



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

SALES MANAGEMENT N6

(4090346)

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This question paper consists of 7 pages.





DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
SALES MANAGEMENT N6
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
 2. Read ALL the questions carefully.
 3. Number the answers according to the numbering system used in this question paper.
 4. Write neatly and legibly.
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SECTION A**QUESTION 1**





- 1.1 Choose a/an item/word from COLUMN B that matches a description in COLUMN A. Write only the letter (A–J) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

COLUMN A		COLUMN B
1.1.1	Something that motivates or encourages sales staff towards superior performance	A job specification
1.1.2	Portion of the total market's sales that a given company owns at a specific time	B hierarchy of authority
1.1.3	Day-to-day appraisal of sales performance 	C prospecting 
1.1.4	Document that specifies the personal characteristics and qualifications a person should have in order to apply for a sales job	D esteem
1.1.5	Process of looking for leads, qualifying and turning them into potential customers	E market share
1.1.6	Rate at which the company's employees leave their jobs due to retirement, dismissal or resignation during a given period	F sales budget
1.1.7	Need involved in what people think of themselves and what others think of them 	G staff turnover
1.1.8	Activities within the organisation taking place at different managerial levels	H incentive
1.1.9	Formal introduction of a new employee to the company	I induction 
1.1.10	Total revenue expected from all products that are sold	J continuous sales performance evaluation

(10 × 2)

(20)

1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (1.2.1–1.2.15) in the ANSWER BOOK.

- 1.2.1 In the spouse interview, both partners are interviewed simultaneously. 
- 1.2.2 Salespeople can only be trained by their sales managers.
- 1.2.3 Sales managers should involve salespeople in setting up a company's compensation plan.
- 1.2.4 Closing a sale is the last step in the selling process.
- 1.2.5 A formal sales appraisal should take place at the head office in order to be recognised.
- 1.2.6 Recruiting nonsales staff usually boosts the staff morale as this is considered as promotion. 
- 1.2.7 The major advantage of encouragement plans is their strong motivational power, especially to younger salespeople.
- 1.2.8 An advantage of matrix organisational structure is that it is flexible to accommodate changes.
- 1.2.9 The first step in the sales performance evaluation process is to take corrective action when the sales person's performance is below standard. 
- 1.2.10 Salespeople are motivated by the prospect of earning more money.
- 1.2.11 In checking the references of an applicant, it is not advisable to obtain the person's permission before contacting a previous employer.
- 1.2.12 A vertical sales organisation has a smaller number of management levels. 
- 1.2.13 In drawing up the sales budget, special attention should be given to current product sales only.
- 1.2.14 A straight commission is suitable in route selling.
- 1.2.15 An effective advertisement for recruitment should endeavour not to make unattainable promises.




(15 × 2) (30)
[50]

TOTAL SECTION A: 50


SECTION B



QUESTION 2

Answer ALL questions in this section.

- 2.1 The success of a business largely depends on the behaviour of its salespeople. It is therefore important to maintain a high standard of recruitment and selection at all times.
- 2.1.1 Differentiate between the terms *recruiting* and *selection*. (2 × 3) (6)
- 2.1.2 Briefly discuss FOUR advantages of recruiting internally (people in the company). (4 × 2) (8)
- 2.1.3 Name THREE main functions of an application form.  (3 × 2) (6)
- 2.2 'A well-designed compensation plan for sales people takes both the needs of the company and its sales staff into consideration.'
- 2.2.1 Discuss THREE objectives of a compensation plan from the company's point of view.  (3 × 3) (9)
- 2.2.2 What does a *fair compensation* mean from a sales person's perspective? (2 × 2) (4)
- 2.2.3 Discuss THREE circumstances under which straight commission, as a compensation method, is suitable. (3 × 2) (6)
- 2.3 Marketing costs are analysed to assess the ability of a salesperson to control direct selling costs.
- 2.3.1 Name THREE bases for analysing marketing costs.  (3 × 1) (3)
- 2.3.2 Explain the importance of individual sales performance evaluation. (4 × 2) (8)
- [50]**

QUESTION 3

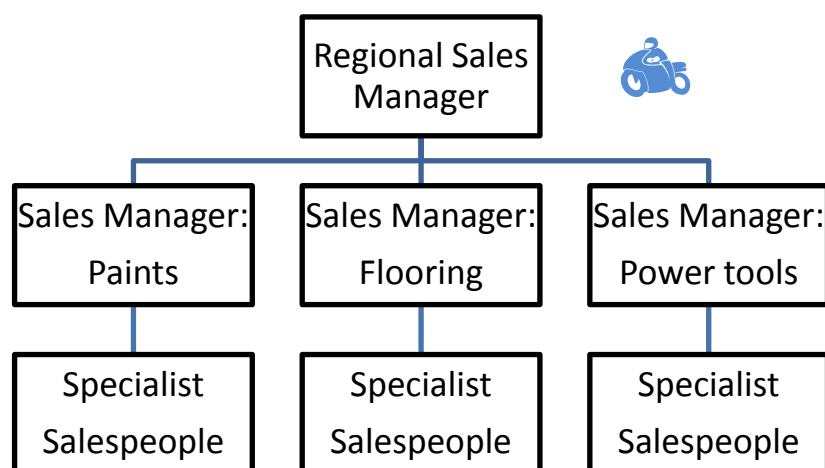
- 3.1 A personal interview enables the sales manager to appraise the candidate's communication skills and judge his/her personal appearance.
- Discuss FOUR characteristics of an unstructured interview and give ONE example of a question asked in this type of interview.  (4 × 2) (8)
- 3.2 Briefly explain the purpose of reference checks. (2 × 2) (4)


- 3.3 Sales managers must find a balance between the need to provide a basic salary and incentives in order to challenge and motivate salespeople to put their best effort into the company.
- 3.3.1 Name THREE basic methods of compensation. (3 × 1) (3)
- 3.3.2 Discuss the importance of a bonus as an incentive.  (2 × 2) (4)
- 3.3.3 Briefly discuss the THREE commission rate variations. (3 × 3) (9)
- 3.4 Briefly explain FIVE methods a sales manager can use to evaluate the effectiveness of a training programme. (5 × 2) (10)
- 3.5 Sales managers need to be effective supervisors to ensure that salespeople and sales teams perform optimally.
- 3.5.1 Define the term *supervision*. (3)
- 3.5.2 Briefly explain THREE reasons why supervision is important. (3 × 2) (6)
- 3.5.3 Briefly explain how on-the-job training is conducted as a supervision method.  (3)
- [50]**




QUESTION 4

- 4.1 Study the organisational structure below and answer the questions that follow.

TOWN AND COUNTRY HARDWARE CENTRE



- 4.1.1 What type of specialisation is indicated in the diagram above? (2)
- 4.1.2 Briefly discuss THREE advantages of using the above sales organisational structure.  (3 × 2) (6)

4.1.3	Briefly explain FIVE factors that have an influence on the span of control in a sales organisation.	(5 × 2)	(10)
4.2	Briefly explain the <i>decentralised</i> sales organisation. 		(2)
4.3	Performance standards constitute the heart of sales evaluation. Differentiate between the <i>input</i> and <i>output</i> performance standards.	(2 × 2)	(4)
4.4	Identify whether the examples given below are input standards or output standards. Write only 'Input' or 'Output' next to the question number (4.4.1–4.4.5) in the ANSWER BOOK.		
4.4.1	Increase in size of orders		
4.4.2	Number of new prospects found		
4.4.3	Number of appointments made		
4.4.4	Improved ratio: orders to calls 		
4.4.5	Attempts to improve time and territory management	(5 × 2)	(10)
4.5	An effective training programme is essential for the incumbent to become a productive member of the sales force.		
4.5.1	Name FIVE methods of assessing training needs. 	(5 × 2)	(10)
4.5.2	Briefly explain THREE important focus areas a company would include in the training of new staff members.	(3 × 2)	(6)
			[50]
TOTAL SECTION B:			150
GRAND TOTAL:			200