 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>20/1</td>
<td>Everybody wants to buy goods as cheaply as possible. But members of co-operative societies should understand that by selling at prices which are too low today, the society may run into difficulties in selling goods in the future. They will then agree that it is better to pay fair prices to secure good services in the future.</td>
</tr>
<tr>
<td>21/1</td>
<td>They used some of the money that ought to have been used for renewing the stock of goods. Thus the stock was reduced. If this continues, the stock will become smaller and smaller and this will also cause the sales to decrease. Consequently, the gross surplus will be further reduced and the net loss will increase.</td>
</tr>
<tr>
<td>29</td>
<td>T$30. The purpose of this example is to show that it is not easy to increase the income from the sales by reducing the prices. The example is greatly simplified. In practice, the effects on the sale of other goods and how the competing shops will act must also be considered.</td>
</tr>
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## BASIC ECONOMICS OF A CONSUMER CO-OPERATIVE cont.

### COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<td>32</td>
<td>See the text following the question.</td>
</tr>
</tbody>
</table>

38. \[
\frac{14}{100} \times 5,000 = 700
\]

- Increased gross surplus = T$ 700
- Increased costs = - 660
- Increased net surplus = T$ 40

Consequently, the employment of another assistant would make sense, provided no other costs increased at the same time.

40. Annual depreciation = T$6,000
   Monthly depreciation = T$1,200

45. \[
\frac{14}{100} \times \text{the extra sales} = 120
\]

   \[
   \text{the extra sales} = T$120 \times \frac{100}{14} = 858
   \]

Therefore, the sales must increase by T$858 to pay for the posters.

### THE COMPLEMENTARY EXERCISES:

#### The "Check-out"

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<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct Answer</td>
<td>b</td>
<td>b</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>c</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>c</td>
<td>b</td>
<td>b</td>
</tr>
<tr>
<td>Ref. page</td>
<td>8</td>
<td>8</td>
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<td>9</td>
<td>12</td>
<td>12</td>
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<td>39</td>
<td>42</td>
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#### 1. The owned capital - the reserves of the society - is more favourable as it does not carry any interest cost. But it is usually not enough, particularly in new societies, for which more capital is needed.

Members' deposits are almost as good as the owned capital. But they might be withdrawn according to certain rules and
THE COMPLEMENTARY EXERCISES:

a small interest might be paid on the deposits, provided there is a net surplus.

Borrowed money carries interest, which may be rather high, particularly on short loans like suppliers' credits. If loans are utilised, there must be money in the society, not only for interest but also for repayment.

Usually, the more owned capital the society has, the easier it is to get loans.

3. Yearly net surplus = 12 x T$1,700 = T$ 20,400
Yearly sales = 12 x T$36,000 = T$432,000
Net surplus is 4.7% of the sales, which is good.

Distribution:

Reserve fund, 25% of the net surplus = T$ 5,100
Interest, 3% of the shares = T$ 480
Remainder for distribution = T$14,820

The T$14,820 is enough to give members 3.4% on their purchases.

However, it is advisable to add more to the reserves and give members less bonus. This would allow for improvements to the shop which would benefit the members.

Instead of paying a bonus, it would be possible to cut prices some 2%. But, for the reasons given on pages 16 to 17, it is better not to do so - unless no improvements to the shop are needed or unless forced to do so through hard competition from other shops.

A net surplus of more than 5% could indicate that the shop is charging prices that are too high.

4. a) Methods to improve the result:
Increase sales
Reduce cost of goods
Reduce running costs

If sales cannot be increased, the cost of goods sold ought to be reduced by T$6,800. That would require a trade margin of 23.2%!

House rent and interest are difficult to reduce. Some other costs could be reduced but that would not be enough. Consequently, if sales and costs of goods could not be changed, it would be impossible to have paid staff.
In conclusion, it is rather unlikely that the trading result would be improved through one action only. A combination of all methods would be necessary.

b) With the same costs and the same trade margin, a T$66,000 increase in sales is needed just to avoid a loss!

c) Price increases cannot be used to increase the income from sales when there is competition from other shops. The society must find other means of attracting the customers. See page 24.

5. a) A net surplus of at least 3% is sufficient.

b) In any case, it is important that the net surplus is large enough to allow improvements such as the expansion of the stock range. In the long run this would benefit the members more than a bonus (patronage refund).

An illustration from the Element "Planning and Controlling the Business".
MATCOM ELEMENT:  PLANNING AND CONTROLLING THE BUSINESS

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should appreciate the need for planning and controlling the income and the expenditures of a co-operative shop. Furthermore, trainees should be able to prepare simple budgets and trading reports, analyse them and recommend the actions needed to improve the trading result.

USE:

The Element should be included in training programmes for managers of co-operative shops. It is also recommended for executive committees of consumer co-operative societies.

PREREQUISITES:

To benefit from this MATCOM Element, the trainee should:

- be able to perform percentage calculations,
- have studied the MATCOM Element "Basic Economics of a Consumer Co-operative" or have the corresponding knowledge.

TIME NEEDED:

For independent study: 6 to 12 hours.
For a review session: 2 to 3 hours.
For the complementary exercises: 3 to 5 hours.
Additional time is needed for Exercise No. 4, depending on local conditions.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>5</td>
<td>Changes in population (membership), customers' income, supplies (shortage of goods), assortment, competition from other shops, etc.</td>
</tr>
<tr>
<td>8</td>
<td>From now on they will have clothes in stock all the time. Therefore, if this year is to be compared with a future &quot;normal&quot; year, they must include the sale of clothes for the whole year and not just for six months.</td>
</tr>
<tr>
<td>9</td>
<td>The two questions on page 9 are supposed to help the trainee get a realistic idea about the total market in his area and about his shop's share of the market. This is im-</td>
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</table>
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers

10 If sales are estimated too optimistically, the estimated gross surplus will be too big as well. This could mislead the management and cause them to spend more money than they can actually afford, thereby causing a loss.

12 Here again, it could be dangerous to estimate the sales too high.

13 \[
\frac{12}{100} \times T$380,000 = T$45,600
\]

14 T$45,600 (= the trade margin)

18 The actual net surplus will be lower than estimated. If the estimate for any of the costs is too low, the result will be a lower than expected net surplus.

20/1 T$20,000 : 10 = T$2,000

20/2 T$8,000 : 5 = T$1,600

22 There will be less goods available for sale in the shop. The reason: if they cannot get another loan, or more contributions from the members, they will be forced to use their working capital, that is the money which is meant for renewing the stock of goods.

27/1 First of all, to secure the development of the shop. By increasing the capital of a shop, the business can be improved and extended. Note that before the capital can be considered as increased, the net surplus must exceed the borrowed capital, which is to be paid back.

Secondly, a net surplus is also needed if the society decides that members are to receive interest on their share capital.
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Finally, a net surplus is needed if members are to get a bonus on their purchases (patronage refund).

The reasons why it is better to plan for a surplus are given on the following pages in the Element. Prices could be reduced only if the estimates show that there will be a very large net surplus.

28

\[
\frac{10 \times \text{T$250,000}}{100} = \text{T$25,000}
\]

It would not be possible to control the development or the trading result until the annual report was ready. Then it would be too late to correct possible mistakes.

The method described for distributing the sales over the months of the year is a simplified one, which does not consider the fact that prices increase gradually during the year. To solve this problem and get more accurate estimates, it would be necessary to use the method described on pages 5 to 12 and estimate each month separately.

\[
\frac{20 \times \text{T$44,000}}{100} = \text{T$39,600}
\]

April, July, August, September, November.

One reason may be that leakage and/or price cuts have been higher than estimated. In this case, a leakage increase from 1% to 1.2% of the sales could have reduced the trade margin.

It is also possible that the average trade margin of 11%, which they aimed at when marking up, does not correspond exactly to the average trade margin of the goods sold. They may have sold more goods, with a comparatively low trade margin, than they expected.
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page  Comments / Correct answers
42  The milk problem is - but not if the sales of milk will be higher than estimated for the following months. The committee should keep a close eye on the development of the milk sales. The employment of a temporary assistant will continue to lower the net surplus every month. If it is possible to terminate the employment within a month or two, the wages paid out up to June (when the increases occur) will not differ much from the estimates. It is difficult to say whether they will manage to keep the annual cost for maintenance and equipment within the estimates. As they have already spent more than one third, it will probably be difficult. It certainly would not be advisable to try to avoid further repairs just because of the estimates. A delayed repair will later become a more expensive repair. Remember that one of the reasons for aiming at a net surplus was to be able to meet any unforeseen costs.
43  \( \frac{\text{T}\$2,975 \times 100}{\text{T}\$29,500} = 10.1 \)
44  They will be able to control to what extent their corrective measures have had effect and if their assumptions about changes in income and costs from one month to another are verified. It also serves as a comparison with the previous year's results and with other shops; it is usually easier to get a fair picture if a longer period is studied.
49  The "Check-out"

Question  Correct Answer  Ref. page
1  b  c  a  b  b  a  c  b  a  b  b  a
2  5f  6f  11f  13f  15f  17f  19f  19f  18  26f  30  37

THE COMPLEMENTARY EXERCISES:

1.  a) Normal sales January to September (if there are no difficulties with the supplies):
THE COMPLEMENTARY EXERCISES

T$250,000 + 10,000 + 10,000 = T$270,000

Expected sales during October and November:

T$270,000  \times 9 = T$30,000 each month.

Expected sales during December:

T$30,000 + 10,000 = T$ 40,000

Summary of normal sales this year:

<table>
<thead>
<tr>
<th>Month</th>
<th>Sales (T$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January - September</td>
<td>270,000</td>
</tr>
<tr>
<td>October</td>
<td>30,000</td>
</tr>
<tr>
<td>November</td>
<td>30,000</td>
</tr>
<tr>
<td>December</td>
<td>40,000</td>
</tr>
<tr>
<td>Total</td>
<td>370,000</td>
</tr>
</tbody>
</table>

Increased stock range next May - December (8 months):

8 \times T$10,000 = T$80,000

Normal sales next year before price increases:

T$370,000 + 80,000 = T$450,000

Normal sales after 4% price increases:

1.04 \times T$450,000 = T$468,000

b) Yearly purchases by one average family:

52 weeks \times 40 = T$ 2,080

\begin{array}{c}
250 \\
350 \\
\hline
\end{array}

T$ 2,680

Yearly purchases by 300 families:

300 \times T$2,680 = T$804,000

The possible total sales in the area are some T$800,000. According to the estimates above, the co-operative shop intends selling more than half of that, leaving less than half to the private shop. Their normal sales of groceries indicate that they have got more than half of the families as customers (370,000 \div 2,080 = 178). If these families buy 3/4 of their clothes and hardware in the co-operative shop next year, the sales will increase by about T$80,000.

Therefore, the estimates seem to be realistic, provided the private trader does not plan some action to increase his share of the market. They must not forget this possibility, and they should try to find out.
Since they already have a large share of the market, it would probably be rather difficult to increase their sales even further. But they could succeed in doing so if they managed to convince more people of the advantages of co-operation. This is too uncertain to be included in the estimates, however.

2. a) Possible reductions  
Reduced number of working hours for the shop assistant.  
No occasional workers.  
Training costs reduced or excluded.  
Depreciation period could be prolonged (if the law permits) in order to reduce annual depreciation costs.  
Purchase of adding machine postponed.  
No insurance.  
Careful use of telephone, electricity, water, etc.  
Use of cheaper stationery, price tags, etc.  
No posters.  
Less cleaning materials.  
No entertainment.

b) Negative consequences  
May cause a decline in service. Some customers may prefer the other shop.  
Same as above.  
Untrained staff may cause certain costs to increase.  
Will cause no harm so long as the extended period still exceeds the lifetime of the building or equipment.  
More work for the staff. Slower customer service. Calculating mistakes.  
Very dangerous. Could cause a big loss.  
-  
-  
May reduce sales.  
Might make the shop less attractive to customers and more attractive to pests, which cause leakage.  
Less "goodwill".

Opinions may differ as to which reductions are likely to cause the least harm. In most cases, the easiest and sometimes only possible way to achieve such a large reduction in costs is to reduce the staff costs.
MATCOM ELEMENT:

CASH AND STOCK MANAGEMENT

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to:

- identify and evaluate various means of financing a consumer co-operative;
- appreciate the importance of sufficient working capital;
- manage the stock of goods so that the available capital is used in an optimal way;
- read a balance sheet and evaluate the financial position and development of a consumers co-operative society;
- prepare a simple cash budget and avoid/reduce negative effects of liquidity problems;
- appreciate the need to adjust working capital to inflation.

USE:

This Element should be included in training programmes for managers of co-operative shops. It is also recommended for training of the members of co-operative executive committees.

PREREQUISITES:

To benefit from this MATCOM Element the trainee should:

- be able to perform percentage calculations;
- have studied the MATCOM Element "Basic Economics of a Consumer Co-operative" or have the corresponding knowledge.

TIME NEEDED:

For independent study: 6 to 8 hours.
For review session: 2 to 3 hours.
For the complementary exercises: 1 to 2 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Owned capital: Shares 15,500</td>
</tr>
<tr>
<td></td>
<td>Grants 8,000</td>
</tr>
<tr>
<td></td>
<td>Reserves 10,500 34,000</td>
</tr>
<tr>
<td></td>
<td>Borrowed capital: Development loan 10,000</td>
</tr>
<tr>
<td></td>
<td>Bank loan 5,000</td>
</tr>
<tr>
<td></td>
<td>Overdraft 15,000</td>
</tr>
<tr>
<td></td>
<td>Members' loan 4,000</td>
</tr>
<tr>
<td></td>
<td>Employer's loan 5,000</td>
</tr>
<tr>
<td></td>
<td>CWS credit 10,000 49,000</td>
</tr>
<tr>
<td></td>
<td>83,000</td>
</tr>
</tbody>
</table>
COMMENSTS ON THE QUESTIONS IN THE ELEMENT:

4) Arrange another loan.

B) 1) and 2) mean the society will own more goods.

3) When the credit or overdraft has been settled by

using earned surplus, the stock will be owned by the society.

4) No change.

11 Long-term: Development loan

Bank loan

Employer's loan

Medium-term: Loan from members (if conditions are un-

changed!)

Short-term: Overdraft

Credit from supplier

13 Development loan 0 Year 1 - 5 (year 6: 300, year 7:

285, etc)

Bank loan 600

Overdraft 2,250

Members' loan 320

Employer's loan 0

CWS credit 1,800 (or 1,650 if you assume the

first month was free)

4,970

14/1 Members' loan 8% interest T$ 400

Bank loan 12% interest 600

Difference 200

14/2 a) Overdraft 15% interest per year: T$ 75 a month

CWS credit 1.5% interest per month: T$ 90 a month

b) Difference T$ 15
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
</table>
| 16   | a) $2,000 + 0.015 \times 2,000 = 2,030$  
     | b) $1.05 \times 2,000 = 2,100$  |

| 20   | a) Cash: $700 + 4,600 = 5,300$  
     | Current liabilities $= 4,500$  
     | The cash is sufficient  
     | b) Current assets $= 47,200$  
     | Current liabilities $= 4,500$  
     | $= 42,700$  |

| 21   | a) Owned capital will be reduced by 3,000 to 36,200; current assets will also be reduced by 3,000.  
     | Some societies show the "surplus for disposal" under a separate heading in the balance sheet:  
     | Surplus for disposal, suggested distribution:  
     | To reserves $= 2,200$  
     | To be paid as bonus to members $= 3,000$  
     | $= 5,200$  
     | b) Liabilities: Long-term loan $+ 5,000$  
     | Assets: Stock of goods $+ 5,000$  |

| 23   | a) Sales per week $= 8,000$  
     | Trade margin 10% $= 800$  
     | Cost of goods $= 7,200$ (provided cost prices are not changed)  
     | b) $= 800$  |

| 26   | a) Stock turn rate $= 8$, gross surplus $= 33,600$  
     | b) " " $= 12 " " = 50,400$  
     | 2) Sales $= 15 \times 39,200 = 588,000$  
     | Gross surplus $= 15 \times 4,200 = 63,000$  
     | 3) In theory: Increase the sales or reduce the average stock.  
     | In practice: Stock only the items most in demand and purchase goods in quantities which can be sold quickly.  
     | Average stock value if stock turn rate is 10 $= 39,200$  
     | if stock turn rate is 14 $= 28,000$  
     | Possible capital reduction $= 11,200$  |
CASH AND STOCK MANAGEMENT  cont.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>1) Cash balance 1 March      600</td>
</tr>
<tr>
<td></td>
<td>Cash in + 30,000</td>
</tr>
<tr>
<td></td>
<td>Cash out</td>
</tr>
<tr>
<td></td>
<td>- purchases - 27,000</td>
</tr>
<tr>
<td></td>
<td>- usual expenses - 2,000</td>
</tr>
<tr>
<td></td>
<td>- insurance - 2,400</td>
</tr>
<tr>
<td></td>
<td>Cash result - 1,400</td>
</tr>
<tr>
<td></td>
<td>Cash balance 31 March - 800</td>
</tr>
</tbody>
</table>

2) Explained in the text on page 31-32.

32 Explained in the text on pages 32-33.

33 When purchasing new stock, Ben may reduce the order so that the items most in demand are given preference. For example, he could omit an item for which there is a substitute, or another, just a little below the reorder level, which might remain in stock until the next ordering day. Another solution would be to reduce the quantity of some items which are bought in large amounts and order them more frequently.

35 Cash 2,200 + 600 = 2,800
Debts due 1,350 + 1,200 = 2,550
The society has sufficient liquidity to settle the debts due, but the safety margin for unexpected expenses is small.

36 a) Working capital 1985 = 55,700 - 12,200 = 43,500
" 1984 = 42,700
Increase 800

b) See 40 below.

38 a) Owned capital 42,000 (60%)
Borrowed capital 28,000 (40%)
Total capital 70,000 (100%)

b) Although the owned capital increased, the society became slightly less self-supporting since the borrowed capital increased comparatively more.

40 Inflation 10% on 42,700 = 4,270.
That is the minimum increase in the working capital if the same amount of goods should be kept in stock. Actually, the working capital decreased in buying power.
CASH AND STOCK MANAGEMENT  cont.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
</table>
| 41   | Old selling price: $200 \times 3.20 = 640$  
New stock: $640 \div 3.40 = 188$ kg could be bought. |

THE COMPLEMENTARY EXERCISES:

1. Preferably, trainees should study the balance sheets from their own societies. Alternatively, the trainer could collect samples from nearby societies or produce fictitious ones.

   The exercise should be carried out according to the chapter "Financial Analysis".

2. It is recommended that trainees be given a simple form to fill out (see page 31). If no real society can be used as example, the trainer should provide necessary information.

An illustration from the Element "Cash and Stock Management".
### HANDY MARGIN CHART

<table>
<thead>
<tr>
<th>MARGIN on SELLING PRICE required</th>
<th>Add to COST PRICE this MARK-UP</th>
<th>or multiply COST PRICE by</th>
<th>MARGIN on SELLING PRICE required</th>
<th>Add to COST PRICE this MARK-UP</th>
<th>or multiply COST PRICE by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td>1.01%</td>
<td>1.01</td>
<td>26%</td>
<td>35.0%</td>
<td>1.35</td>
</tr>
<tr>
<td>2%</td>
<td>2.05%</td>
<td>1.02</td>
<td>27%</td>
<td>37.0%</td>
<td>1.37</td>
</tr>
<tr>
<td>3%</td>
<td>3.1%</td>
<td>1.03</td>
<td>28%</td>
<td>39.0%</td>
<td>1.39</td>
</tr>
<tr>
<td>4%</td>
<td>4.2%</td>
<td>1.04</td>
<td>29%</td>
<td>41.0%</td>
<td>1.41</td>
</tr>
<tr>
<td>5%</td>
<td>5.3%</td>
<td>1.05</td>
<td>30%</td>
<td>43.0%</td>
<td>1.43</td>
</tr>
<tr>
<td>6%</td>
<td>6.4%</td>
<td>1.06</td>
<td>31%</td>
<td>45.0%</td>
<td>1.45</td>
</tr>
<tr>
<td>7%</td>
<td>7.5%</td>
<td>1.08</td>
<td>32%</td>
<td>47.0%</td>
<td>1.47</td>
</tr>
<tr>
<td>8%</td>
<td>8.6%</td>
<td>1.09</td>
<td>33%</td>
<td>49.5%</td>
<td>1.495</td>
</tr>
<tr>
<td>9%</td>
<td>10.0%</td>
<td>1.1</td>
<td>34%</td>
<td>51.5%</td>
<td>1.515</td>
</tr>
<tr>
<td>10%</td>
<td>11.0%</td>
<td>1.11</td>
<td>35%</td>
<td>54.0%</td>
<td>1.54</td>
</tr>
<tr>
<td>11%</td>
<td>12.5%</td>
<td>1.125</td>
<td>36%</td>
<td>56.5%</td>
<td>1.565</td>
</tr>
<tr>
<td>12%</td>
<td>13.5%</td>
<td>1.135</td>
<td>37%</td>
<td>59.0%</td>
<td>1.59</td>
</tr>
<tr>
<td>13%</td>
<td>15.0%</td>
<td>1.15</td>
<td>38%</td>
<td>61.5%</td>
<td>1.615</td>
</tr>
<tr>
<td>14%</td>
<td>16.5%</td>
<td>1.165</td>
<td>39%</td>
<td>64.0%</td>
<td>1.64</td>
</tr>
<tr>
<td>15%</td>
<td>17.5%</td>
<td>1.175</td>
<td>40%</td>
<td>66.5%</td>
<td>1.665</td>
</tr>
<tr>
<td>16%</td>
<td>19.0%</td>
<td>1.19</td>
<td>41%</td>
<td>69.5%</td>
<td>1.695</td>
</tr>
<tr>
<td>17%</td>
<td>20.5%</td>
<td>1.205</td>
<td>42%</td>
<td>72.5%</td>
<td>1.725</td>
</tr>
<tr>
<td>18%</td>
<td>22.0%</td>
<td>1.22</td>
<td>43%</td>
<td>75.5%</td>
<td>1.755</td>
</tr>
<tr>
<td>19%</td>
<td>23.5%</td>
<td>1.235</td>
<td>44%</td>
<td>78.5%</td>
<td>1.785</td>
</tr>
<tr>
<td>20%</td>
<td>25.0%</td>
<td>1.25</td>
<td>45%</td>
<td>81.5%</td>
<td>1.815</td>
</tr>
<tr>
<td>21%</td>
<td>26.5%</td>
<td>1.265</td>
<td>46%</td>
<td>85.0%</td>
<td>1.85</td>
</tr>
<tr>
<td>22%</td>
<td>28.0%</td>
<td>1.28</td>
<td>47%</td>
<td>88.5%</td>
<td>1.885</td>
</tr>
<tr>
<td>23%</td>
<td>30.0%</td>
<td>1.3</td>
<td>48%</td>
<td>92.5%</td>
<td>1.925</td>
</tr>
<tr>
<td>24%</td>
<td>31.5%</td>
<td>1.315</td>
<td>49%</td>
<td>96.0%</td>
<td>1.96</td>
</tr>
<tr>
<td>25%</td>
<td>33.5%</td>
<td>1.335</td>
<td>50%</td>
<td>100.0%</td>
<td>2</td>
</tr>
</tbody>
</table>

*This Handy Margin Chart is from the Element "Pricing".*
MATCOM ELEMENT:

PRICING

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to implement a price policy which gives the desired gross surplus; they should be able to fix the margins for various commodities and calculate retail selling prices using mark-up or margin percentages.

USE:

This Element should be included in basic training programmes for shop managers and supervisors.

PREREQUISITES:

To benefit from this Element, the trainee should

have studied the MATCOM Elements "Basic Economics of a Consumer Co-operative" and "Planning and Controlling the Business" or have the corresponding knowledge;
be able to do simple percentage calculations;
have some retail shop experience.

TIME NEEDED:

For independent study: 6 to 12 hours.
For a review session: 2 to 4 hours.
For the complementary exercises: 6 to 8 hours.

Additional time may be needed for exercises on arithmetic (percentage calculations).

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Selling prices are T$ 8.96 9.20 10.00 9.00 6.76 27.00 81.44 163.15.</td>
</tr>
<tr>
<td>7</td>
<td>Cost price T$108. Total selling price = 1.25 x 108 = T$135. Selling price for one pineapple = T$135 : 250 = T$0.54</td>
</tr>
<tr>
<td>10</td>
<td>Total selling price = 1.20 x T$228 = T$273.60 Selling price for one bottle = T$273.60 : 60 = T$4.56</td>
</tr>
</tbody>
</table>
### PRICING cont.

**COMMENTS ON THE QUESTIONS IN THE ELEMENT:**

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
</tr>
<tr>
<td>towels</td>
<td>6  24.00  20  1.20  28.80  4.80</td>
</tr>
<tr>
<td>shorts</td>
<td>3  24.60  25  1.25  30.75  10.25</td>
</tr>
<tr>
<td>batteries</td>
<td>10  14.20  40  1.40  19.88  1.99</td>
</tr>
<tr>
<td>cooking pots</td>
<td>2 12.20 30 1.30 15.86 7.93</td>
</tr>
<tr>
<td>bowls</td>
<td>5  37.20  30  1.30  48.36  9.67</td>
</tr>
<tr>
<td>tablespoons</td>
<td>12  7.20  30  1.30  9.36  0.78</td>
</tr>
<tr>
<td>matches</td>
<td>100  8.30  12  1.12  9.30  0.09</td>
</tr>
<tr>
<td>bicycle tyres</td>
<td>2 14.50 18 1.18 17.11 8.56</td>
</tr>
<tr>
<td>biscuits</td>
<td>100  210.00  12  1.12  235.20  2.35</td>
</tr>
<tr>
<td>tea</td>
<td>24  67.20  10  1.10  73.92  3.08</td>
</tr>
</tbody>
</table>

17

15% - 17.5%  18% - 22%  28% - 39%
20% - 25%  4% - 4.2%  10% - 11%
12% - 13.5%  30% - 43%  13% - 15%

18

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 tuna fish</td>
<td>108.70</td>
<td>13%</td>
<td>15%</td>
<td>1.15</td>
<td>125.01</td>
</tr>
<tr>
<td>24 veg soup</td>
<td>38.40</td>
<td>13%</td>
<td>15%</td>
<td>1.15</td>
<td>44.16</td>
</tr>
<tr>
<td>60 juice</td>
<td>183.00</td>
<td>18%</td>
<td>22%</td>
<td>1.22</td>
<td>223.26</td>
</tr>
<tr>
<td>10 mayonnaise</td>
<td>32.80</td>
<td>18%</td>
<td>22%</td>
<td>1.22</td>
<td>40.02</td>
</tr>
<tr>
<td>5 mustard</td>
<td>10.00</td>
<td>20%</td>
<td>25%</td>
<td>1.25</td>
<td>12.50</td>
</tr>
<tr>
<td>100 cond. milk</td>
<td>99.10</td>
<td>7%</td>
<td>7.5%</td>
<td>1.075</td>
<td>106.53</td>
</tr>
<tr>
<td>10 jam</td>
<td>34.00</td>
<td>18%</td>
<td>22%</td>
<td>1.22</td>
<td>41.48</td>
</tr>
<tr>
<td>24 toil. soap</td>
<td>26.30</td>
<td>15%</td>
<td>17.5%</td>
<td>1.175</td>
<td>30.90</td>
</tr>
<tr>
<td>6 vaseline</td>
<td>9.60</td>
<td>26%</td>
<td>35%</td>
<td>1.35</td>
<td>12.96</td>
</tr>
<tr>
<td>12 plaster</td>
<td>36.00</td>
<td>26%</td>
<td>35%</td>
<td>1.35</td>
<td>48.60</td>
</tr>
<tr>
<td>10 combs</td>
<td>3.70</td>
<td>26%</td>
<td>35%</td>
<td>1.35</td>
<td>5.00</td>
</tr>
<tr>
<td>200 clothes pegs</td>
<td>13.40</td>
<td>23%</td>
<td>30%</td>
<td>1.3</td>
<td>17.42</td>
</tr>
<tr>
<td>2 brooms</td>
<td>8.60</td>
<td>26%</td>
<td>35%</td>
<td>1.35</td>
<td>11.61</td>
</tr>
<tr>
<td>6 tobacco</td>
<td>23.04</td>
<td>9%</td>
<td>10%</td>
<td>1.1</td>
<td>25.34</td>
</tr>
<tr>
<td>5 T-shirts</td>
<td>42.50</td>
<td>28.5%</td>
<td>40%</td>
<td>1.4</td>
<td>59.50</td>
</tr>
<tr>
<td>10 socks</td>
<td>22.20</td>
<td>28.5%</td>
<td>40%</td>
<td>1.4</td>
<td>31.08</td>
</tr>
<tr>
<td>2 hammers</td>
<td>11.00</td>
<td>25%</td>
<td>33.5%</td>
<td>1.335</td>
<td>14.69</td>
</tr>
<tr>
<td>2 axes</td>
<td>24.80</td>
<td>25%</td>
<td>33.5%</td>
<td>1.335</td>
<td>33.11</td>
</tr>
<tr>
<td>195 kerosene</td>
<td>111.40</td>
<td>8%</td>
<td>8.6%</td>
<td>1.086</td>
<td>120.98</td>
</tr>
<tr>
<td>1 bicycle</td>
<td>425.00</td>
<td>22%</td>
<td>28%</td>
<td>1.28</td>
<td>544.00</td>
</tr>
</tbody>
</table>

\[
\frac{28 \times 100}{100 - 15} = T\$32.94 \\
\frac{T\$32.94}{20} = T\$1.65 \text{ (spaghetti)}
\]

\[
\frac{18 \times 100}{100 - 15} = T\$21.18 \\
\frac{T\$21.18}{10} = T\$2.12 \text{ (dried fruit)}
\]
COMMENTS ON PRICES IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>40 sardines 84.00 157 98.82 2.47</td>
</tr>
<tr>
<td>24</td>
<td>tomato sauce 50.40 157 59.29 2.47</td>
</tr>
<tr>
<td>12</td>
<td>marmalade 43.20 177 52.05 4.34</td>
</tr>
<tr>
<td>50</td>
<td>milk powder 64.00 87 69.57 1.39</td>
</tr>
<tr>
<td>10</td>
<td>baking powder 11.50 127 13.07 1.31</td>
</tr>
<tr>
<td>50</td>
<td>beans 31.50 87 34.24 0.68</td>
</tr>
<tr>
<td>150</td>
<td>rice 109.50 6% 116.49 0.78</td>
</tr>
<tr>
<td>50</td>
<td>maize flour 37.50 8% 40.76 0.82</td>
</tr>
<tr>
<td>60</td>
<td>cola drinks 25.50 207 31.88 0.53</td>
</tr>
<tr>
<td>48</td>
<td>baby food 78.72 187 96.00 2.00</td>
</tr>
<tr>
<td>20</td>
<td>sweets 40.00 28% 55.56 2.78</td>
</tr>
<tr>
<td>20</td>
<td>cloth material 84.00 257 112.00 5.60</td>
</tr>
<tr>
<td>100</td>
<td>toilet paper 52.50 257 70.00 0.70</td>
</tr>
<tr>
<td>5</td>
<td>fishing lines 32.25 287 44.79 8.96</td>
</tr>
<tr>
<td>10</td>
<td>insect spray 45.70 227 58.11 5.86</td>
</tr>
<tr>
<td>5</td>
<td>bush knives 47.65 187 58.11 11.62</td>
</tr>
<tr>
<td>8</td>
<td>cement 159.00 157 187.06 23.38</td>
</tr>
<tr>
<td>3</td>
<td>padlocks 28.10 257 37.47 12.49</td>
</tr>
<tr>
<td>20</td>
<td>notebooks 12.00 207 15.00 0.75</td>
</tr>
<tr>
<td>60</td>
<td>pencils 9.00 207 11.25 0.19</td>
</tr>
</tbody>
</table>

32/1 The main reason is to attract customers.

32/2 a) Total cost price = T$30.10 x 3 + T$1.50 = T$91.80

Cost price per bottle = \( \frac{T$91.80}{36} = T$2.55 \)

Total selling price = \( T$91.80 \times 100 \) with 157 margin

with 157 margin 100 - 15 = T$108.00

Total margin = T$108.00 - T$91.80 = T$16.20

Selling price per bottle = \( \frac{T$108.00}{36} = T$3.00 \)

b) "Special" selling price = T$2.75

Margin per bottle = T$2.75 - T$2.55 = T$0.20

Number of bottles to be sold to earn T$16.20 = \( \frac{T$16.20}{T$0.20} = 81 \)

With the "special price", you need to sell 45 bottles more (81 - 36) to avoid reducing your margin.

35 The price should not be increased, but it would be a good idea to make members aware of the very favourable price policy of the Co-operative.
PRICING cont.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / answers

37/1 Selling prices:

Vaseline \( 48 \times T\$0.80 = T\$38.40 \)
Talcum Powder \( 36 \times T\$1.78 = T\$64.08 \)
Skin Lotion \( 12 \times T\$1.96 = T\$23.52 \)
Total selling price \( = T\$126.00 \)
Margin \( = T\$126.00 - T\$96.84 = T\$29.16 \)
Margin % \( \frac{29.16 \times 100}{126} = 23.1\% \)

37/2 Factors:

Price policy (patronage refund or not) 26
The average margin required 27
Government controlled prices 27-28
The rate of stock turn 29-30
Discount offers 31-32
Expected losses, leakage 33
Handling costs 34
Competition 34-35
Manufacturers' recommended prices 36-37

40 The "Check-out"

<table>
<thead>
<tr>
<th>Question</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct answer</td>
<td>c</td>
<td>b</td>
<td>b</td>
<td>c</td>
<td>c</td>
<td>a</td>
<td>c</td>
<td>b</td>
<td>b</td>
<td>c</td>
<td>c</td>
<td>c</td>
<td>a</td>
<td>c</td>
</tr>
<tr>
<td>Ref. page</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>15</td>
<td>17</td>
<td>17</td>
<td>19</td>
<td>6</td>
<td>20</td>
<td>24</td>
<td>27</td>
<td>30</td>
<td>36</td>
</tr>
</tbody>
</table>

THE COMPLEMENTARY EXERCISES:

In addition to the suggested exercises it may be necessary to arrange additional training in percentage calculations.

For the sake of realism, basing these exercises on actual invoices from suppliers is recommended.
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to advise on how to improve their own shops - or how to equip a new shop - with regard to furniture and equipment; they should also be able to recommend a suitable location when planning a new shop.

USE:

The Element should be included in training programmes for committee members, supervisors and managers of smaller shops.

TIME NEEDED:

For independent study: 2 to 4 hours.
For the complementary exercises: 2 to 5 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Rent for the new shop per year 12,000</td>
</tr>
<tr>
<td></td>
<td>Rent for the old shop per year - 2,000</td>
</tr>
<tr>
<td></td>
<td>Rent increase 8,400</td>
</tr>
</tbody>
</table>

The higher sales and the increased surplus in the new shop (estimated at 7,000) will consequently not cover the rent increase, and for this reason a move is not recommended.

9 Location C is safer, but D is a better "selling location", as can be seen from the table on page 9. Because of the higher sales, a shop at D will be able to give good service to the members, especially as the other requirements are also satisfied (security, deliveries). The trainees should specify these factors in their answers to the question.

17 Thatch is not durable, it won't keep out insects and pests, it won't stop burglars and it can easily catch fire.

20 a) Safety is improved if only one door can be opened from the outside.

b) Control is made easier if only one key is available to open that door.
THE COMPLEMENTARY EXERCISES:

1, 2, 3. Groups may need up to one hour for their examinations and to work out their proposals for improvement of the shop and the cost estimations. Sufficient time should then be given to compare and discuss the proposals from the different groups.

4a. A map or a sketch of the area should be shown on the chalkboard, on a handout or by means of the overhead projector. Relevant data should be given about the population in various parts of the area, working places, traffic, public transport, markets, etc., to enable trainees to discuss the most suitable location for a retail shop.

An illustration from the Element "Buildings and Equipment for Small Shops".
MATCOM ELEMENT: BASIC RULES FOR THE DISPLAY OF GOODS

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainee should know the basic rules for the display of goods. He/she should understand why and how the rules should be applied and be able to prepare and maintain a proper display in a counter-service shop.

USE:

The Element should be included in basic training programmes for shop personnel. Trainees from self-service shops ought to study this Element before they study "The Display of Goods in Self-Service Shops".

TIME NEEDED:

For independent study of the Element: 4 - 8 hours.
For the complementary exercises: 6 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Rice, Orange juice, Hair tonic</td>
</tr>
<tr>
<td></td>
<td>Maize flour, Lemonade, Razor blades</td>
</tr>
<tr>
<td></td>
<td>Wheat flour, Wine, Shampoo</td>
</tr>
<tr>
<td></td>
<td>Soap, Soap</td>
</tr>
<tr>
<td></td>
<td>Food grains, Beverages, Toiletries</td>
</tr>
<tr>
<td></td>
<td>Other names of the groups may be accepted, of course.</td>
</tr>
</tbody>
</table>

8

This question should be further discussed in the complementary exercises, see page 32, para. 4 of the Element.

9

The goods on show function as "reminders" for the customers.

Also, the display shows what kind of service the shop is providing. It is a good sign that necessities always are in stock.

Also, compare with Rule 9, page 18 in the Element.

10

Corned beef, tea, pencils, sauce pans and soap should get priority for eye-level display.
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers

There might be objections against tea and soap since they are very common things. But they are very small and there are usually different brands to choose from, therefore they should be displayed at eye-level.

This question should be taken up during the complementary exercises for further discussions in groups. See page 32 in the Element, para. 5.

Some general comments: To increase the consumption of the members is not the purpose of the co-operative shop. But the co-operative shop should try to increase the sales, by having all the members come to the co-operative shop for their needs. In this way the shop will become economically stronger, and be able to give even better service.

The second question: A sign is not sufficient information. The manager should try to find a safe place for the display of one radio and a poster with the price.

The "Check-out"

<table>
<thead>
<tr>
<th>Question</th>
<th>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct</td>
<td>a b c c b b c c a b c b b c c</td>
</tr>
<tr>
<td>answer</td>
<td></td>
</tr>
<tr>
<td>Ref. rule</td>
<td>1 3 - 9 4 16 4 14 3 1 11 5 1 15 16</td>
</tr>
<tr>
<td>Ref. page</td>
<td>7 10 4 18 11 23 11 22 10 7 19 12 7 22 23</td>
</tr>
</tbody>
</table>

THE COMPLEMENTARY EXERCISES:

1. This exercise is a direct application of all the rules presented in this Element. It is important that sufficient time is allocated for exercises b, c and d; at least 4 hours will be needed.

5. See above comments to the question on page 16.
MATCOM ELEMENT: DISPLAY OF GOODS
IN SELF-SERVICE SHOPS

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainee should appreciate the concept of "silent salesmanship" and be familiar with modern techniques for the display of goods; he/she should also be able to organise and maintain the display of goods in a medium-sized self-service shop dealing in food and the most common non-food articles.

USE:

This Element should be included in basic training programmes for personnel self-service shops.

PREREQUISITES:

To benefit from this Element the trainee:

- should have some retail shop experience;
- should already have studied the MATCOM Element on "Basic Rules for Display of Goods" or have the corresponding knowledge.

TIME NEEDED:

For independent study: 4 to 8 hours.
For the complementary exercises: 6 to 12 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page  Comments / Correct answers
5  Advantages of a self-service shop - examples:
    - a self-service shop has the space to display more goods and a larger range of stock;
    - customers can get close to the goods;
    - customers do not have to wait for service;
    - customers buying just a few items can get past those buying more;
    - customers can examine the goods closely and make their own choice;
    - fewer staff are needed, which means lower handling costs;
    - a large volume of sales means good business for the shop.

9/2  If the hardware items are placed near the entrance, more people will notice them as they enter.
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
</table>
| 11   | 1. Not far from the entrance.  
2. By putting up "orientation" signs.  
3. By having set places for all articles.  
4. Near the check-out. |
| 13   | The cashier's work would be made very difficult and the check-out of the customers very time-consuming, if prices were not marked on all goods. |
| 14   | - It will be easy to keep the storeroom in good order and under control.  
- When ordering new goods, it will be easy to check the quantities in stock. |
| 18/1 | a) 60 cans.  
b) To avoid the risk of being out of stock in the case of late delivery or higher sales than normal.  
c) To make it possible to display the contents of two bulk packages (one would not be enough). |
| 19   | Two reasons:  
- Fruit and vegetables are delicate and should be placed on top of the other things in the shopping basket.  
- "Magnetic" articles, like vegetables, meat and dairy products, should not be placed close to each other. |
| 21   | Customers will have difficulties in seeing the small items if they are placed low down. |
| 26   | If many large articles in one group of goods are spread out horizontally on a long shelf, it will be difficult for the customers to see the entire display and select what they want. |
| 32   | In the window, on a notice board or a poster stand. |
| 38   | Bread - butter, cheese, jam, knives, bread trays, bread bins, toasters, etc.  
Orange juice - biscuits, glasses, jugs, drinking straws, etc. |
THE DISPLAY OF GOODS IN SELF-SERVICE SHOPS  cont.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers

Paint - brushes, plaster, sandpaper, masking tape, cleaning liquid, etc.

39 1. To increase the consumption of the members is not the aim of a co-operative shop. But the co-operative society will increase sales if all the members come to the co-operative to buy what they need.

2. Increased sales improve the economy of a shop. The shop will be able to keep better stock, a wider range of stock and reduce prices. The members will gain from the increase in sales.

3. Of course not. If members feel that they have been tricked into buying things which are of bad quality or which they do not need, they will lose faith in their shop. Dubious selling methods will therefore, in the long run, lead to lower sales.

4. Compare with the first question. To be able to maintain and increase the goodwill, the shop has to be the most "attractive" one in the area. The manager of the co-operative shop has the interests of his members/customers in mind at all times and the "atmosphere" of the shop should reflect confidence, fairness, good service and salesmanship.

45 The "Check-out"

| Question | 1 2 3 4 5 6 7 8 9 10 11 12 |
| Correct answer | b b b b a c b c c c a b |
| Ref. page | 4 7 10 10 6f 10 13 16f 16f 21 22 23 |

| Question | 13 14 15 16 17 18 19 20 21 22 23 24 25 |
| Correct answer | a b c b b b c a b c b c c |
| Ref. page | 22 20 20 29 10 31 37 32f 32 34 37 40 41 |

THE COMPLEMENTARY EXERCISES:

Select a medium- or large-sized self-service shop for the practical exercises.
THE COMPLEMENTARY EXERCISES

Each group, consisting of 3 to 5 trainees, should carry out at least two of the practical exercises. Sufficient time should be given for the groups to report and/or demonstrate their work to the other groups, and for discussions. This should also take place in the actual shop.

1. Time needed for b): 20 minutes.
   Time needed for c): 20-30 minutes for the group work; 10 minutes for each group to report.

2. An alternative way to report the findings to the other groups is to place small flags on high stands on the places where "magnetic" goods are displayed. It will then be easy to map out the busiest "shopping route" through the shop and see if any parts of the shop are "isolated".
   Time needed: 30 to 60 minutes, depending on the size of the shop, plus 30 minutes for report and discussions.

3. Time needed: 30 to 120 minutes, depending on the section to be rearranged. For the report/demonstration, each group may need 10 to 20 minutes.

4. Time needed: 30 to 60 minutes, provided that the teacher or the shop manager has made the required material available; 10 minutes for the demonstration and discussions.

5. Time needed: 30 to 60 minutes for the survey; 10 to 20 minutes for each group for the report and discussions.

6. Time needed for group discussion: 30 minutes.
   Time needed for reports: 10 minutes for each group and 20 minutes for plenary discussions.

7. Time needed for the group work: 30 minutes.
   Time needed for reports: 10 minutes for each group and 20 minutes for a plenary discussion.
MATCOM ELEMENT: EASY LETTERING FOR SIGNS AND POSTERS

OBJECTIVES:

Having completed a six-session course on lettering as outlined below and based on this Element, trainees should be able to prepare well-designed price signs and posters for their shops.

USE:

This Element is mainly intended for use in special training courses for staff interested in the preparation of signs and posters.

TIME NEEDED:

For a special course, based on this Element: 6 meetings, each meeting 3 x 45 minutes.

OUTLINE OF A SPECIAL COURSE:

General

Prepare all the material needed for the course; see page 4 in the Element.

The pens should have felt points 5 to 6 mm wide as shown on page 5 in the Element. Make sure that the pens function. They can easily dry up, especially if the caps are not replaced immediately after use.

The lettering style should follow the handwriting style; people who have slanting handwriting, should be allowed to draw slanting block letters.

Only capital letters are used in the Element; it is easier to learn to draw capital only than a mixture of lower and upper case. Moreover, the use of capitals permits variations well-suited to the informative posters common in shops.

During the exercises, regularly show the work of participants to the whole group. Encourage comments, discussions and exchange of ideas.

For comparisons, discussions and development of ideas it is important that all participants work with the same assignments.

Check the spelling, it is easy to become "word-blind" when making signs and posters.

After 45 minutes, or earlier, there should be a break in the exercises.
OUTLINE OF A SPECIAL COURSE:

**Suggested syllabus**

<table>
<thead>
<tr>
<th>Meeting 1</th>
<th>Pages in the Element</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The role of signs and posters</strong></td>
<td>2-3</td>
</tr>
<tr>
<td><strong>Examples of good and bad signs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>The pen, its function and care</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>How to hold the pen; how to draw lines</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Practice drawing lines, vertical and horizontal, broad and even</strong></td>
<td>6-7</td>
</tr>
<tr>
<td><strong>Draw numbers, first on tracing paper, then on white paper or cards without guide lines</strong></td>
<td>8-9</td>
</tr>
<tr>
<td><strong>Common mistakes</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>Draw combinations of numbers, basic price signs</strong></td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meeting 2</th>
<th>Pages in the Element</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review: draw lines and numbers</strong></td>
<td>6-11</td>
</tr>
<tr>
<td><strong>Draw letters, first on tracing paper, then on white paper or cards without guide lines</strong></td>
<td>14-16</td>
</tr>
<tr>
<td><strong>Draw various combinations of letters, short words</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Common mistakes</strong></td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meeting 3</th>
<th>Pages in the Element</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review: draw letters</strong></td>
<td>14-16</td>
</tr>
<tr>
<td><strong>Practice drawing words; demonstrations, advice, exercises</strong></td>
<td>17-23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meeting 4</th>
<th>Pages in the Element</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review: draw letters</strong></td>
<td>17-23</td>
</tr>
<tr>
<td><strong>The price sign - a silent &quot;salesman&quot; - basic rules</strong></td>
<td>11,24</td>
</tr>
<tr>
<td><strong>Variations</strong></td>
<td>12-13,25</td>
</tr>
<tr>
<td><strong>Prepare price signs/cards for actual use in shops</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meeting 5</th>
<th>Pages in the Element</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review: simple price signs</strong></td>
<td>24</td>
</tr>
<tr>
<td><strong>Price signs with both price and text</strong></td>
<td>25-26</td>
</tr>
<tr>
<td><strong>Simple symbols</strong></td>
<td>27</td>
</tr>
<tr>
<td><strong>Prepare price signs for actual use in shops</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meeting 6</th>
<th>Pages in the Element</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review: design of price signs</strong></td>
<td>25-26</td>
</tr>
<tr>
<td><strong>Practice design of larger posters</strong></td>
<td>27-28</td>
</tr>
<tr>
<td><strong>Prepare posters for actual use</strong></td>
<td></td>
</tr>
</tbody>
</table>
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to explain the importance of having an adequate stock range and the consequences of an unsuitable stock range; they should be able to form a stock policy, to select a basic assortment of goods accordingly and to develop and improve the stock range.

USE:

This Element should be included in training programmes for managers of co-operative shops. It is also recommended for executive committees of consumer co-operatives societies.

TIME NEEDED:

For independent study: 2 to 4 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 2 to 3 hours recommended for the study visits and 2 hours for follow-up discussions.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>An assortment of &quot;small width and large depth&quot; would comprise only a few different articles, but there would be several types, sizes and brands of each article.</td>
</tr>
<tr>
<td>12</td>
<td>In such a situation the shop is likely to become an unnecessary link that increases prices and delays distribution. However, if the market does not function well and the society would be able to offer goods of better quality or at lower price, there would be a reason for selling vegetables in the shop.</td>
</tr>
<tr>
<td>14/1</td>
<td>In most cases the members would suffer more if the width of the stock range is reduced. However, this depends on the local situation and it is especially important to consider the stock range of neighbouring shops.</td>
</tr>
<tr>
<td>14/2</td>
<td>Lack of capital may make it necessary to reduce the stock range. However, the stock range may become less attractive than those of the competitors if width and depth of many</td>
</tr>
</tbody>
</table>
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>lines were reduced. It might be less harmful to drop one line completely and keep others intact. The best way of improving the financial situation would be to cease stocking one or more slow-selling lines containing expensive articles. Ideally, there should be a fair supply of these lines in other shops so that the customers do not suffer.</td>
</tr>
<tr>
<td>22</td>
<td>Shop A will serve the customers best, provided there is a demand for both normal and small-size batteries.</td>
</tr>
<tr>
<td>24</td>
<td>See the answer to 14/2</td>
</tr>
<tr>
<td>28/1</td>
<td>If the new article is for the same use as the old one, but in some way better, the customers will prefer buying the new one, as soon as they learn about its advantages. The old one is likely to become a shelf-warmer.</td>
</tr>
</tbody>
</table>

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**The "Check-out"**

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<tr>
<th>Question</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Correct answer</td>
<td>c</td>
<td>b</td>
<td>b</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>b</td>
<td>c</td>
<td>b</td>
<td>c</td>
<td>b</td>
<td>b</td>
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<td>16f</td>
<td>17</td>
<td>16</td>
<td>20</td>
<td>21</td>
<td>26</td>
<td>27</td>
</tr>
</tbody>
</table>

**Stock:** 4 brands of detergent

- STAR
- PAX

$1,000

**Stock:** 1 brand of detergent + many other goods

- PAX

$1,000

Two alternatives, discussed in the Element "The Stock Range".
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to select suppliers of goods, to decide upon economical ordering intervals, to calculate ordering quantities, to implement a practical ordering technique and to deal with shortages and out-of-stock problems.

USE:

The Element should be included in training programmes for shop managers and other staff responsible for the ordering of goods.

TIME NEEDED:

For independent study: 2 to 4 hours.
For review session: 1 to 2 hours.
For the complementary exercises: 3 to 4 hours recommended for the practical group assignment in a shop, 1 to 2 hours for follow-up discussions.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>5</td>
<td>See the text in the picture on the same page.</td>
</tr>
<tr>
<td>8</td>
<td>A system with fixed order days facilitates the ordering work, transports and the receipt of goods. The risk of forgetting to prepare the orders is also reduced. On the following pages in the Element it will also become clear that the fixed intervals are a prerequisite for deciding the &quot;re-order levels&quot; and thus for calculation of order quantities.</td>
</tr>
</tbody>
</table>
| 11   | a) If the "re-order levels" are set too low the goods might be finished before the arrival of new supplies. Consequences: dissatisfied customers, reduced sales, reduced income. In serious cases the customers might fear that goods will not be available on a regular basis, and begin buying essential goods in large quantities whenever they are in the shop. Such practices will disturb the whole ordering system.  

b) If the "re-order levels" are set too high there will be an unnecessarily large stock in the shop. As a consequence more capital than necessary is used for the |
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers

stock. It could be used in a better way, so that the stock range could be extended. It is also likely that the leakage will increase when the goods are stored for a longer time in the shop.

13 Tuna fish 1 package; rice 2; detergent 1; soap 2 or 3

The actual need for soap is 21 bars. Two packages contain only 20 bars, but most likely this will be sufficient. However, soap is an essential commodity and it is not very expensive so it might be better to order 3 packages.

26 The "Check-out"

Question 1 2 3 4 5 6 7 8 9 10 11 12

Correct answer c b b c b b a c a c a

Ref. page 7 7 7 12 12f 14 15 16 17 18f 21 23

THE COMPLEMENTARY EXERCISES:

1. Trainees could especially be asked to identify articles which ought to be ordered in smaller quantities and more frequently. They should calculate how much capital could be made available through such an arrangement. Possible alternative use of that capital should be discussed with the shop manager.

2. If there are many suppliers, trainees should find out why. During the rest of the exercise, they may concentrate their interest only on the goods delivered by a few selected suppliers, or only on certain commodity groups. The latter is recommended for larger shops.

The reports should be discussed during a follow-up session in which representatives of the visited shop should be invited to participate. The session should be concluded with a summary of actions which would lead to:

- improved utilization of the capital invested in stock;
- fewer "out-of-stock incidents";
- improved ordering techniques.
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should appreciate the importance of a high standard of cleanliness and hygiene in food shops, and realise the risks that exist when cleaning is neglected. They should be able to explain what shop personnel should do to limit the spreading of bacteria and other germs, and apply these measures in their daily work and in well-organised, regular cleaning programmes in their shops.

USE:

This Element should be included in basic training programmes for all shop personnel, committee members and inspectors.

TIME NEEDED:

For independent study: 1 to 2 hours.
For a review session: 1 to 2 hours.
For the "Check-out" and the complementary exercises: 2 to 3 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>11</td>
<td>Four reasons:</td>
</tr>
<tr>
<td></td>
<td>- To prevent leakage, and keep costs down.</td>
</tr>
<tr>
<td></td>
<td>- To offer nice and clean goods.</td>
</tr>
<tr>
<td></td>
<td>- To prevent contamination and infection of foodstuffs.</td>
</tr>
<tr>
<td></td>
<td>- To attract customers.</td>
</tr>
<tr>
<td>14</td>
<td>In case the old packets are damaged, they should be offered at reduced price.</td>
</tr>
<tr>
<td>15</td>
<td>To the members it would mean poor service; they cannot be expected to remember the date for closing. To the shop it could mean reduced sales and income, but costs would not be reduced.</td>
</tr>
<tr>
<td>22</td>
<td>The same rule applies as for shelf display: the oldest goods should be placed in front/on top. New packets could be kept &quot;in bulk&quot; in the bottom of the freezer, for instance in large plastic bags.</td>
</tr>
</tbody>
</table>
Illustrations from the Element "Shop Hygiene".
MATCOM ELEMENT:

RECEIPT OF GOODS

OBJECTIVES:
Having completed this Element and the complementary exercises, the trainees should be able to explain the purpose and importance of proper delivery control, to organise and carry out the procedures for checking incoming goods and the actions to be taken in case of discrepancies.

USE:
The Element should be included in basic training programmes for staff of consumer co-operatives.

PREREQUISITES:
To benefit from this MATCOM Element, the trainee should:

have studied the MATCOM Element "Leakage" or have the corresponding knowledge,
have some shop experience.

TIME NEEDED:
For independent study: 1 to 2 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 2 to 4 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>5/1</td>
<td>a) The delivery man.</td>
</tr>
<tr>
<td></td>
<td>b) The supplier's delivery man.</td>
</tr>
<tr>
<td></td>
<td>c) The manager.</td>
</tr>
<tr>
<td></td>
<td>d) Tha Clinni : FY</td>
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</tbody>
</table>

6       When a staff-member of the Co-operative collects the goods from the supplier.

13/1    You will easily discover if any goods are missing (not ticked on the list), or oversupplied (cartons not marked). A proper check must be done in a systematic way.

13/2    See at the bottom of page 12.
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page  Comments / Correct answers

13/3  a) 2 packages.
b) 6 tins.
c)

15  To verify that there actually is a discrepancy at the time of delivery and to avoid possible misunderstandings as to the responsibility for this.

17  You will not be able to carry out the control properly if some goods have been moved. Do not trust your memory.

20  Do not trust your memory. Keep any documents supporting the discount offer, or make a note, so that you are reminded when you check the prices charged.

22  The "Check-out"

Question  1  2  3  4  5  6  7  8  9  10  11  12
Correct answer  c  a  b  b  b  c  a  a  c  b  b  c
Ref. page  6  6  7  9  12  12  13  14  15  17  18  19-21

Staff training "on the job".
MATCOM ELEMENT:  FOOD SPOILAGE AND PRESERVATION

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to explain what causes foodstuff to perish and what can be done to prevent it. They should be able to explain the most common methods for food preservation, and to handle properly the perishable and preserved foodstuffs they sell in their shop.

USE

The Element should be included in training programmes for shop personnel dealing with perishables and preserved foodstuffs.

PREREQUISITES:

To benefit from this Element, the trainees should previously have studied the MATCOM Element "Shop Hygiene" or have the corresponding knowledge.

TIME NEEDED:

For independent study: 12 to 3 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 2 to 3 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<tbody>
<tr>
<td>5</td>
<td>Restaurants and shops are the last link in the distribution chain; the goods are not completely fresh anymore, and may have been contaminated on the way.</td>
</tr>
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<td></td>
<td>Many people are involved in the handling of the foodstuffs; all may not have been properly trained in hygienic working methods.</td>
</tr>
<tr>
<td>7</td>
<td>There is room for 100 of the largest or 5,000 of the smallest bacteria on the line.</td>
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<tr>
<td>14</td>
<td>Vegetables have naturally been contaminated by the surrounding soil and other plants. The bacteria should be prevented from spreading to other foodstuffs.</td>
</tr>
<tr>
<td>24</td>
<td>Compare page 9. Most bacteria multiply fast in the temperature range of +30 +40°C.</td>
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</table>
FOOD SPOILAGE AND PRESERVATION  cont.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
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<tr>
<td>32</td>
<td>The &quot;Check-out&quot;</td>
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<td>7 10 8 9 9 12 11 14 14 17 17 19 21 25 29 30</td>
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</tbody>
</table>

THE COMPLEMENTARY EXERCISES:

Some comments to Exercise No 5: What remedial action can a manager take when he has made a "buying mistake"?

i. Save the goods.

a) To avoid the spreading of mould, etc., remove affected items immediately.

b) Extend the durability through a suitable treatment, e.g. boiling, grilling, salting or freezing. This must, of course, be done while the quality of the product is still acceptable, and the cost of the treatment must be considered and compared to the actual value of the product. Note the problems related to the freezing of larger amounts of foodstuffs, using the normal shop freezers - what will happen to the goods already kept in the freezers?

ii. Sales and/or PR before the goods are spoiled.

a) Sales can be increased through a price reduction. A small price reduction while the products are still fresh is often the best solution. Do not wait too long - nobody wants the goods when they have begun to deteriorate, even if the price is very low. And remember, if price reductions of this type appear too often or regularly, the customers will soon learn to wait for them!

b) Find out if the goods can be taken over by another shop or a large-scale consumer, e.g. a hospital, a restaurant, etc.

c) In any case, customers must be offered the products in time so that they can consume them while the quality is still good. Always remember:

- be honest, tell the customers that the keeping quality is limited;
- do not sell second-rate goods at full price; explain why the price has been reduced.
MATCOM ELEMENT:

WEIGHING AND PREPACKING

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to explain the purpose of prepacking, to decide which goods should be prepacked, to select suitable tools, equipment and materials for prepacking and to organise and carry out the weighing and prepacking in an efficient and economical way.

USE:

The Element should be included in basic training programmes for shop personnel.

TIME NEEDED:

For independent study: 3 to 6 hours.
For review session: 1 hour.
For the complementary exercises: 2 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers

4  Higher prices.
    Sizes, quantities of packets not suitable.

5  This exercise could possibly be taken up as a "complementary exercise" / group discussion after the individual study of the element. One group member should describe how one specific product is handled in his/her shop, giving details about costs, gross margin on this product, leakage problems, cost of packing material and other relevant matters. Group members discuss and eventually recommend how the actual goods should be handled and sold - prepacked

7/1  a - A
     b - D
     c - D
     d - D
     e - A+B

11  a Better hygiene.
    Better service.
    Better display.

     b Better use of labour.
    Leas leakage.
WEIGHING AND PREPACKING  cont.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page  Comments / Correct answers
       b  Better use of labour.
           Less leakage.

19 a  4.80
     b  3.12
     c  3.85

21 Put an empty bottle of exactly the same weight on the weight pan.

33 First count 200 nails and **weigh them**. Then use the scale instead of counting.

36 The "Check-out"

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<tr>
<th>Question</th>
<th>1</th>
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<tbody>
<tr>
<td>Correct answer</td>
<td>c</td>
<td>a</td>
<td>c</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>c</td>
<td>b</td>
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<td>27</td>
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<td>21</td>
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38 a) Place weights of 2 kg and 500 g on the weight pan. Place a weight of 100 g on the other pan together with the meat.

b) Place a weight of 500 g on the weight pan. Place a weight of 100 g on the other pan together with the ham.

c) Weigh 100 g of ham twice.
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to explain the purpose of price-marking, to decide which goods should be price-marked, to select suitable tools and equipment for price-marking, to organise and carry out the price-marking in an efficient and correct way and to attend to the refilling of shelves in the shop correctly and efficiently.

USE:

The Element should be included in basic training programmes for staff of consumer co-operatives.

PREREQUISITES:

To benefit from this MATCOM Element, the trainee should:

- have studied the MATCOM Element "Leakage" or have the corresponding knowledge;
- have some shop experience.

TIME NEEDED:

For independent study: 1 to 3 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 2 to 3 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>5</td>
<td>a) Customers prefer shopping where prices are clearly displayed because it makes it easier for them to compare and decide which goods to buy.</td>
</tr>
<tr>
<td></td>
<td>b) Customers will be charged the correct prices, there will be few mistakes.</td>
</tr>
<tr>
<td>8/1</td>
<td>It should be possible to move and exchange price labels easily without leaving any marks on the edges of the shelves.</td>
</tr>
<tr>
<td>8/2</td>
<td>To be able to read the prices across the counter they prefer big price labels on the shelves. (To be able to check the prices at home, they may also appreciate that prices are marked on all items.)</td>
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</table>
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>10</td>
<td>Dishonest persons may erase prices which are written with a pencil.</td>
</tr>
</tbody>
</table>
| 11   | a) Clothes.  
         b) Tinned food. |
| 13   | Customers and staff will learn where to look for the price. |
| 16   | Because most of the goods are taken into the selling area, only some cartons which have not been opened are kept in the storeroom. |
| 19   | Keep the full and sealed carton in the storeroom until there is enough space on the shelves to display all the content. |

24 The "Check-out"

<table>
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<tr>
<th>Question</th>
<th>1</th>
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<tbody>
<tr>
<td>Correct answer</td>
<td>c</td>
<td>a</td>
<td>c</td>
<td>c</td>
<td>b</td>
<td>b</td>
<td>b</td>
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</table>

From the Element "Price-marking".
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to explain the necessity of good salesmanship in co-operative shops and the roles and responsibilities of the co-operative salesman. They should also be able to identify various types of sales techniques and they should feel motivated towards, and be able to apply, a truly co-operative member-oriented sales technique, based on an understanding of customers/members needs.

USE:

This Element should be included in basic training programmes for staff of all types of co-operative retail shops, counter-service and self-service. However, in view of the importance of the subject, it could also be included in training programmes at higher levels, if it is felt that the trainees do not have sufficient knowledge and skill in this field.

PREREQUISITES:

To benefit from this Element, the trainees should:

- have some retail.shop experience.

TIME NEEDED:

For independent study: 4 to 8 hours.
For a review session: 2 hours.
For the complementary exercises: 3 to 4 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>5, 7</td>
<td>All the statements are true.</td>
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<tr>
<td>10</td>
<td>See the text below the question.</td>
</tr>
<tr>
<td>16</td>
<td>The shop assistants behave very badly in all the situations described. A complementary exercise is suggested as a follow-up to this question, see number 2 on page 43 of the Element. The trainees should then suggest how the shop assistants ought to behave in these situations.</td>
</tr>
<tr>
<td>22</td>
<td>What is the loss of a customer worth in money? Reference is made to the MATCOM Element &quot;Planning and Controlling the Business&quot;, pages 8 to 9.</td>
</tr>
</tbody>
</table>
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers
24 See page 26.
29 See page 30.
33 Examples of "benefits":

You won't burn your fingers ....
This is the only vitamin tablet you need ....
These shoes last longer and they are comfortable ....
You can use as much as you need and keep the rest, and the
children won't be able to open the bottle ....
It is really well-protected ....
These matches do not catch fire on any surface other than
the special striking strip on the box, they cause very
few accidents ....
You will appreciate the taste ....
It will not rust easily ....
This bread will not spoil your teeth, it is very good for
your children's health ....
You do not need a brush and you get a wonderful, even
surface ....

35 House paint: brushes, sandpaper.
Hinges: screws, screwdriver.
Nails: hammer, other tools (plaster!).
Tea: biscuits, sugar, marmalade, teacups.
Flour: baking powder, sugar, yeast.

40 Follow up these questions in the complementary exercises,
see page 43, number 3.

41 The "Check-out"

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<tr>
<td>Correct answer</td>
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<td>c</td>
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<td>b</td>
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<td>39</td>
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</table>

THE COMPLEMENTARY EXERCISES:

1. Characteristics and Benefits

Instruct the trainees to apply the technique of using the word "because", as described on pages 31 to 33. Use simple
THE COMPLEMENTARY EXERCISES:

goods to start with, those having only a few "characteristics".

2. The customer-oriented salesman

When summing up the discussion, stress that the customer-oriented salesman is the only possible type of salesman for a co-operative.

3. Your Personal Appearance

These matters are discussed from a rather general point of view in the Element. Now is the time to be more specific and to work out some guidelines which are relevant to the local societies. Also refer to the Regulations issued by the Health Authorities.

Role Playing

Note the information given in the Element for the briefing of the players, and for the follow-up discussions.

The "salesman" and the "customer" should be briefed separately, neither one knowing the instructions for the other.

(More information about role play exercises can be found in "Participative Teaching Methods", published by ICA/CEMAS.)

Below are a few examples of role plays, many more are needed so that all trainees can take part in these exercises.

1. T-Shirts

Customer brief: You need to buy two T-shirts for your 6 and 12 year old boys. You bought some good ones a year ago for $4 each and you like similar ones now - cotton, colours which do not fade, not white, green if possible, plain, without pictures or slogans. When you come to the shop, simply ask for "T-shirts", and we will see if the salesman is able to help you.

Salesman brief: Check what kind of children's T-shirts you have in stock.

Comments: This example illustrates a common situation, when the salesman has to find out if any of the articles he has in stock will satisfy the customer's need. In the briefing, make sure that the customer knows what he wants. During the role play, observe whether or not the salesman is able to find this out through questions to the customer, and if he can differentiate between "definite" and "pre-
THE COMPLEMENTARY EXERCISES:

ferred" points as shown in the example on page 26 of the Element.

2. **Honey**

**Customer brief:** You buy honey almost every week because the members of your family like it so much. Now you realise that you cannot buy it so often because it is becoming very expensive. However, you do not want to tell them outright in the shop that you cannot afford it. Try to find out in some way or another what you could buy as a cheaper substitute when you now go to do the shopping.

**Salesman brief:** No brief is needed.

**Comments:** This example will expose the salesman's ability to sense the need and problems of a customer, and his willingness to assist.

3. **Drinks**

**Customer brief:** You are going to buy some groceries. You will also buy, as you usually do on Saturdays, some cans of drinks (beer or soft drinks). You like the small metal cans, you do not want bottled drinks, as you find it difficult to carry the empties back to the shop.

**Salesman brief:** Your Society Committee has decided to stop selling drinks in cans. There are several reasons for this: bottles can be re-used, so drinks in bottles are cheaper, empty cans pollute the surroundings, etc. The customers have to pay a deposit for the bottles.

**Comments:** Sometimes the salesmen have to explain things which the customers may take as bad news or as signs of poorer service. Diplomatic tact and ability to inform and explain in a nice way are often needed.

4. **Benefits**

**Salesman brief:** Select one rather complicated article from the stock, e.g. a bicycle, a radio or a gas cooker. Learn the "characteristics" of the article, and then translate these into "benefits". (Compare pages 31 to 33 of the Element.)

**Customer brief:** You have been thinking about buying a ........ same article as selected for the salesman brief). Now you go to the shop to have a look at it. Try to find out everything about it before deciding whether to buy or not.
MATCOM ELEMENT:

SHOPLIFTING

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to apply common methods to prevent shoplifting and to deal with shoplifters.

USE:

The Element should be included in training programmes for managers of self-service shops/supermarkets.

The managers on their part can then use the Element in the training of their own staff.

PREREQUISITES:

To benefit from this MATCOM Element, the trainee should:

- have some retail shop experience;
- have studied the MATCOM Elements "Display of Goods in a Self-service Shop" and "Leakage" or have the corresponding knowledge.

TIME NEEDED:

For independent study: 1 to 3 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 2 to 4 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>12</td>
<td>Customers are given access to the storeroom and it is difficult to control the use of the fitting-room. (See text on page 13)</td>
</tr>
</tbody>
</table>
| 15   | A / Rebuilding the entrance:  
  - no effect on sales  
  - no rebuilding costs  
  B / Narrower entrance by locking one door:  
  - could discourage customers  
  - no costs |
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page  Comments / Correct answers

C / Doorman:
- could discourage customers if not service-minded
- salary cost

C is probably more effective than the other two methods, but most expensive. The best solution depends on salary costs, how common shoplifting is, etc.

16 Foodstuffs satisfy one of our "basic needs", and experience shows that small, expensive and much demanded food articles are attractive to shoplifters.

Very hungry shoplifters may even consume the stolen goods in the shop, before they pass the check-out!

19 These labels could otherwise be removed by a dishonest person and placed on some more expensive item.

32 The "Check-out"

<table>
<thead>
<tr>
<th>Question</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
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<tbody>
<tr>
<td>Correct answer</td>
<td>b</td>
<td>c</td>
<td>b</td>
<td>c</td>
<td>c</td>
<td>b</td>
<td>b</td>
<td>b</td>
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<td>c</td>
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<td>Ref. page</td>
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<td>16</td>
<td>17</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>27</td>
</tr>
</tbody>
</table>
MATCOM ELEMENT:

HANDLING OF CASH

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to handle and keep money, cheques and purchase orders in a secure way.

USE:

The Element should be included in basic training programmes for all shop staff who handle cash. It should be followed by study of one of the Elements on Cash Control, either "Cash Control without a Cash Register", or "Cash Control using a Cash Register".

TIME NEEDED:

For independent study: 1 to 3 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 2 to 4 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers
5 Because of the risk of overcharging the customers. If this happens, customers may lose their confidence in the society.
9 a Probably no 5 - "Special prices for friends", but the answer is not so important. The intention with this question is to get the trainees to think about the amount of losses through various errors.
10 The correct total is T$37.30
12 If you do not stick to the same method all the time, there is a risk that you switch right in the middle of a transaction, and that may cause you to make an error.
24 You cannot present the cheque at the bank until its date. This means that you actually give credit to a customer who is spending his money in advance.
32 a) A thief could easily take the whole box.
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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</thead>
<tbody>
<tr>
<td>33</td>
<td>b) For the above reason the box should not be placed where it can be taken easily, for instance on counter.</td>
</tr>
</tbody>
</table>

THE COMPLEMENTARY EXERCISES:

1. The Work of the Cashier
   a) The actual work methods should be compared with the recommendations in the Element. Remember that safety is more important than speed. Speed will increase after practice.
   b) Do not forget - in this connection - that a cashier must be very service-minded, too.
   c) Price-marking and price information are the most important.

2. Giving Change
   This exercise should preferably be carried out using a common cash till or cash box and real money.

3. Edit Sales
   a) Stress the importance of having a clear policy, so that the cashier always knows what to do if someone asks for credit.
   b) Make sure that the cashiers know the actual credit documents, so that they can judge if they are valid, and that they understand the purpose and use of the documents.
MATCOM ELEMENT: CASH CONTROL

WITHOUT A CASH REGISTER

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to organise and implement a secure system for manual recordings of sales, to prepare sales reports and to discover and analyse any cash differences.

USE:

The Element should be included in basic training programmes for all sales personnel working without a cash register. It should also be included in basic training programmes for managers and other staff who are responsible for the cash control.

PREREQUISITES:

To benefit from this Element the trainees should previously have studied the MATCOM Element "Handling of Cash" or have the corresponding knowledge.

TIME NEEDED:

For independent study: 2 to 3 hours.
For a review session: 1 to 2 hours.
For the complementary exercises: 2 to 4 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>6</td>
<td>To check that all tickets are accounted for.</td>
</tr>
<tr>
<td>11/1</td>
<td>The assistant manager or some other staff member who is present should verify the cancelled ticket. The customer could verify if no other staff is present.</td>
</tr>
<tr>
<td>12</td>
<td>It will be very difficult to find the reasons for cash differences if they are not discovered the day they occur.</td>
</tr>
<tr>
<td>14</td>
<td>She cannot use 100-notes for giving change, she will need coins and notes of smaller denominations.</td>
</tr>
<tr>
<td>16</td>
<td>Only one person should have the responsibility of the cash. This is not possible if other persons have access to the safe.</td>
</tr>
</tbody>
</table>
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page | Comments / Correct answers
---|---
19 | Each cashier is responsible for the cash she receives.
20 | Example of satisfactory answers:
   1. Every sale is recorded on a sales ticket.
   2. We issue Daily Sales Reports every day.
   3. Each cashier is responsible for the cash she collects. When the money is handed over to the manager, he becomes responsible for it.
   4. Customers receive cash sales receipts. A copy of the Daily Cash Sales Report is used as a receipt for the cashier. The manager gets a receipt from the bank.
   5. The cashier locks the till. The manager locks the safe.
   6. The manager has the petty cash for minor payments and uses cheques for other payments, so he can bank all the money collected for sales.
22 | 1. Check the figures in the Daily Cash Sales Report.
   2. Count the cash again.
   3. Count the amount in the cash bank.
23 | The cashier knows:
   - She will immediately be suspected of dishonesty if it is noticed that she does not record every sale.
   - Any losses will be discovered the same day.
   - She is the only one responsible for any losses.
   When the manager takes over the money, he knows:
   - There is no doubt about the amount he receives.
   - He alone has access to the cash until it is banked.
24 | See the text above the question.
25 | It could not possibly belong to the cashier.
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

<table>
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<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>26</td>
<td>The &quot;Check-out&quot;</td>
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<table>
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<tr>
<th>Question</th>
<th>Correct answer</th>
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<tr>
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<td>c</td>
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<td>2</td>
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<td>3</td>
<td>a</td>
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<td>10</td>
<td>a</td>
<td>24</td>
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</tbody>
</table>

THE COMPLEMENTARY EXERCISES:

2. **Cash Differences**

The main purpose of this exercise is to demonstrate how difficult it is to find the reasons for cash differences, when some time has passed.

Note the total difference for the period.
Are shortages and overs about equal, or is one type more frequent than the other? If one type is more frequent, the cashier is probably repeating the same type of mistake.
Frequent cash differences indicate that the cashier is careless or badly trained.

3. **The Cashier**

She would know and can prove that she has accounted for what she has received.
She need not worry about being blamed for the mistakes of others.
She would be less tempted to become dishonest.

4. **The Members**

It is particularly important that the members understand that the salesman has to record every sale, and that members should react if this is not done.
Remember -

the MATCOM EZements can be used for

private studies  on-the-job training

classroom training
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to organise and implement a secure system for the recording of sales with the help of a cash register, to prepare sales reports and to detect and analyse any cash differences.

USE:

The Element should be included in basic training programmes for all sales personnel who use a cash register. It should also be included in basic training programmes for managers and other staff who are responsible for the cash control.

When studying the Element, trainees will need access to the cash register of their shop, and the operating manual for the actual register.

PREREQUISITES:

To benefit from this Element the trainees should previously have studied the MATCOM Element "Handling of Cash" or have the corresponding knowledge.

TIME NEEDED:

For independent study: 2 to 4 hours.
For a review session: 2 to 4 hours.
For the complementary exercises: 4 to 10 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<th>Page</th>
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<tr>
<td>7</td>
<td>a  1 - 2 - 7 - 0 - 0 or 1 - 2 - 7 - 00</td>
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</tbody>
</table>
|      | b  In column 1 - 100
|      |   In column 2 - 20
|      |   In column 3 - 7
|      |   In column 4 - none
|      |   In column 5 - none |
| 11   | 6 - QTY - 7 - 5 - - |
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page  Comments / Correct answers

15  The assistant manager or some other staff member who is present should verify the cancelled ticket. The customer could verify if no other staff is present.

20  It will be very difficult to find the reasons for cash differences if they are not discovered the day they occur.

22  She cannot use 100-notes for giving change, she will need coins and notes of smaller denominations.

24  Only one person should have the responsibility of the cash. This is not possible if other persons have access to the safe.

26/1  a  T$2,490.75 - T$13.65 = T$2,477.10  
       Cash received  T$2,457.10
       The difference is  T$  20.00

       b  A cash shortage

26/2  See page 16 in the Element.

27/1  Recorded sales  T$448.35
       Errors               -  9.85
       Sales               438.50
       Credit documents    438.50
       Difference          0.00

29  Example of satisfactory answers:

1. Every sale is recorded on the cash register.

2. Every day we issue a Daily Sales Report, we count the money and we reset the cash register.

3. Each cashier is responsible for the cash she collects. When the money is handed over to the manager, he becomes responsible for it.

4. Customers receive cash sales receipts from the cash register. A copy of the Daily Sales Report is used as a receipt for the cashier. The manager gets a receipt from the bank.
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<tr>
<th>Page</th>
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<tbody>
<tr>
<td>5.</td>
<td>The cashier keeps the till locked and she has the registration key. The manager locks the safe.</td>
</tr>
<tr>
<td>6.</td>
<td>The manager has the petty cash for minor payments and uses cheques for other payments, so he can bank all the money collected for sales.</td>
</tr>
<tr>
<td>32</td>
<td>1. Check the figures in the Daily Cash Sales Report.</td>
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<td></td>
<td>2. Count the cash again.</td>
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<td></td>
<td>3. Count the amount in the cash bank.</td>
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<td></td>
<td>4. Check if error tickets are included.</td>
</tr>
<tr>
<td>33</td>
<td>$375 - $3.75 = $371.25</td>
</tr>
<tr>
<td>34</td>
<td>1. Check the sales journal for suspicious registrations.</td>
</tr>
<tr>
<td></td>
<td>2. Compare the cash sales report with the credit sales report.</td>
</tr>
<tr>
<td>36</td>
<td>1. Check the previous reset.</td>
</tr>
<tr>
<td></td>
<td>2. Check if any reset number is missing.</td>
</tr>
<tr>
<td></td>
<td>3. Check if any registrations were made after the last reset.</td>
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<tr>
<td>37</td>
<td>The cashier knows:</td>
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<tr>
<td></td>
<td>She will immediately be suspected of dishonesty if it is noticed that she does not record every sale.</td>
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</tr>
<tr>
<td>38</td>
<td>See the text above the question.</td>
</tr>
<tr>
<td>39</td>
<td>It could not possibly belong to the cashier.</td>
</tr>
</tbody>
</table>
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

THE COMPLEMENTARY EXERCISES:

3. Cash Differences

The main purpose of this exercise is to demonstrate how difficult it is to find the reasons for cash differences, when some time has passed.

- Note the total difference for the period.
- Are shortages and overs about equal, or is one type more frequent than the other? If one type is more frequent, the cashier is probably repeating the same type of mistake.
- Frequent cash differences indicate that the cashier is careless or badly trained.

4. The Cashier

- She would know and can prove that she has accounted for what she has received.
- She need not worry about being blamed for the mistakes of others.
- She would be less tempted to become dishonest.

5. The Members

It is particularly important that the members understand that the salesman has to record every sale, and that members should react if this is not done.
MATCOM ELEMENT:

LEAKAGE

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should know the basic facts of leakage in retailing: what it is, where it normally occurs and its financial consequences. The trainee should also appreciate that the amount of leakage in a retail shop can be measured, and understand in principle how this is done. Using this knowledge the trainee will appreciate the need to prevent leakage and will understand his/her own role and responsibility in this connection.

USE:

The Element should be included in basic training programmes. However, in view of the importance of the subject, it could also be included in courses at a higher level, if it is felt that the trainees do not have a sufficient knowledge of the "leakage" problem.

As the problem of leakage is connected with many other topics in retail training, this Element must be studied early on in the programme.

NOTE!

As can be seen from the OBJECTIVES above and on page 4 of the Element, the purpose of the Element is not to teach how to prevent leakage.

The only effective way to reduce or prevent leakage is to train the staff to carry out the actual work in the shop in such a way as to avoid leakage.

There are many different jobs in a shop; training for each one does not take place at the same time. Consequently, it is not recommended that training in leakage prevention be given as one concentrated topic, or using one booklet only. Rather, the leakage aspect should be borne in mind at all times and emphasized whenever training for a specific job is given. This applies to all jobs where leakage is likely to occur, from the ordering of the goods to their handling in the shop and the final sales.

Trainees must be made aware of this serious problem right from the beginning of their career in retailing. It is for this purpose that the "Leakage" Element should be used.
PREREQUISITES:

To benefit from this MATCOM Element, the trainee should

- have some retail shop experience;
- be able to perform simple percentage calculations.

TIME NEEDED:

For independent study: 2 to 5 hours.
For the complementary exercises: 2 to 3 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<thead>
<tr>
<th>Page</th>
<th>Comments / Correct answers</th>
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<tbody>
<tr>
<td>5</td>
<td>Compare to pages 14 - 17 in the Element.</td>
</tr>
<tr>
<td>7</td>
<td>Stock Value at Selling Price 200 x 0.65 = 130.00 Sales 127.40 Leakage 2.60</td>
</tr>
<tr>
<td>10</td>
<td>Compare to pages 14 - 17 in the Element.</td>
</tr>
</tbody>
</table>
| 13   | a) $\frac{240 \times 100}{16,000} = 1.5 \text{ (\%)}$
|      | b) $\frac{2,450 \times 100}{306,250} = 0.8 \text{ (\%)}$
|      | c) $\frac{1.2 \times 96,240}{100} = 1154.88$
| 18   | A realistic answer to question 2 should be about 0.2-0.4 of the sales. If there are different opinions as to the amount, or if the trainees seem to have little idea about it, they should be asked to make a survey, noting the value of everything spoilt in their shops over a certain period. Such an exercise should also give them some ideas as to how to combat and prevent leakage. |
| 19   | In this shop, the problem of leakage has become so serious that the business is making a loss. It has become difficult to finance the purchase of new goods. |
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page | Comments / Correct answers
--- | ---
If this situation continues, this is what will happen: it will be difficult to obtain supplies for the shop. There will be frequent shortages of various goods. Customers will often become dissatisfied and may turn to other shops. There will be a drop in sales and therefore in income, whereas most of the costs will be the same as before. The losses will increase, and so will the problems until the shop finally goes bankrupt and has to close.

For the members this will mean the loss of their share capital; for the staff, the loss of their jobs.

To prevent all this it is necessary to take some action in order to reduce the leakage and help produce a surplus. However, if leakage has already caused a big loss, it must be refunded, either by those who caused it or by the members.

22 - 23 In some places the actual percentage of leakage as well as the acceptable percentage are kept secret from the staff. It is believed that the manager might not do his best to keep the leakage low, if he knows that he is on the safe side of the accepted figure.

We are of another opinion. The manager should know what is expected of him, and he must know the leakage figure to be able to decide when remedial action is necessary. Of course, the acceptable percentage should be set so low that there is no margin for carelessness in the job performance of the staff.

However, the proposed guidelines may need to be adjusted to the local conditions and for this reason the question on page 23 has been inserted.

24 Check that the rules which have been given Numbers 1, 2 and 3 by the trainee, correspond to the three reasons for leakage given in question 1 on page 18. If so, it proves that the trainee is consequent and has given serious attention to the questions.

25 The "Check-out"
THE COMPLEMENTARY EXERCISES:

Leakage Survey

1. This exercise should preferable be carried out at a stage when the trainees have also studied the topics of delivery control, prepacking, price marking, display of goods, refilling, cleanliness and shoplifting.

   Time needed in the shop: 30 to 90 min. (depending on size) + time for reporting to other groups, which should also be done in the actual shop.

Consequences of Leakage

See comments on the previous page, referring to the question on page 19.

The Best Manager

All participants should be involved in this discussion, because it gives a good illustration of the leakage from a general point of view. Allow the groups a relatively short time for their discussions (20 minutes), then spend more time in reporting and discussions in a plenary session (45 minutes). The trainer should check that the following points are made by the trainees, if not he should make them clear in the summary of the discussions:

- The figures of Manager A indicate that he is a very careful person. He manages to keep the leakage at an acceptable level and he is also keen not to spend too much money. Therefore he has got the highest surplus in relation to sales.

- B is a good business woman. She wants to give good services to her customers and she manages well to meet their demands. Thus she has doubled the sales compared to Manager A. But the net surplus did not double, because the leakage and the costs also increased. Still B is better than A, because the members were able to buy more in their own shop and they got a higher surplus.

- Manager C is as good a salesman as B. His leakage is high, but he has managed to get a higher net surplus anyway. That must be due to his ability to keep other costs down. Therefore he must be considered as the best manager of the three in spite of the high leakage.

This shows that low leakage as such is not enough to make a good manager. The services given to the members and the surplus are more important. The very best manager would be a combination of A and C. If salesman C had also managed to keep the leakage at 0.5%, his net surplus would have been 16,800.
MATCOM ELEMENT:

STOCK CONTROL RECORDS

OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to explain the purpose of stock control and to keep records of the changes in stock value at selling prices.

USE:

The Element should be included in basic training programmes for managers and staff who are required to keep stock control records.

PREREQUISITES:

To benefit from this MATCOM Element, the trainee should:

- have studied the MATCOM Element "Leakage" or have the corresponding knowledge,
- have some shop experience.

TIME NEEDED:

For independent study: 3 to 6 hours.
For a review session: 2 to 3 hours.
For the complementary exercises: 2 to 4 hours.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

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<th>Page</th>
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<tbody>
<tr>
<td>7</td>
<td>1/ 10&lt;br&gt;2/ - 2&lt;br&gt;3/ reduced by T$45&lt;br&gt;4/ 8&lt;br&gt;5/ 1 hammer = T$22.50</td>
</tr>
<tr>
<td>14</td>
<td>1/ 24&lt;br&gt;2/ T$378&lt;br&gt;3/ 24&lt;br&gt;4/ T$163.20</td>
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</tbody>
</table>

Because the stock control register will always be up-to-date. Whenever a stock taking is done and the actual stock value is found, a comparison can be done with the stock control register as it is, without any consideration to "pending invoices" and similar.
STOCK CONTROL RECORDS  cont.

COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page  Comments / Correct answers

18  If the prices were the same the stock value would not change and no recording should be done.

20  The Shoe Company will refund what the co-operative had paid, that is the wholesale price of T$960. But the figure entered in the stock control register should always be the retail selling price.

25  a/ Sale to reduced price.

28  Theoretical stock  T$ 48,800
     Actual stock   48,652
     Leakage       148 = about 0.2% of the sales

29  The leakage was \( \frac{148}{868,260} \times 100 \) = 0.6% approximately

32  The "Check-out"

<table>
<thead>
<tr>
<th>Question</th>
<th>1</th>
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<td>c</td>
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<td>b</td>
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<td>b</td>
<td>a</td>
<td>a</td>
<td>b</td>
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<td>b</td>
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<td>12</td>
<td>11</td>
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<td>18</td>
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STOCK CONTROL REGISTER

Month  January 1982

<table>
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<tr>
<th>Date</th>
<th>particulars</th>
<th>increase in stock value (IN)</th>
<th>decrease in stock value (OUT)</th>
<th>balance stock in hand (VALUE)</th>
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<tr>
<td>1/1</td>
<td>opening stock</td>
<td>43,250</td>
<td></td>
<td></td>
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<tr>
<td>2/1</td>
<td>sales</td>
<td>3,200</td>
<td>40,050</td>
<td></td>
</tr>
<tr>
<td>3/1</td>
<td>wholesale trade 60 c. b. 33</td>
<td>13,400</td>
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<td>53,450</td>
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### Stock-Taking cont.

**Comments on the questions in the element:**

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<tbody>
<tr>
<td></td>
<td>More accurate - because there will be a double-check to make sure that nothing is forgotten.</td>
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</tbody>
</table>

#### The "Check-out"

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<td>c</td>
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An illustration from the Element "Work Organisation and Staff Management".
OBJECTIVES:

Having completed this Element and the complementary exercises, the trainees should be able to identify their main duties in the field of personnel management, and to improve shop performance through efficient work organisation, supervision and human resources development.

USE:

This Element is intended for supervisors and managers of larger shops. However, certain parts of the contents are applicable also to shops with just a few employees, and these parts can therefore be included in basic management training programmes.

TIME NEEDED:

For independent study: 4 - 8 hours
For a review session: 2 hours.
For the complementary exercises: A study visit plus 2-3 hours in the classroom.

COMMENTS TO THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers

6 The amount of goods sold.
The type of goods sold.
The type of shop (self-service or counter-service).
The opening hours.
The standard of service.
The staff costs.
The working time of the staff (full-time or part-time employees).

8 a/ T$10,000 - T$3,800 = T$6,200
   b/ T$3,200 (3.2% of sales)

10 a/ T$11,316 - T$3,800 = T$7,516
   b/ T$7,516 - T$3,300 = T$4,216 = 3.7% of sales

11 a/ 4.5%
COMMENTS ON THE QUESTIONS IN THE ELEMENT:

Page Comments / Correct answers

21 Examples:
- Everybody knows what he is supposed to do, work is carried out efficiently with a minimum of involvement by the manager.
- More than one person is trained for each task, in order to reduce problems if someone is absent.
- Everybody has certain responsibilities, which promotes the interest in the jobs.

27 See Betty's explanation on page 18.

41 The "Check-out"

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```
HENRY'S SHOP
Sales 100,000 7 employees
Wages 3,800 8.8%
CONSUMERS CO-OPERATIVE

JOHN'S SHOP
Sales 45,000 5 employees
Wages 2,700 6%

Staff costs, a problem discussed in the Element "Work Organisation and Staff Management".
```