



OCCUPATIONAL CATEGORY

Retail Merchandising Series

Associate Level

INSTRUCTIONAL AREA

Economics

PARTICIPANT INSTRUCTIONS

PROCEDURES

1. The event will be presented to you through your reading of these instructions, including Performance Indicators Evaluated and Event Situation. You will have up to 10 minutes to review this information to determine how you will handle the role-play situation and demonstrate the performance indicators of this event. During the preparation period, you may make notes to use during the role-play situation.
2. You will give an ID label to your adult assistant during the preparation time.
3. You will have up to 10 minutes to role-play your situation with a judge.
4. You will be evaluated on how well you meet the performance indicators of this event.
5. Turn in all your notes and event materials when you have completed the role-play.

PERFORMANCE INDICATORS EVALUATED

1. Explain the principles of supply and demand.
2. Describe the concept of price.
3. Identify factors affecting a business's profit.
4. Explain the concept of competition.
5. Make oral presentations.

EVENT SITUATION

You are to assume the role of experienced salesperson working in the sporting goods department of CARTWRIGHTS', a large department store. A new employee (judge) has asked you to explain a price increase on a new shipment of tennis racquets.

The sporting goods buyer recently located a new line of tennis racquets called PRO-LINE. When the first shipment was received, it was marked up 50%, the standard mark-up for the sporting goods department.

Within two days, the entire shipment of PRO-LINE racquets was sold out. The buyer reordered a much larger quantity for immediate delivery. Because PRO-LINE is new, few competitors carry it. As a result, customers have been asking when you will receive your next PRO-LINE shipment.

Unfortunately, popular new lines often have slow delivery due to unanticipated demand for the product. After the first order sold out, it took three weeks for the reorder to arrive. During that time, the buyer decided to increase the store's mark-up from 50% to 60%. This decision was made, in part, due to the short supply and unanticipated demand.

A new sales employee (judge) started working in the sporting goods department when the first shipment of PRO-LINE racquets arrived. The new employee (judge) is aware of how popular the PRO-LINE line is with customers and how quickly it sold out. That employee (judge) is now helping you stock the new shipment. He/she notices the price increase on the tennis racquets and asks why the prices are higher now than they were for the initial shipment. You are to explain the price increase in terms of supply and demand, price, profit and competition.

You will give your explanation to the new employee (judge) in a role-play to take place on the sales floor of the sporting goods department. The new employee (judge) will begin the event by greeting you and asking why the price was increased. After you have given your explanation and have answered the new employee's (judge's) questions, the new employee (judge) will conclude the role-play by thanking you for your insights.

JUSDGE'S QUESTIONS

During the course of the role-play you are to ask the following questions of each participant:

1. How can raising the price of the tennis racquets increase the store's profit?
2. What will happen to the current price of the tennis racquets if our competition begins to carry PRO-LINE racquets?

JUDGE'S EVALUATION FORM

RMAL

DID THE PARTICIPANT:

1. Explain the principles of supply and demand?

POOR**0, 2**

Attempts at explaining the principles of supply and demand were vague or inadequate.

FAIR**4, 6, 8**

Adequately explained the principles of supply and demand.

GOOD**10, 12, 14**

Effectively explained the principles of supply and demand.

EXCELLENT**16, 18**

Very effectively explained the principles of supply and demand; provided relevant examples.

2. Describe the concept of price?

POOR**0, 2**

Attempts at describing the concept of price were inadequate or unclear.

FAIR**4, 6, 8**

Adequately described the concept of price.

GOOD**10, 12, 14**

Effectively described the concept of price.

EXCELLENT**16, 18**

Clearly and effectively described the concept of price; provided examples.

3. Identify factors affecting a business's profit?

POOR**0, 2**

Attempts at identifying factors affecting a business's profit were weak or inadequate.

FAIR**4, 6, 8**

Adequately identified factors affecting a business's profit.

GOOD**10, 12, 14**

Effectively identified factors affecting a business's profit.

EXCELLENT**16, 18**

Very effectively identified factors affecting a business's profit and provided examples.

4. Explain the concept of competition?

POOR**0, 2**

Attempts at explaining the concept of competition were inaccurate or incomplete.

FAIR**4, 6, 8**

Adequately explained the concept of competition.

GOOD**10, 12, 14**

Effectively explained the concept of competition and how competition affects the other economic concepts.

EXCELLENT**16, 18**

Very effectively explained the concept of competition and how competition affects the other economic concepts; provided examples.

5. Make oral presentations?

POOR**0, 2**

The spoken explanation was not coherent or confident.

FAIR**4, 6, 8**

The oral presentation of the explanation was adequate.

GOOD**10, 12, 14**

The oral presentation of the explanation was effective and clear.

EXCELLENT**16, 18**

The oral presentation was very effective: clear, confident and coherent.

6. Overall impression and response to the judge's questions?

POOR**0, 1**

Demonstrated few skills; could not answer the judge's questions.

FAIR**2, 3, 4**

Demonstrated limited ability to link skills; answered the judge's questions adequately.

GOOD**5, 6, 7**

Demonstrated the specified skills; answered the judge's questions effectively.

EXCELLENT**8, 9, 10**

Demonstrated skills confidently and professionally; answered the judge's questions very effectively.

Judge's Initials _____

TOTAL SCORE _____