

13-96
AP-11/12/13
Senate Info-12/3/13

Undergraduate Distance Education Review Form

(Required for all courses taught by distance education for more than one-third of teaching contact hours.)

Existing and Special Topics Course

Course: FSMR 380: Application in Apparel Buying

Instructor(s) of Record: Dr. Eun Jin Hwang

Phone: 724-357-2346 Email: eun.hwang@iup.edu

Step Two: Departmental/Dean Approval

Recommendation: Positive (The objectives of this course can be met via distance education)

Negative

Fredalene B. Bowen 11/4/13
Signature of Department Designee Date

Endorsed: M J E K 11.5.13
Signature of College Dean Date

Forward form and supporting materials to Liberal Studies Office for consideration by the University-wide Undergraduate Curriculum Committee. Dual-level courses also require review by the University-wide Graduate Committee for graduate-level section.

Step Three: University-wide Undergraduate Curriculum Committee Approval

Recommendation: Positive (The objectives of this course can be met via distance education)

Negative

Gail Sedquist 11/13/13
Signature of Committee Co-Chair Date

Forward form and supporting materials to the Provost within 30 calendar days after received by committee.

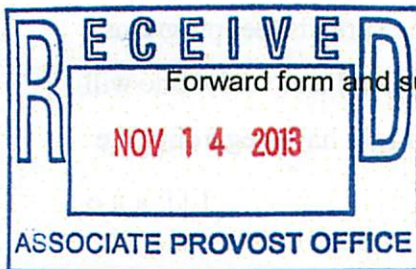
Step Four: Provost Approval

Approved as distance education course

Rejected as distance education course

Theresa S. McElroy (um) 11/18/13
Signature of Provost Date

Forward form and supporting materials to Associate Provost.



Received
NOV 13 2013
Liberal Studies

Received
NOV 7 2013

A. Provide a brief narrative rationale for each of the items, A1- A5.

1. How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?

Dr. Hwang completed a facilitator training course which was offered by the Socrates Distance Learning Technologies Group, the faculty training organization of Education Management Corporation (EDMC) Online Higher Education during Spring 2006. She taught an online class during Fall 2004 in Korea and also she taught an online class during Winter 2008, 2009, 2010, 2011 & 2012, and Summer 2009, 2010, 2011, & 2012 at Indiana University of Pennsylvania. She incorporated WebCT and Moodle into several courses since Spring 2009. Students took exams and submitted papers on-line. Students could access the syllabus, class notes, and announcements on-line as well.

2. How will each objective in the course be met using distance education technologies?

The on-line course will consist of course materials, quizzes and assignments presented on-line through Learning Management System (LMS). Chat Room and Discussion Thread participation through the use of Learning Management System (LMS) will be part of the course requirements.

1. Expand their apparel merchandising mathematical skills using computer Spreadsheet programs.

- The instructor will cover in Day 1, Day 2, Day 3 (Module 1), Day 5, Day 6, Day 7 (Module 2), Day 9 (Module 3), and Day 13, Day 16, Day 17, Day 19 (Module 4) and completing Chapter Two Review Problems Using Excel (pp. 44-48), Chapter Three Review Problems Using Excel (pp. 78-81), Chapter Four Review Problems Using Excel (pp. 102-98), Chapter Five Review Problems Using Excel (pp. 125-129), Chapter Six Review Problems Using Excel (pp. 159-164), Chapter Seven Review Problems Using Excel (pp. 188-192), Chapter Eight Review Problems Using Excel (pp. 241-247), and Chapter Nine Review Problems Using Excel (pp. 273-274) will help students to expand their apparel merchandising mathematical skills using computer Spreadsheet programs.
- The instructor will upload PowerPoint files for students to download and study. She will be available at regular times to answer any questions students might have regarding the

topic by e-mail or chat room. She will also use discussion threads to require students to participate in on-line discussions actively. Questions will be embedded in the notes as well as in daily postings by the instructor. The instructor will facilitate the discussions. Students will participate in chat room discussions within groups assigned to work on designated activities. The instructor will be available at regular times for contact via email or chat room.

2. Analyze how the six-month merchandising plan is used in an apparel retail business.

- The instructor will cover this in Day 2, Day 3 (Module 1), Day 4, Day 5, Day 6 (Module 2) and Day 14, Day 15, Day 16, Day 17, Day 18, Day 19 (Module 4) and completing Chapter Two Profit & Loss Statement Review Problems Using Excel – Review Problems 2.1, 2.2, 2.3, 2.4, 2.5 & 2.6 (pp. 44-48), Chapter Three Cost of Merchandise and Terms of Sale Review Problems Using Excel Review Problems 3.1, 3.2 & 3.3 (pp. 78-81) Chapter Four Chapter Four –Review Exercise (p. 93), Chapter Eight Review Exercise A (pp. 223-225) and C (pp. 231-233), Chapter Eight Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 241-247), Chapter Nine- Review Exercise A (pp. 223-225) & C (pp. 231-233) and Chapter Nine- Six-Month Merchandise Plan Review Problems Using Excel Review Problem 9.1 & 9.2 (pp. 273-274) will help students to analyze how the six-month merchandising plan is used in an apparel retail business.
- The instructor will upload PowerPoint files for students to download and study. She will be available at regular times to answer any questions students might have regarding the topic by e-mail or chat room. She will also use discussion threads to require students to participate in on-line discussions actively. Questions will be embedded in the notes as well as in daily postings by the instructor. The instructor will facilitate the discussions. Students will participate in chat room discussions within groups assigned to work on designated activities. The instructor will be available at regular times for contact via email or chat room.

3. Utilize calculations to develop a six-month apparel merchandising plan.

- The instructor will cover this in Day 11, Day 12, Day 13, Day 14, Day 15, Day 16, Day 17 (Module 4) and completing Chapter Seven Review Exercise B (pp. 181-182),

Chapter Seven Review Problems Using Excel Review Problems (pp. 188-192), Chapter Eight Review Exercise A (pp. 223-225), C (pp. 231-223) and Chapter Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 241-247). This will help students to utilize calculations to develop a six-month apparel merchandising plan.

- The instructor will upload PowerPoint files for students to download and study. She will be available at regular times to answer any questions students might have regarding the topic by e-mail or chat room. She will use discussion threads to require students to participate in on-line discussions actively. Questions will be embedded in the notes as well as in daily postings by the instructor. The instructor will facilitate the discussions. Students will participate in chat room discussions within assigned groups to work on designated activities. The instructor will be available at regular times for contact via email or chat room.

4. Construct an electronic six-month merchandise plan.

- The instructor will cover this in Day 14, Day 15, Day 16, Day 17 (Module 4) and completing Chapter Eight Review Exercise A (pp. 223-225), C (pp. 231-223) and Chapter Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 241-247). This will help students to utilize calculations to develop a six-month apparel merchandising plan. This will help student to construct a electronic six-month merchandising plan.
- The instructor will upload PowerPoint file for students to download and study. She will be available at regular times to answer any questions students might have regarding the topic by e-mail or chat room. She will use discussion thread to require students to participate in on-line discussions actively. Questions will be embedded in the notes as well as in daily postings by the instructor. The instructor will facilitate the discussions. Students will participate in chat room discussions within groups assigned to work on designated activities. The instructor will be available at regular times for contact via email or chat room.

5. Determine projected sales, which will include calculating the amount of merchandise to purchase, establishing percentages and effectively using markdowns to manage inventory.

- The instructor will cover this in Day 4, Day 5, Day 6, Day 7 (Module 2), Day 8, Day 9 (Module 3), Day 14, Day 15, Day 16, Day 17 (Module 4) and completing Chapter Four Review Exercise (p. 93), Chapter Four Review Problems Using Excel Review Problems (pp. 102-104), Chapter Eight Review Exercise A (pp. 223-225), C (pp. 231-223) and Chapter Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 241-247). This will help student to determine projected sales, which will include calculating the amount of merchandise to purchase, establishing markup percentages, and effectively using markdowns to manage inventory.
- The instructor will upload PowerPoint file for students to download and study. She will be available at regular times to answer any questions students might have regarding the topic by e-mail or chat room. She will use discussion thread to require students to participate in on-line discussions actively. Questions will be embedded in the notes as well as in daily postings by the instructor. The instructor will facilitate the discussions. Students will participate in chat room discussions within groups assigned to work on designated activities. The instructor will be available at regular times for contact via email or chat room.

3. How will instructor-student and student-student, if applicable, interaction take place?

Students will be required to actively participate in on-line discussions. Questions will be embedded in the notes as well as in daily postings by the instructor. The instructor will facilitate the discussions. Students will participate in chat room discussions within groups assigned to work on designated activities. The instructor will be available at regular times for contact via telephone, email or chat room.

4. How will student achievement be evaluated?

Multiple assessment techniques will be implemented to evaluate student achievement including:

- Timed exams using Learning Management System (LMS) with password protection
- Daily assignments posted on Learning Management System (LMS)
- Individual summary problems – Students will turn their Summary problems to Instructor by i-mail.

- Discussion contribution- this will be done by Discussion Thread

5. How will academic honesty for tests and assignments be addressed?

The on-line quizzes will be designed in a manner such that items are randomly numbered so that no two exams are exactly identical. The exams will not be printable. Students will submit their paper through Turnitin.com. This program is used to prevent plagiarism. This method was implemented by the instructor for this course during the Fall 2012 semester

- B. Submit to the department or its curriculum committee the responses to items A1-A5, the current official syllabus of record, along with the instructor developed online version of the syllabus, and the sample lesson. This lesson should clearly demonstrate how the distance education instructional format adequately assists students to meet a course objective(s) using online or distance technology. It should relate to one concrete topic area indicated on the syllabus.

Syllabus of Record

Catalog Description:

FSMR 380: Application in Apparel Buying	3 class hours
	0 lab hours
	3 credits
Prerequisites: FSMR 280 with a grade of C or better	(3c-0l-3cr)

Focus on the development of a six-month stock and sales plan for a retail business using computer applications. This will include projecting retail sales, controlling inventory, calculating the amount of merchandise to purchase, determining markup percentages, and effectively using markdowns to manage inventory.

Course Objectives:

Upon completion of this course the students will be able to:

1. Expand their apparel merchandising mathematical skills using computer spreadsheet programs.
2. Analyze how the six-month merchandising plan is used in an apparel retail business.
3. Utilize calculations to develop a six-month apparel merchandising plan.
4. Construct an electronic six-month merchandising plan.
5. Determine projected sales, which will include calculating the amount of merchandise to purchase, establishing markup percentages, and effectively using markdowns to manage inventory.

This course is on D2L. Get lecture note outlines, assignments, and check grades.

Required Textbook:

The class notes presented in the PowerPoint presentations will come from this source in which you will have assigned readings. In addition, the presentations will contain information from outside sources which you are also responsible for in your learning and test taking processes.

Connell, D. (2010). *A buyer's life: A concise guide to retail planning and forecasting*. New York: Fairchild.

Class Lectures:

The textbook, while useful, will not be the only source of information for the class. Periodically, additional readings will be assigned. Class lectures are intended to enrich or supplement the assigned readings. They are NOT intended to summarize or substitute for the readings. Exams will be designed to assess the student's knowledge of ALL reading materials and the material presented in class lecture, as well as any oral reports and guest speaker presentations.

COURSE GENERAL POLICIES:

Attendance:

Attendance in class is very important. The students are required to stay the entire duration of the class period to get credit for the same. Any student, who **leaves before the class period without the consent** of the instructor, will be **marked absent and will not get any credit** for that class period.

Class attendance and participation are required. Excessive absences will result in grade point reductions. **Please make sure to sign the attendance sheet by your name each class period.** The student is responsible for all material covered in class regardless of the reason for the absence. It is not the instructor's responsibility to provide that information. However, reports must be presented in person in class on date indicated.

➤ *Excused Absence Policy:*

If you have an unavoidable "excused" absence such as family crisis, death, or personal illness, you must provide me with some type of documentation of the event such as an obituary, mass card, or doctor's excuse form. If such an event does occur, please email me to alert me of the absence. After the absence, it is your responsibility to arrange a time with me to find out what material you have missed.

If you know of an absence ahead of time such as a job interview or school-sponsored trip, it is your responsibility for finding out the material that you will be missing ahead of time. Again, it is your responsibility for finding out the material that you will be missing ahead of time. Again, it is your responsibility to arrange a time with me to find out what material you will be missing.

➤ *Un-Excused Absence Policy:*

If you miss class due to any other reason than stated above, you are responsible in finding out what material you missed. You may come speak to me during my office hours in this regard.

Assignments Requirements:

The due dates for all assignments are included in the syllabus, but may be subject to change. During the semester, the instructor will keep students informed of any changes. It is the student's

responsibility to contact someone in the class if he or she miss class near a scheduled due date. Assignments are due in class **AT THE BEGINNING OF** the class in which the specified due date. Instructor **CANNOT ACCEPT LATE PAPERS** and **CANNOT ACCEPT E-MAIL SUBMISSION OF PAPERS FOR ANY REASON**. Having your work completed on schedule is a key to early success in your business career. I would suggest that you start now to develop good work habits for meeting deadlines. Partial credit will **NOT** be given for late work.

Late assignments WILL NOT BT ACCEPTED! The only exception to this rule is if you have documentation of an excused absence (i.e., doctor's note, obituary, or mass card). In either event, written documentation is required before an assignment is accepted. If you have an excused absence the date an assignment is due, your assignment will be expected during the next class period after you return. Only under special circumstances will this policy be modified! If you have prior knowledge of an absence, it is expected that your project be turned in **PRIOR** to your absence.

Quizzes and in class assignments will be given at random. If you arrive late, you will not be allowed to take the quiz. In Class assignments will not be made up.

In-Class Assignments. There are **NO MAKE-UPS FOR IN-CLASS ASSIGNMENTS!** Some content will be assigned during the previous class period to be completed outside of class and brought to the next class for in-class utilization. If this content is not completed as assigned no credit will be given for that days in-class assignment.

Written Assignments:

1. There will be written assignments throughout the semester.
2. **All papers and assignments must follow the APA guidelines in the Publication Manual of the American Psychological Association (6th ed.).** Not following the APA guidelines will result in **grade point reduction.**
3. All papers must be typed (double-spaced), stapled and properly identified – Student Name, Class and Project Title – points will be deducted for papers not meeting these requirements.
HANDWRITTEN ASSIGNMENTS WILL NOT BE ACCEPTED.
4. Assignments and exercises are to be submitted in **TURNITIN.COM** on due dates that will be announced in advance. Assignments must be submitted/handed in at the beginning of the class period on the designated date. Late assignments **will not be accepted.** If you will be missing class, prior arrangements to hand in assignments must be made.
5. All research and abstracts must be properly documented. **Plagiarism will not be tolerated.** Academic dishonesty in any form is unacceptable.
6. Do not send your assignment by e-mail.

Evaluation:

Each group will be evaluated by the instructor. The grade for the presentation will be individually based according to each members contribution to the presentation All the above procedures must be

followed. If any one or more of the above steps are not followed the team's/individual's grade will be lower accordingly. Areas to considered in the evaluation include organization of material, completeness and accuracy, and creativity.

Evaluation of Project and Report:

1. Depth of research, completeness
2. Authenticity
3. Documentation (footnotes/citations and reference list)
4. Organization
5. Clarity and accuracy
6. Neatness

NOTE: ALL WORK IS DUE ON THE DAY GIVEN OR WILL BE CONSIDERED LATE AND THE GRADE WILL BE LOWERED IN PROPORTION TO LATENESS.

Exams:

There will be three (3) exams consisting of a combination of True/False, Multiple Choice, Matching, and potential Completion/Short Answer Essay. Dates for the four exams are listed on the syllabus. Final exam is NOT cumulative. Dates are given in the "Tentative Schedule". If an emergency arises and a student is unable to take an exam notification of the instructor must be made prior to the exam. **If the instructor is NOT NOTIFIED BEFORE THE EXAM there will be NO makeup exam.**

Grading:

Grades will be posted on the Moodle (use "my grade"). The instructor will make every effort to keep accurate records. However, it is also the student's responsibility to monitor their grade reports and keep all materials related to the course. Grade related claims should be in writing (e-mail acceptable). Your total grade is based on the exams, assignments, presentations, and attendance/participation as follows:

Assignments	60%
Attendances.....	10%
Final Project.....	20%
Exam	10%
TOTAL POINTS	100%

Grading System:

Below is the grading scale that will be used to determine the final letter grade:

A = 90 – 100% B = 80 – 89% C = 70 – 79% D = 60 – 69% F = 59% and below

Classroom Etiquette:

To create and maintain a positive learning environment, proper classroom etiquette/decorum is vital. It is expected that students conduct themselves in a mature, professional manner. Essentially you are training program for a future career in fashion, and behavior including talking out of turn, inappropriate comments, and other disruptive behavior will not be tolerated.

The following guidelines will help us to achieve this goal:

1. Refrain from chatting with your neighbor(s) during class.
 - Non-relevant chatting with classmates during class (lectures, guest speakers, presentations, videos, slides, etc) disrupts the normal learning environment
 - Should you engage in this behavior the instructor could and may ask you to leave the room
2. Reading writing and studying of material other than for this class is not acceptable.
 - This includes reading newspapers (*Penn*), magazines, course materials, writing letters, and studying for exams.
3. Completing assignments that were due the day of class. **During class is not acceptable.**
 - The instructor has the **right to not accept** the assignment.
4. Make every effort to get to class on time and stay until class is dismissed.
 - If you have to leave early or are going to be late, inform the instructor in advance.
 - If you are late, respect those who arrived on time by not disrupting the class, especially those around you. Quietly come in, sit down, and do not converse with your neighbor to “catch up”
 - Coming and going during class disrupts the learning environment. Take care of “necessities” prior to coming to class (i.e. go to the restroom, get a drink of water, go to the vending machines, converse with friends, etc.).
5. Obtaining class content and assignments if absent is your responsibility.
 - Ask another student about what content was covered and assignments given. It is **not the instructor’s responsibility to re-present class material that was missed.**
 - It is inappropriate to ask the instructor, prior to or after a missed class, whether the content covered that day is/was important – all class content is important!
6. Sleeping during class is not acceptable.

- This behavior is disrespectful to anyone presenting information during class (i.e. instructor, guest speaker, peers).
- Also remember that this behavior is not appropriate during the use of audio/visuals (i.e. slides, videos)
- Should you engage in this behavior the instructor could and may ask you to leave the room.

7. Respect others.

- Be polite in your speech and manners – no profanity or lewd language.
- Be patient with other students when they are asking a question, even when the answer may be obvious.
- Be respectful of the opinions of others even if they differ from your own.
- Be courteous by not interrupting others, not having more than one speaker at a time, and not engaging in side discussions.
- Turn off all electronic equipment (cell phones, CD players, MP3, etc) prior to entering the classroom. These are to remain off until class is dismissed.

PLEASE MAKE SURE YOUR CELL PHONE IS TURNED OFF DURING CLASS TIME!

- 1st Offense: If a student's cell phone rings or buzzes during class, the student will forfeit any future opportunity of extra credit but can keep the extra credit currently earned.
- 2nd Offense: The student's previously earned extra credit will be taken away.
- 3rd and Any Further Offenses: The student will be asked to take their belongings and leave the class.

8. Read and follow *the Academy Integrity Policy and Procedures*. That appears in the IUP Undergraduate Catalog.

- Be sure you do your own work
- Any form of academic dishonesty can cause a lack of respect and trust, and can be extremely detrimental to your college career.
- Hats/caps and sunglasses will not be worn during exams

9. Respect and maintain the appearance of the classroom.

- Discard all trash; someone else does not want to sit in your mess!

Participation:

1. Participation includes ALL in-class activities and supplementary assignments. If you are not in class, you will not receive credit for the activity.
2. Students are expected to be in class on time. Recurrent tardiness will negatively affect a student's

participation grade.

3. Each student's initial participation grade will be calculated based on the percentage of classes attended. Participation in class discussion, class activities and tardiness will either positively or negatively affect the final participation grade.
 - Practice being professional at all times. **Presentations require professional dress.**
 - Be prepared for each class period. Read chapters and come ready to participate in classroom discussion.
 - This syllabus is subject to change with advance notice. The instructor reserves the right to change or add assignments with prior notice.
 - If you are having difficulty in this class, it is your responsibility to bring this to my attention.

FSMR 380 – Application in Apparel Buying

Spring, 2013

Schedule is tentative and subject to change

WEEK	DATE	TOPICS	TEXT	Reading /ASSIGNMENT
1.	Jan. 28	Introduce Class & Project		
	Jan. 30	Who is the Customer?	Chapter 2 (pp. 15 – 20)	Chapter 2 (pp. 25 – 44)
	Feb. 1	Retail Pricing for Profit (Exam #1)	Chapter 6 (pp.141 – 166)	Chapter 6 Summary Problems Due Feb 12
Feb. 4	Eastering, Wuest, Flottman & Jernigan			
Feb. 6				
2.	Feb. 8	Markdowns	Chapter 4 (pp. 40 – 54) - Connell	
	Feb. 11			
	Feb. 13			
3.	Feb. 15	The Dollar Merchandise Plan (Exam #2)	Chapter 8 (pp. 207 – 246) - Eastering, Wuest, Flottman & Jernigan	
	Feb. 18			
	Feb. 20			
4.	Feb. 22	Projecting Sales Through Sales Trend Analysis	Chapter 3 (pp. 21 – 39) - Connell	
	Feb. 25			
	Feb. 27			
5.	Mar. 1	Stock Levels: Capacity, Stability, and Profit = Average Stock	Chapter 5 (pp. 55 – 65) - Connell	
	Mar. 4			
	Mar. 6			
6.	Mar. 8	Inventory Turnover	Chapter 6 (pp. 66 – 73) - Connell	
	Mar. 11			
	Mar. 13			
7.	Mar. 15	Stock-to-Sale Ratio Method of Inventory	Chapter 7 (pp. 74 – 89) - Connell	
	Mar. 13			
	Mar. 15			
SPRING BREAK (MARCH 18 – 22)				
8.	Mar. 25	Weeks-of-Supply Method of Inventory	Chapter 8 (pp. 90 – 109) - Connell	
	Mar. 27			
	Mar. 29			
		Planning Purchase Receipts	Chapter 9 (pp. 110 – 123) - Connell	

WEEK	DATE	TOPICS	TEXT	Reading /ASSIGNMENT	
9.	Apr. 1	Purchase and Pricing Strategies	Chapter 10 (pp. . 124 – 132) - Connell		
	Apr. 3				
	Apr. 5	Classification Identification and Planning	Chapter 11 (pp. 133 – 146) - Connell		
11.	Apr. 8	Assortment Planning and How Much to Buy	Chapter 12 (pp. 147 – 156) - Connell		
	Apr. 10				
	Apr. 12				
12.	Apr. 15	Forecasting and Vendor Relationships	Chapter 13 (pp. 158 – 166) - Connell		
	Apr. 17				
	Apr. 19	A Report Card: Gross Margin and Contribution	Chapter 14 (pp. 167 – 189) – Connell		
Apr. 22					
Apr. 24					
13.	Apr. 26				
	Apr. 29	Work on Project			
	May 1				
May 3					
15.	May 6				
	May 8				
	May 10				
	May. 13		FINAL Project Due Section II: 10:15am – 12:15pm		
	May. 15		FINAL Project Due Section I: 8:00am – 10:00am		

FSMR 380 – Introduction to Apparel Buying

Summer, 2013

Online Syllabus

Instructor	Dr. Eun Jin Hwang	E-mail	eun.hwang@iup.edu
Class Room	Learning Management System (LMS)	Class Meets	June 2, 2014 – July 3, 2014
Office	209 Ackerman Hall	Phone Number	724-357-2346

Catalog Description:

Prerequisite: FSMR 280 with a grade of C or better

3 Credits, 3 Lecture Hours, 0 Lab Hours

Focus on the development of a six-month stock and sales plan for a retail business using computer applications. This will include projecting retail sales, controlling inventory, calculating the amount of merchandise to purchase, determining markup percentages, and effectively using markdowns to manage inventory.

Course Objectives

Upon completion of this course the students will be able to:

1. Expand their apparel merchandising mathematical skills using computer spreadsheet programs.
2. Analyze how the six-month merchandising plan is used in an apparel retail business.
3. Utilize calculations to develop a six-month apparel merchandising plan.
4. Construct an electronic six-month merchandising plan.
5. Determine projected sales, which will include calculating the amount of merchandise to purchase, establishing markup percentages, and effectively using markdowns to manage inventory.

This course is on Learning Management System (LMS)-D2L. Get lecture note outlines, assignments, and check grades.

Required textbooks, supplemental books and readings:

Cushman, L. (2011). *A practical approach to merchandising mathematics* (Rev. ed.). New York: Fairchild Books.

Course General Policies:

A. Assignments Requirements:

The due dates for all assignments are included in the syllabus but may be subject to change. During the term the instructor will keep students informed of any changes. This course contains several assignments. To complete the assignment, click on the particular Discussion or Assignment link that accompanies the given day's lecture before reading the materials that day so that you will know what you are going to have to complete by the due date. Assignments are due on specified due date. Instructor **WILL NOT ACCEPT ANY LATE ASSIGNMENTS**. Having your work complete on schedule is a key to early success in your business career. Try to keep up with assignments. This is a fast-paced learning environment. Falling behind can be very stressful and discouraging which will impact your ability to learn and enjoy the course. I would suggest that you start now to develop good work habits for meeting deadlines. Partial credit will **NOT** be given for late work. You **NEED TO SHOW ALL WORK WHEN YOU SOLVE PROBLEMS**. You cannot just write answer only.

Late assignments WILL NOT BE ACCEPTED!!!

Course Requirements & Evaluation

a. Attendance 60 points

(20 days X 3 points/day-Individual student require to reply instructor's e-mail everyday for attendance points)

b. Summary Problems 765 points

A. Chapter Two Profit and Loss Statement

Review Problems Using Excel 60 points

- i. Review Problem 2.1 (pp. 44-45) – 10 points
- ii. Review Problem 2.2 (p. 45) – 10 points
- iii. Review Problem 2.3 (p. 45-46) – 10 points

- iv. Review Problem 2.4 (pp. 46) – 10 points
- v. Review Problem 2.5 (p. 47) – 10 points
- vi. Review Problem 2.6 (pp. 47-48) – 10 points

B. Chapter Three Cost of Merchandise of Terms of Sale

Review Problems Using Excel

60 points

- i. Review Problem 3.1 (p. 78) – 20 points
- ii. Review Problem 3.2 (pp. 78-79) – 20 points
- iii. Review Problem 3.3 – Case Study (pp. 79-80) – 20 points

C. Chapter Four Reductions

70 points

- i. Review Exercises C (p. 93) – 30 points
- ii. Calculating Reduction Review Problems Using Excel
 - 1. Review Problem 4.1 (pp. 102-103) – 10 points
 - 2. Review Problem 4.2 (p. 103) – 10 points
 - 3. Review Problem 4.3 (p. 104) – 20 points

D. Chapter Five Calculating Markup Review Problems Using Excel

60 points

- i. Review Problem 5.1 (pp. 125-126) – 10 points
- ii. Review Problem 5.2 (p. 126) – 10 points
- iii. Review Problem 5.3 (pp. 126-127) – 10 points
- iv. Review Problem 5.4 (p. 127) – 10 points
- v. Review Problem 5.5 (pp. 127-128) – 10 points
- vi. Review Problem 5.6 (pp. 128-129) – 10 points

E. Chapter Six Markup Calculations & Pricing Strategies

Review Problems Using Excel

90 points

- i. Review Problem 6.1 (pp. 159-160) – 10 points
- ii. Review Problem 6.2 (pp. 160-161) – 20 points
- iii. Review Problem 6.3 (pp. 161-162) – 20 points
- iv. Review Problem 6.4 (pp. 162-163) – 20 points
- v. Review Problem 6.5 (p. 163) – 10 points
- vi. Review Problem 6.6 (p. 164) – 10 points

F. Chapter Seven Retail Method of Inventory Valuation

100 points

- i. Review Exercise B (pp. 181-182) – 40 points
- ii. Review Problems Using Excel
 - 1. Review Problem 7.1 (pp. 188-189) – 10 points
 - 2. Review Problem 7.2 (p. 189) – 10 points
 - 3. Review Problem 7.3 (pp. 189-190) – 10 points
 - 4. Review Problem 7.4 (p. 190) – 10 points
 - 5. Review Problem 7.5 (p. 191) – 10 points
 - 6. Review Problem 7.6 (pp. 191-192) – 10 points

G. Chapter Eight Six-Month Plans

270 points

- i. Review Exercise
 - 1. Review Exercise A (pp. 223-225) – 75 points
 - 2. Review Exercise C (pp. 231-233) – 75 points
- ii. Six-Month Merchandise Plan Review Problems Using Excel
 - 1. Review Problem 8.1 (pp. 241-242) – 20 points
 - 2. Review Problem 8.2 (pp. 243-244) – 20 points
 - 3. Review Problem 8.3 (p. 244) – 20 points
 - 4. Review Problem 8.4 (p. 245) – 20 points
 - 5. Review Problem 8.5 (p. 245-246) – 20 points

6. Review Problem 8.6 (pp. 246-247) – 20 points

H. Chapter Nine Purchase Performance and Profitability

55 Points

i. Review Problems (pp. 259-260) – 25 points

ii. Purchase Performance and Profitability Review Problems Using Excel

1. Review Problem 9.1 (p. 273) – 15 points

2. Review Problem 9.2 (p. 274) – 15 points

c. Two Exams

200 points

A. Exam #1 – 100 points

B. Exam #2 – 100 points

TOTAL POSSIBLE POINTS

1025 POINTS

Grading System:

Below is the grading scale that will be used to determine the final letter grade:

A = 917 – 1025

B = 815 – 916

C = 712 – 814

D = 610 – 711

F = 609- and below

Class Lectures:

The textbook, while useful, will not be the only source of information for the class. Periodically, additional readings will be assigned. Class materials are intended to enrich or supplement the assigned readings. It is important that you read these carefully so that you don't overlook essential content. They are NOT intended to summarize or substitute for the readings. Exam will be designed to assess the student's knowledge of ALL reading materials and the material presented in Learning Management System (LMS). PowerPoints Presentation will be posted in LMS.

Links/Web Site:

Some of the material in this course will require you to explore Web sites. Bring to the course issues that you find most interesting and compelling.

Discussion:

Due to the highly interactive nature of this course, you will frequently find yourself in the “Discussion Area.” Participation in discussion is required during the entire course. Each student’s initial participation grade will be calculated based on the number of participations in discussion.

Written Assignments:

- There will be written assignments throughout the Winter Session.
- All papers and assignments must follow the APA guidelines in the Publication Manual of the American Psychological Association (6th Ed.). Not following the APA guidelines will result in grade points reduction.
- All papers must be typed (1.5 spaced) and properly identified – Student Name, Class and Project Title – points will be deducted for papers not meeting these requirements.
- Late assignments will NOT be accepted.
- All research and abstracts must be properly documented. Plagiarism will not be tolerated. Academic dishonesty in any forms is unacceptable.

Review Exercises, Problems and Exam:

- In order to receive full points you must complete and clearly shown your work with a correct answer(s).

Be prepared for each class. Read chapters and be ready to participate in discussion threads.

This syllabus is subject to change with advance notice.

If you are having difficulty in this class, it is your responsibility to bring this to my attention.

Summer, 2014

Tentative Class Schedule

Schedule is tentative and subject to change

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 1: ANALYSIS OF BASIC SALES ELEMENTS				
1.	June 2	Introduction Class Introduce Homework Assignments Chapter One: Basic Math Concepts Excel (pp. 13-22)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor's I-mail for attendance. 3. Open June 2nd folder, read, and study them. 4. Read Chapter Two. 	#1
2.	June 3	Chapter Two: Factors Affecting Profit (pp. 23 – 48)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor's I-mail for attendance. 3. Open June 3rd folder, read, and study them. 4. Reade Chapter Three. 5. Complete "Chapter Two- Profit & Loss Statement Review Problems Using Excel – Review Problems 2.1, 2.2, 2.3, 2.4, 2.5 & 2.6 (pp. 44-48)" send to Instructor (I-mail) by June 4th, 11:00pm. 	#1 and #2

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 1: ANALYSIS OF BASIC SALES ELEMENTS				
3.	June 4	Chapter Three: Cost of Merchandise and Terms of Sale (pp. 49 – 81)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 4th folder, read and study them. 4. Read Chapter Four. 5. Send “Chapter Two- Profit & Loss Statement Review Problems Using Excel – Review Problems 2.1, 2.2, 2.3, 2.4, 2.5 & 2.6 (pp. 44-48)” to Instructor (I-mail) by 11:00pm today. 6. Complete “Chapter Three – Cost of Merchandise and Terms of Sale Review Problems Using Excel Review Problems 3.1, 3.2 & 3.3 (pp. 78-81)” by June 5, 2014 	#1 and #2
MODULE 2: RETAILING PRICING AND REPRICING OF MERCHANDISE				
4.	June 5	Chapter Four: Reduction (pp 83-94)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 5th folder, read and study them. 4. Send “Chapter Three – Cost of Merchandise and Terms of Sale Review Problems Using Excel Review Problems 3.1, 3.2 & 3.3 (pp. 78-81)” to Instructor (I-mail) by 11:00pm today. 5. Complete “Chapter Four –Review Exercise (p. 93)” send to Instructor (I-mail) by June 9th, 11:00pm. 	#2 and #5

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 2: RETAILING PRICING AND REPRICING OF MERCHANDISE				
5.	June 9	Chapter Four: Reduction – Calculating Reduction Excel (pp 95- 102)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 9th folder, read, and study them. 4. Send “Chapter Four –Review Exercise (p. 93)” to Instructor (I-mail) by 11:00pm today. 	#1, #2 and #5
6.	June 10	Chapter Four: Reduction – Calculating Reduction Excel (pp 95- 102)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 10th folder, read, and study them. 4. Read Chapter Five 5. Complete “Chapter Four – Cost of Merchandise and Terms of Sale Review Problems Using Excel Review Problems 4.1, 4.2 & 4.3 (pp. 102-104)” and send to Instructor (I-mail) by June 11th, 11:00pm 	#1, #2 and #5

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 2: RETAILING PRICING AND REPRICING OF MERCHANDISE				
7.	June 11	Chapter Five: Calculating Basic Markup (pp. 105-129)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 11th folder, read, and study them. 4. Read Chapter Six. 5. Send “Chapter Four – Cost of Merchandise and Terms of Sale Review Problems Using Excel Review Problems 4.1, 4.2 & 4.3 (pp. 102-104)” to Instructor (I-mail) by 11:00pm today. 6. Complete “Chapter Five- Calculating Markup Review Problems Using Excel 5.1, 5.2, 5.3, 5.4, 5.5 & 5.6 (pp. 125-129)” send to Instructor (I-mail) by June 12th, 11:00pm. 	#1and #5
MODULE 3: BASIC MARKUP EQUATIONS USED IN MERCHANDISING DECISIONS				
8.	June 12	Chapter Six: Markup & Pricing Strategy (pp. 131-151)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 12th folder, read, and study them. 4. Read Chapter Six 5. Send “Chapter Five- Calculating Markup Review Problems Using Excel 5.1, 5.2, 5.3, 5.4, 5.5 & 5.6 (pp. 125-129)” to Instructor (I-mail) by 11:00pm today. 	#5

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
9.	June 16	Chapter Six: Markup & Pricing Strategy – Markup Calculation and Pricing Strategies Excel (pp. 153-164)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 16th folder, read, and study them. 4. Read Chapter Seven. 5. Complete “Chapter Six-Markup Calculations and Pricing Strategies Review Problems 6.1, 6.2, 6.3, 6.4, 6.5 & 6.6 (pp. 159-164)” send to Instructor (I-mail) by June 18, 11:00pm. 	#1 and #5
10.	June 17	EXAM #1: Chapter 1, 2, 3, 4, 5	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Read Chapter Seven 4. Click Exam Icon to take exam 	
MODULE 4: THE RETAIL METHOD OF INVENTORY				
11.	June 18	Chapter Seven: Valuation of Retail Inventory (pp. 165-178)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor’s I-mail for attendance. 3. Open June 18th folder, read, and study them. 4. Send “Chapter Six-Markup Calculations and Pricing Strategies Review Problems 6.1, 6.2, 6.3, 6.4, 6.5 & 6.6 (pp. 159-164)” to Instructor (I-mail) by 11:00pm today. 	#3

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 4: THE RETAIL METHOD OF INVENTORY				
12.	June 19	Chapter Seven: Valuation of Retail Inventory (pp. 165-178)	<ol style="list-style-type: none"> 1. Check your I-mail. 2. Reply to instructor's I-mail for attendance. 3. Open June 19th folder, read, and study them. 4. Complete "Chapter Seven-Review Exercise B (pp. 181-182)" send to Instructor (I-mail) by June 23, 11:00pm. 	#3
13.	June 23	Chapter Seven: Valuation of Retail Inventory - Retail Method of Inventory Valuation Excel (pp. 185-188)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor's I-mail for attendance. 3. Open June 23rd folder, read, and study them. 4. Send "Chapter Seven-Review Exercise B (pp. 181-182)" to Instructor (I-mail) by 11:00pm today 5. Complete "Chapter Seven-Retail Method of Inventory Valuation Review Problems Using Excel Review Problems 7.1, 7.2, 7.3, 7.4 & 7.5 (pp. 188-192)" send to Instructor (I-mail) by June 25, 11:00pm. 	#1 and #3
MODULE 5: THE PLANNING PROCESS				
14.	June 24	Chapter Eight: Six-Month Plans (pp. 193 – 234)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor's I-mail for attendance. 3. Open June 24th folder, read, and study them. 	#2, #3 and #5

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 5: THE PLANNING PROCESS				
15.	June 25	Chapter Eight: Six-Month Plans (pp. 193 – 234)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor’s I-mail for attendance. 3. Open June 25th folder, read, and study them. 4. Complete “Chapter Eight- Review Exercise A (pp. 223-225) and C (pp. 231-233)” send to Instructor (I-mail) by June 26, 11:00pm. 5. Send “Chapter Seven- Retail Method of Inventory Valuation Review Problems Using Excel Review Problems 7.1, 7.2, 7.3, 7.4 & 7.5 (pp. 188-192)” send to Instructor (I-mail) by 11:00pm today. 	#2, #3, #4 and #5
16.	June 26	Chapter Eight: Six-Month Plans – Excel (pp. 235 – 247)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor’s I-mail for attendance. 3. Open June 26th folder, read, and study them. 4. Send “Chapter Eight- Review Exercise A (pp. 223-225) and C (pp. 231-233)” send to Instructor (I-mail) by 11:00pm today. 	#1, #2, #3, #4 and #5

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 5: THE PLANNING PROCESS				
17.	June 30	Chapter Eight: Six-Month Plans – Excel (pp. 235 – 247)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor’s I-mail for attendance. 3. Open June 30th folder, read, and study them. 4. Complete “Chapter Eight- Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 241-247)” send to Instructor (I-mail) by July 1, 11:00pm. 	#1, #2, #3, #4 and #5
MODULE 6: MERCHANDISING FOR A PROFIT				
18.	July 1	Chapter Nine: Purchase Performance and Profitability (pp. 249-264)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor’s I-mail for attendance. 3. Open July 1st folder, read, and study them. 4. Send “Chapter Eight- Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 241-247)” send to Instructor (I-mail) by 11:00pm today. 5. Complete “Chapter Nine- Review Exercise A (pp. 223-225) & C (pp. 231-233)” send to Instructor (I-mail) by July 2, 11:00pm. 	#2

Day	Date	TOPIC & TEXT	HOMEWORK ASSIGNMENTS	COURSE OBJECTIVES
MODULE 6: MERCHANDISING FOR A PROFIT				
19.	July 2	Chapter Nine: Purchase Performance and Profitability- Excel (pp. 265-273)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor's I-mail for attendance. 3. Send "Chapter Nine- Review Exercise A (pp. 223-225) & C (pp. 231-233)" send to Instructor (I-mail) by 11:00pm today. 4. Complete "Chapter Nine- Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 273-274)" send to Instructor (I-mail) by July 3, 11:00pm. 5. Study for Final Exam 	#1 and #2
20.	July 3	EXAM #2 (Chapter 6, 7, 8, & 9)	<ol style="list-style-type: none"> 1. Check your I-mail 2. Reply to instructor's I-mail for attendance. 3. Click Exam Icon to take exam. 4. Send "Chapter Nine- Six-Month Merchandise Plan Review Problems Using Excel Review Problem 8.1, 8.2, 8.3 & 8.4 (pp. 273-274)" send to Instructor (I-mail) by 11:00pm today. 	

FSMR 380 – Application in Apparel Buying

Lecture Plan

Day 14 – June 24, 2014

Lecturer: Dr. Eun Jin Hwang

Lecture 14: The Planning Process (Module 4)

A. Issues Covered in the Lecture

I. Planning Sales

- A. Calculating Total Planned Sales (Seasonal Sales)
- B. Calculating Planned Sales by Month

II. Planning Stocks

- A. Calculating Stock Turn
- B. Basic Stock Method of Inventory Planning
- C. Stock-Sales Ratio Method of Inventory Planning
- D. Weeks Supply Method of Inventory Planning

III. Planning Markdowns

- A. Calculating Planned Monthly Markdowns

IV. Planning Purchases

V. Planning Purchases at Cost

VI. Calculating Gross Margins Return on Inventory Investment

VII. Six-Month Merchandise Plan Excel Tutorial

- A. Opening the file
- B. Completing the Spreadsheet
- C. Formulating Planned Sales figures
- D. Formulating the Stock-Sales Ratio Figures
- E. Formulating the BOM Stock Figures
- F. Determining the Percentage of Markdowns Monthly
- G. Setting a Print Area and Formulating the Page
- H. Saving a Print Area and Formatting the Page
- I. Saving Your Work and Printing

B. Required Reading for Lecture 3

Cushman, L. (2011). *A practical approach to merchandising mathematics* (Rev. ed.). New York: Fairchild Books.

- Chapter Eight: Six-Month Plans (pp. 193-247)

C. Discussion Questions

- 1) After you read Case Study 3, analyze each element of the plan by month. Do you agree that each one is planned correctly? Why or why not?
 - Sales?
 - Markdowns?
 - Inventory levels?
 - Purchases?
- 2) What suggestions would you give to Heather before she goes into her meeting with her Divisional?

DISCUSSION QUESTIONS FOR CASE STUDY 2

1. PART A

- Find the average stock and stock turnover in units of fine jewelry.

2. PART B

- Determine the average stock and stock turnover for January and February in US Dollars
- Find the stock-sales ratio for FF Ltd's fashion jewelry division for January and February

3. PART C

- What is the planned purchase for January and February?
- Calculate weeks' supply of inventory for March
- Calculate the company's OTB at retail and at cost as of March 1, given:
 - The planned sales for March are \$93,200
 - Planned EOM stock is \$133,000
 - The company ordered inventory of \$32,000 as on March 1
 - Planned initial markup is 25%

Case Study 3

Six-Month Merchandise (Dollar) Planning

*Lucy Simpson, M.S.
The University of Tennessee*

After completing her training period, Heather has been placed in a planning position with the Moderate Sportswear Buying team. The Planning Divisional has given her the project of planning sales, markdowns, and stock levels for

Misses Coordinates for the next fall season. Since she is new to the company and does not know the history of last year, she is given last year's report and the following goals and notes:

Misses Coordinates		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	TOTAL	FEB
Sales	Last Year	\$197.0	\$257.0	\$292.0	\$310.0	\$485.0	\$149.0	\$1,690.0	
	PLAN								
	% +/-								
Markdowns	Last Year	\$109.8	\$106.5	\$88.4	\$106.9	\$128.1	\$115.7	\$655.4	
	LY MD %	55.74%	41.44%	30.27%	34.48%	26.41%	77.65%	38.78%	
	PLAN								
	Plan MD %								
BOM	Last Year	\$674.0	\$739.0	\$821.0	\$1,039.0	\$1,338.0	\$843.0	\$5,454.0	\$891.0
	PLAN								
EOM	Last Year	\$739.0	\$821.0	\$1,039.0	\$1,338.0	\$843.0	\$891.0		
	PLAN								
Stock to Sales ratio	Last Year	3.4	2.9	2.8	3.4	2.8	5.7	3.2	
	PLAN								
Purchases	Last Year	\$376.0	\$450.0	\$604.0	\$722.0	\$126.0	\$361.0	\$2,639.0	
	Plan								

*all figures in thousands

Misses Coordinates Fall Goals

	LAST YEAR	TY PLAN
SALES	\$1,689.0	\$1,892.0
MARKDOWN %	38.8%	37.0%
TURNOVER	1.86	1.90
Projected July EOM		\$950.0

Notes:

- ^aThe company is adding a new major sale event to the month of September.
- ^bOn the 5-4-5 calendar, Christmas is one day earlier in the week.
- ^cThe direction from upper management is that old season goods should be cleared out in August and January.
- ^dLast year, because of poor receipt flow from vendors, August and September were under-receipted to plan and October was over receipted to plan.
- ^eThe largest promotional sale continues to be in October.
- ^fThe most current OTB projection shows July EOM at \$950.0

As a new planner, Heather has worked diligently on the six-month plan, and has planned her sales, markdowns, inventory levels, and purchases by month. She is ready to set up a meeting with her Planning Divisional and go over her plan.

DISCUSSION QUESTIONS FOR CASE STUDY 3

- Calculate the stock-sales ratio and purchases by month.
- Analyze each element of the plan by month. Do you agree that each one is planned correctly? Why or why not?
 - Sales?
 - Markdowns?
 - Inventory levels?
 - Purchases?
- What suggestions would you give to Heather before she goes into her meeting with her Divisional?

New Plan

Misses Coordinates		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	TOTAL	FEB
Sales	Last Year	\$197.0	\$257.0	\$292.0	\$310.0	\$485.0	\$149.0	\$1,690.0	
	PLAN	\$220.5	\$287.7	\$326.9	\$347.1	\$543.0	\$166.8	\$1,892.0	
	% +/-	11.93%	11.95%	11.95%	11.97%	11.96%	11.95%	11.95%	
Markdowns	Last Year	\$109.8	\$106.5	\$88.4	\$106.9	\$128.1	\$115.7	\$655.4	
	LY MD %	55.74%	41.44%	30.27%	34.48%	26.41%	77.65%	38.78%	
	PLAN	\$100.0	\$108.4	\$99.0	\$119.7	\$143.4	\$129.5	\$700.0	
	Plan MD %	45.35%	37.68%	30.27%	34.48%	26.41%	77.65%	0.37	
BOM	Last Year	\$674.0	\$739.0	\$821.0	\$1,039.0	\$1,338.0	\$843.0	\$5,454.0	\$891.0
	PLAN	\$1,300.0	\$800.0	\$755.0	\$800.0	\$1,100.0	\$1,100.0	\$5,855.0	\$1,100.0
EOM	Last Year	\$739.0	\$821.0	\$1,039.0	\$1,338.0	\$843.0	\$891.0		
	PLAN	\$1,159.8	\$1,191.4	\$1,312.8	\$1,650.4	\$1,024.8	\$1,103.5		
Stock to Sales ratio	Last Year	3.4	2.9	2.8	3.4	2.8	5.7		
	PLAN								
Purchases	Last Year	\$376.0	\$450.0	\$604.0	\$722.0	\$126.0	\$361.0	\$2,639.0	
	Plan								

*all figures in thousands

Appendix A

Sample of PowerPoint

ANALYZING LAST YEAR'S SIX-MONTH MERCHANDISING PLAN

FSMR 380

Analyzing Last Year's 6 Month Merchandising Plan

- Every 6 months buyers are required to analyze the financial operations of their departments

Six-Month Merchandising Plan		Department Name: <i>Men's Knit Shirts - 680</i>		Plan (This Year)						Actual (Last Year)
		Merch Cost	Cash Discount %	Markup/Coverage %	Average Stock	Season Stock Turnover	Control Markups %	Actual		
Dept	Plan	Actual	Aug	Sept	Oct	Nov	Dec	Jan	Season Total	
Sales Percent Each Month										
Sales \$	Last Year	24,000	41,000	54,000	44,000	56,000	38,000			
	Plan									
	Actual									
Retail Price \$	Last Year	104,400	103,000	92,500	112,000	104,000	65,000			
	Plan									
	Actual									
Merchandise	Last Year	2,000	1,800	4,000	2,000	8,000	1,400			
	Plan									
	Actual									
Retail Purchases	Last Year	45,000	6,200	15,100	18,400	1,800	44,000			
	Plan									
	Actual									
Cost of Purchases	Last Year	101,000	84,500	89,200	90,400	6,000	64,000			
	Plan									
	Actual									

Step 1: Analyze Sales

- Buyers **always** look **first** at the **sales**.
- Not only do they want to know what they sales are, but also want to know **how the dollars were earned over the 6-month period**.

Step 1: Analyze Sales

- To evaluate sales:
 - $\text{Monthly sales} / \text{total sales} = \text{Monthly sales \%}$
 - The percents are added = The **total of the 6 month's percents** must be **100%**

Step 1: Analyze Sales

- Let's look at a completed six-month plan and analyze what a buyer or department manger would review.
- The first thing a buyer wants to know is what **the percent of total sales the month's sales were.**
 - The buyer can see the **sales pattern.**
 - Percents provide the most accurate means of **comparison.**

Step 1: Analyze Sales

- For the month of February
 - $\text{Monthly sales} / \text{total sales} = \text{Monthly sales \%}$
 - $\$44,800 / \$320,000 = 14\%$
- The percentage for each month (February, March, April, May, June, July) is calculated in the same way.

Step 1: Analyze Sales

- | | |
|---|---------------------------------|
| □ $\text{Monthly sales} / \text{total sales} = \text{Monthly sales \%}$ | □ <i>May</i> |
| □ <i>February</i> | □ $\$64,000 / \$320,000 = 20\%$ |
| □ $\$44,800 / \$320,000 = 14\%$ | □ <i>June</i> |
| □ <i>March</i> | □ $\$76,800 / \$320,000 = 24\%$ |
| □ $\$41,600 / \$320,000 = 13\%$ | □ <i>July</i> |
| □ <i>April</i> | □ $\$38,400 / \$320,000 = 12\%$ |
| □ $\$54,400 / \$320,000 = 17\%$ | |

Step 1: Analyze Sales

	Spring 20	Feb	Mar	Apr	May	June	July	Season Total
Fall 20	Aug	Sept	Oct	Nov	Dec	Jan.		
Sales Percent Each Month	14%	13%	17%	20%	24%	12%	100%	
Sales \$	Last Year	44,800	41,600	54,400	44,000	78,800	39,400	320,000
	Plan							
	Revised							
	Actual							

Step 2: Evaluate Stock

- Is important to maintain balance.
- Stock varies due to the frequency of purchases
- Stores can dictate the stock turnover
 - by buying small amounts often for a quick turnover
 - by buying large amounts less frequently for a slow turnover.
- Reviewing the stock-turnover rate provides a way to
 - check the operation
 - balance, or plan, the operation

Step 2: Evaluate Stock

- Essential in future planning when you discuss lead time, reordering, and basic stock requirement.
- First it is important to identify the SSR (Stock-to-Sale Ratio)
 - To determine the ratio of stock on hand to monthly sales.

Step 2: Evaluate Stock

- To evaluate the stock-to-sale ratio
 - Monthly stock-to-sales ratio
= BOM (Beginning of Month) stock / Monthly sales
- The buyer wants to review how much stock was on hand to support the sales.
 - February Stock-to-sales ration
 - Beginning of February Stock (\$134,400) / February sales (\$44,800) = 3.0
 - There was a 3:1 ratio of stock on hand to sales

Step 2: Evaluate Stock

- The SSR for each month (February, March, April, May, June, July) is calculated in the same way.
- *March* Stock-to-sales ration
- Beginning of *March* Stock (\$133,120) / *March* sales (\$41,600) = 3.2
- There was a 3.2:1 ratio of stock on hand to sales

Step 2: Evaluate Stock

Stock-to-Sales Ratio	Last Year	30	32	34	28	23	25	
	Plan							

Step 3: Evaluate Markdowns

- Reductions in stock **reduce the retail value of the inventory**
 - Must be **anticipated, estimated**, and included when **planning**.
- A buyer can stay on top of the reductions **by comparing both**
 - the **monthly markdowns to monthly sales**
 - the **total markdowns to the overall season sales volume**

Step 3: Evaluate Markdowns

- Markdowns are the most common type of **price change**
 - can act as an effective tool for **increasing sales** and
 - providing **room for new merchandise**.

Step 3: Evaluate Markdowns

- To evaluate markdowns:
 - First: *Total Markdowns %*
 = *Total markdown dollars for 6 months / Total sales*
 - Second: *Monthly Markdown %*
 = *Monthly markdowns / Monthly sales*

Step 3: Evaluate Markdowns

- The buyer wants to determine the **impact** of the **markdowns each month on sales**, as well as **overall**
- To calculate the markdown percentage for the entire season
 - *Total Markdowns % = Total markdown dollars for 6 months / Total sales*
 - $\$32,000 / \$320,000 = 10\%$
 - *Monthly Markdown % = Monthly markdowns / Monthly sales*
 - $\$2,000 / \$44,800 = 4.46\%$

Step 3: Evaluate Markdowns

Departmental Markup %			Season Stock Turnover						
Last Year	Plan	Actual	Overall Markdown %						
			10%						
	Spring 20	Feb	Mar	Apr	May	June	July	Season Total	
	Fall 20	Aug	Sept	Oct	Nov	Dec	Jan		
Sales Percent Each Month			14%	15%	17%	20%	24%	12%	100%
Sales	Last Year	44,800	41,600	54,400	64,000	76,800	56,400	320,000	
	Plan								
	Revised								
Retail Stock (BOM)	Last Year	154,400	133,120	164,800	199,200	236,400	96,000		
	Plan								
	Revised								
Markdowns	Last Year	2,000	2,800	4,000	2,000	11,000	8,400	32,000	
	Plan (dollars)								
	Last Year Monthly %	4.4%	1.5%	1.1%	5.1%	1.4%	2.1%		
	Plan Monthly %								
	Actual Dollars								

Step 4: Evaluate Purchases At Retail

- A **continual flow of merchandise** in a store is essential for a **profitable operation**.
- By **timing** merchandise purchases, a buyer is able to **maintain a good flow of stocks and sales**
 - Keeping the assortment **exciting** and always **changing**.

Step 4: Evaluate Purchases At Retail

- To evaluate monthly purchases at retail:
 - *Monthly sales + EOM (End of Month) stock + Monthly Markdowns – BOM (Beginning of Month) = Purchases*
 - *BOM – Monthly Sales – Monthly Markdown – EOM = Purchases to restock*
- Don't forget to add the 6-months' figures and fill in the totals.

Step 4: Evaluate Purchases At Retail

- *Monthly sales + EOM (End of Month) stock + Monthly Markdowns – BOM (Beginning of Month) = Purchases*
- Feb. Sales (\$ 44,800) + EOM (\$133,120) + Feb. Markdowns (\$2,000) – Feb. BOM (\$134,400) = \$45,520
- Complete the retail purchases for each month
- EOM for July = BOM for August

	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan
Retail Stock (BOM)	Last Year	134,400	133,120	84,960	111,200	116,640	9,000	
	Plan							
	Revised							
Markdowns	Last Year	2,000	2,000	4,100	2,000	11,600	2,400	35,000
	Plan (dollars)							
	Actual Dollars	4,400	1,750	1,175	2,150	5,475	2,175	
Retail Purchases	Last Year	45,520	6,240	32,340	13,440	1,600	44,800	311,200
	Plan							
	Revised							
Cost Purchases	Last Year	25,175	33,114	25,519	35,514	4,905	2,509	114,400
	Plan							
	Revised							
EOM Stock	Last Year	133,120	84,960	111,200	116,640	9,000	14,000	
	Plan							
	Revised							
Stock-to-Sales Ratio	Last Year	3.0	2.5	3.4	2.8	2.5	2.5	
	Plan							

Department Buyer _____ Merchandise Manager _____
 Controller _____

*July 31 and January 31 EOM stocks are also called end-of-season stocks.

Handwritten note: Same AS AUG. BOM!

Step 4: Evaluate Purchases At Retail

	Spring 2013	Feb	Mar	Apr	May	June	July	Season Total
Sales Percent Each Month	Actual	14%	15%	17%	20%	24%	12%	100%
	Plan							
	Revised							
Sales \$	Last Year	44,800	41,600	54,400	14,000	16,800	38,400	312,000
	Plan							
	Revised							
Retail Stock (BOM)	Last Year	133,120	84,960	111,200	116,640	9,000		
	Plan							
	Revised							
Markdowns	Last Year	2,000	2,000	4,100	2,000	11,600	2,400	35,000
	Plan (dollars)							
	Actual Dollars	4,400	1,750	1,175	2,150	5,475	2,175	
Retail Purchases	Last Year	45,520	6,240	32,340	13,440	1,600	44,800	311,200
	Plan							
	Revised							
Cost Purchases	Last Year							
	Plan							
	Revised							
EOM Stock	Last Year	133,120	84,960	111,200	116,640	9,000	14,000	
	Plan							
	Revised							

Handwritten notes: step #1, step #3, step #4

Step 5: Evaluate Purchases at Cost

- Buyers and controllers also like to look at the **cost of the merchandise**.
- This figure quickly points to the **dollars needed to purchase product**
- A figure that is used on **operating statements** to identify the **cost of the goods purchased**.

Step 5: Evaluate Purchases at Cost

- To evaluate monthly purchases art cost:
 - $100\% - \text{Departmental MU}\% = \text{Cost}\%$
 - $\text{Purchases} \times \text{Cost}\% = \text{Cost}\$$

Step 5: Evaluate Purchases at Cost

- Buyers will also determine the **cost of the purchases** and **review the information seasonally**.
- This information is also found on a **profit and loss statement** when the **inventory for the season is calculated**.

Step 5: Evaluate Purchases at Cost

- Last year the departmental **markup** was **44%**
 - The **cost percent** is **56%** (100 – 44)
- To calculate the monthly purchases for February,
 - $\text{Purchases} \times \text{Cost}\% = \text{Cost}\$$

$$\$45,520 \times 56\% = \$25,491.20$$
- Calculate purchases for each month
- Don't forget to add the totals for the season.

Step 5: Evaluate Purchases at Cost

Last Year	Plan	Actual						Season Total
		Jan	Feb	Mar	Apr	May	June	
44%							10%	
Spring 20		Jan	Feb	Mar	Apr	May	June	
Fall 20		Aug	Sept	Oct	Nov	Dec	Jan	
Sales Percent Each Month		14%	15%	11%	20%	24%	12%	100%
Sales \$	Last Year	44,000	41,000	54,400	44,000	6,800	38,400	348,000
	Plan							
	Revised							
Retail Stock (BOM) \$	Last Year	154,400	155,750	194,500	177,100	176,400	96,000	
	Plan							
	Revised							
Markdown	Last Year	2,000	1,800	4,500	1,000	11,600	8,400	38,000
	Plan (Millions)							
	Actual Dollars							
Retail Purchases	Last Year Monthly %	44%	15%	11%	20%	24%	12%	
	Plan Monthly %							
	Actual Dollars	45,370	5,240	51,840	13,440	8,760	44,800	59,200
Cost Purchases	Last Year	15,475	53,846	24,506	35,526	4,856	15,000	114.4%
	Plan							
	Revised							

Step 6: Measure Average Stock and Turnover

- Measure how the sales and stock balance.
- The turnover rate will tell if the merchandise is moving too slowly or too quickly.
- You will also be able to judge when stocks are heavy or light and if markdowns might be needed to reduce any stocks that are turning too slowly.

Step 6: Measure Average Stock and Turnover

- In order to calculate the turnover rate,
 - Need to know what the average stock on hand is at any one time
 - Once that figure has been calculated, the turnover rate can be determined.

Step 6: Measure Average Stock and Turnover

- To evaluate monthly average stock:
 - $(6 \text{ BOM} + 1 \text{ EOM}) / 7 = \text{Average Stock}$
- To evaluate stock turnover rate:
 - $\text{Net sales} / \text{Average Stock} = \text{Turnover}$

Step 6: Measure Average Stock and Turnover

- To calculate the average stock,
 - *add all 6 BOMs and the end-of-the-season stock and divided by 7*
 - $(\$134,400 + \$133,120 + \$184,960 + \$179,200 + \$176,640 + \$96,000 + \$94,000) / 7$
 - = \$142,617

Step 6: Measure Average Stock and Turnover

- To calculate the turnover rate,
 - *Net sales / Average Stock = Turnover*
 - $\$320,000 / \$142,617$
 - = 2.24

Step 6: Measure Average Stock and Turnover

		Average Stock		142,617							step #6
		Season Stock Turnover		2.24							step #6
Departmental Markup %		Overall Markdown %		10%							step #7
Last Year	Plan	Actual	Spring	Feb	Mar	Apr	May	June	July	Season Total	
44%			Fall	Aug	Sept	Oct	Nov	Dec	Jan		
Sales Percent Each Month		14%		15%	17%	20%	24%	12%	100%		
Sales \$		Last Year	44,000	41,000	54,000	64,000	76,000	58,000	320,000		
		Plan									
		Revised									
		Actual									
Retail Stock (BCM) \$		Last Year	134,400	133,120	184,960	179,200	176,640	96,000			
		Plan									
		Revised									
		Actual									

Analysis and Interpretation

- The buyer now has the tools to **evaluate the past sales performance** of this department.
- By analyzing plans the buyer gains a more **realistic outlook** on the department's operations.
- Additionally the buyer can discuss the **business trends, fashion outlook, corporate promotions** or even the number of selling days in a month, all of which provide a **realistic picture of how this department has operated.**

Six-Month Merchandising Plan		Department Name: <i>Men's Sport Shirts - 020</i>		Plan		Actual		
Substantial Markup %		Plan		Actual		Season Total		
Substantial Markup %	Plan	Actual	Plan	Actual	Plan	Actual	Season Total	
Substantial Markup %	44%	44%	15%	11%	20%	24%	12%	100%
Sales	Plan	Actual	Plan	Actual	Plan	Actual	Season Total	
Sales	43,700	42,200	24,400	25,000	19,300	16,900	88,900	
Stock	Plan	Actual	Plan	Actual	Plan	Actual	Season Total	
Stock	114,400	101,800	94,500	107,600	106,400	96,000		
Markdowns	Plan	Actual	Plan	Actual	Plan	Actual	Season Total	
Markdowns	2,000	1,800	42,000	2,000	16,000	2,400	26,200	
Purchases	Plan	Actual	Plan	Actual	Plan	Actual	Season Total	
Purchases	13,400	13,400	13,400	13,400	13,400	13,400	66,800	
Cost of Sales	Plan	Actual	Plan	Actual	Plan	Actual	Season Total	
Cost of Sales	112,400	100,000	89,100	105,600	104,000	93,600		
Stock to Sales Ratio	Plan	Actual	Plan	Actual	Plan	Actual	Season Total	
Stock to Sales Ratio	2.62	2.39	3.69	4.26	5.41	5.68		

Problem

- Using the following six-month merchandising plan, fill in last year's figures and then analyze the given information:
 - Monthly sales percentage each month
 - Monthly stock-to-sale ratio
 - Monthly markdown percentage
 - Monthly planned purchases at retail and cost
 - Average stock
 - Stock turnover
 - Total markdown percentage

Problem

	Sales Volume	Stocks	Markdowns
February	\$29,160	\$64,152	\$1,225
March	\$19,440	\$50,544	\$1,050
April	\$22,680	\$59,968	\$1,850
May	\$35,640	\$82,050	\$2,400
June	\$38,880	\$74,000	\$3,670
July	\$16,200	\$43,245	\$2,795
August		\$48,000	

Appendix B

Review Exercise

Connell, D. (2010). *A buyer's life: A concise guide to retail planning and forecasting*. New York: Fairchild.

Chapter 8 Review Exercise C

Complete a six-month plan given the following and rounding to the nearest whole dollar:

1. Last year's sales totaled \$625,000. This year, sales are expected to increase by 4%.
2. Last year's sales figures by month were as follows:

August = \$100,000	September = \$112,500
October = \$81,250	November = \$125,000
December = \$137,500	January = \$68,750
3. Last year's markdown figures by month were as follows:

August = \$14,000	September = \$12,000
October = \$11,500	November = \$18,000
December = \$19,500	January = \$25,000
4. The buyer plans to utilize the basic stock method for planning BOM stock levels.*
5. The turnover is planned at 3.0.
6. The average stock figure will be used as the ending inventory for the season.

*Remember that BOM stock levels for one month can also be used as EOM stock levels for the previous month.

Six-Month Plan Worksheet

Planning and Authorization	
Buyer	_____
Merchandise	_____
Manager	_____
Date Authorized	_____

SIX-MONTH PLANS

Six-Month Merchandise Plan

Six Month Merchandise Plan	Spring	February	March	April	May	June	July	Total	EOS Inv.
	Department Name _____	Fall	August	September	October	November	December	January	Avg. Stock
From: February 1	LY Sales \$								
To: July 31	TY Plan								
Department Financial Data <div style="display: flex; justify-content: space-around; margin-top: 5px;"> LY TY Plan </div> Initial MU% Markdown % Shrinkage % (Workroom Cost) (Cash Discount) (Gross Margin) Average Stock Turnover Rate	Actual								
	LY BOM \$								
	Stock/Sales Ratio								
	TY Plan								
	Actual								
	LY Receipts \$								
	TY Plan								
	Actual								
	LY Markdown \$								
	Monthly MD%								
	TY Plan								
	Actual								

Appendix C

Six-Month Merchandise Plan Review Problems Using Excel Review Problem (pp. 241-242)

Connell, D. (2010). *A buyer's life: A concise guide to retail planning and forecasting*. New York: Fairchild.

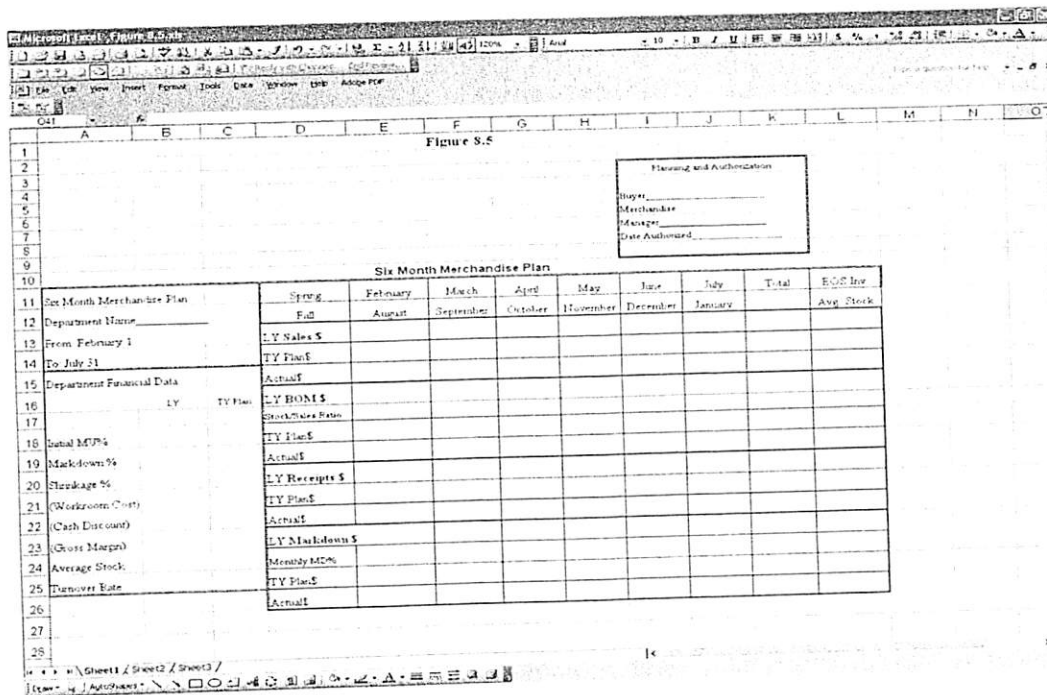
- Print out the final results as directed by your instructor. Refer to Chapter 1 for instructions if necessary.

Six-Month Merchandise Plan Review Problems Using Excel

Review Problem 8.1

Open the Excel spreadsheet titled Lesson8.2.xls. Your screen should resemble Figure 8.5.

Fig. 8.5:



- Save the blank spreadsheet to your own travel drive and give it an appropriate filename. To be consistent, this file should be named Review8.1(your initials here with no spaces).

In Lesson 8.1, you completed a six-month merchandise plan using the stock-sales ratio to plan BOM stock levels. Use the following data to complete the blank spreadsheet using the basic stock method for planning BOM stock levels.

- The men's sportswear department has planned sales for this year of \$227,000. Monthly sales are planned as follows:

- February 12%
- March 18%
- April 21%

- May 21%
- June 16%
- July 12%

3. Markdowns are planned for 14% for the season and are allocated as follows:

- February 21%
- March 18%
- April 21%
- May 12%
- June 15%
- July 13%

4. Turnover is expected to remain similar to last year at 3.2.

HINT: You will need this figure to complete the BOM stocks using the basic stock method.

5. Make sure your spreadsheet includes completed planned monthly sales, planned BOM stock levels, planned monthly markdowns, planned monthly receipts, average stock, and turnover rate when complete.

HINT: Remember that you will first need to determine average stock for the season in order to determine basic stock. Use the formulas listed at the front of this chapter.

6. Be sure to save your work and print out the final results as directed by your instructor.

Appendix D

Sample of Exam Questions

FSMR 380 - Exam #2

Name: _____

Please show your works and round your answers to the nearest hundredth.

1. The stationery and greeting cards department was given the following data to use in developing a merchandise plan for the spring-summer season:

Planned sales for the season	\$90,000
February 1 inventory	31,320
July 31 inventory	36,000

<u>Month</u>	<u>% of Season's Sales</u>	<u>BOM Stock Sales Ratio</u>	<u>Markdowns as a % of Monthly Sales</u>
February	12%	2.9	6.6%
March	14%	2.7	4.5%
April	20%	2.2	4.7%
May	21%	2.1	4.9%
June	19%	2.2	5.2%
July	14%	2.7	7.5%

Calculate:

- Monthly planned sales
- BOM stocks
- Monthly and total season planned dollar markdowns
- Monthly and total season planned purchases at retail
- Planned stock turnover rate for the season

2. Complete a merchandise plan for Linens and Domestics based on the following data:

Planned net sales	\$98,000
Stock turnover	1.8
Operating expenses	39.2%
Planned profit	4.0%
Cash discounts	1.3%
Markdowns	9.1%
Shortages	0.7%
Maintained markup	41.9%

- Determine the initial markup and gross margin percents.
- Determine sales for each month.

- (c) Calculate the reductions for each month.

	<u>Sales</u>	<u>Reductions</u>
February	12%	13%
March	13%	15%
April	15%	12%
May	19%	21%
June	21%	19%
July	20%	20%

- (d) Determine the BOM stocks for each month.
 (e) Determine the EOM stocks for each month.
 (f) Calculate the monthly planned purchases at retail.
 (g) Calculate the monthly planned purchases at cost.
3. During a six-month period, a department has a planned stock turnover of 3.2 and planned sales of \$230,000. August sales are estimated at \$38,000 and September sales at \$42,000. Using the basic stock method, determine the BOM stock for August and the BOM stock for September.
4. A department had an opening inventory of \$48,000 at retail and net sales during the period of \$95,000. If the closing inventory was \$51,000, what was the stock turnover for the period?
5. Figure the stock turnover at retail for a six-month period, August through January, given the following: Net sales of \$90,000:

BOM Stock:	August	\$24,000
	September	25,200
	October	30,000
	November	28,800
	December	27,200
	January	26,000
	February	30,000