

# Retail Management

Thirteenth Edition

## A Strategic Approach

### Web Exercises Part Six: Merchandise Management and Pricing

- **Exercise 6-1: CarMax Purchasing Career Path**
  1. Describe the merchandising career path available at CarMax.
  2. What additional information would you want in order to decide whether CarMax is a good employer?
  
- **Exercise 6-2: Income Statement Template**
- Download the **“Income Statement Worksheet.”** Note: This exercise requires Excel. Also be sure to save the file so you are not in Read-Only mode!!
  1. Prepare a projected profit-and-loss statement for an online business you have located on a Web site.
  2. Describe the assumptions in your analysis.
  
- **Exercise 6-3: EOQ Calculator**

Scroll down and click on “Purchasing – EOQ Quantity.”

  1. Use the online calculator to compute the EOQ for a retailer that buys in small quantities; total annual consumption of 150,000 units, ordering costs \$200 per order, order quantity of 10,000 units. What are your conclusions?
  2. Use the online calculator to compute the EOQ for a retailer that buys in large quantities; total annual consumption of 350,000 units, ordering costs \$200 per order, order quantity of 40,000. What are your conclusions?
  
- **Exercise 6-4: How to Get the Most Out of Your Retail Shelf Space**
  1. What are the major lessons for retailers from this Web site? Apply the concept of category management to your answer.
  2. What are the major lessons for manufacturers/suppliers from this Web site? Apply the concept of category management to your answer.