

# *Entrepreneurship First Year*

## *Module 2 Living in Retailing*



### *What this module is about*

Nice meeting you again, dear student! Are you ready to continue the journey? It's selling time, a time for learning how to sell. There is life in retailing!



### *What you are expected to learn*

This module is planned for you. At the end of this module, you are expected to be able to:

1. describe retailing as an entrepreneurial activity;
2. cite specific examples of retailing;
3. explain how activities in retailing affect its success in retailing;
4. describe the types of selling; and
5. recognize the importance of retailing to the economy.

Listed below are the terms you will meet in this module and their meaning. These terms will help you understand the lessons better.

<i>Terms</i>	<i>Definition</i>
1. Retailing	Selling in small quantities
2. Merchandise	Goods bought and sold
3. Want List	Another term for market list A list of specific details that facilitate buying
4. Cost Price	Cost of materials or goods bought
5. Markup	A certain percentage added to the cost price to determine selling price
6. Selling price	Cost price plus markup

Before studying this module, answer first the pretest to help you determine how much you already know about the topics to be discussed.



## PRETEST

Directions: Choose the correct answer. Write the letter of the correct answer in your answer notebook.

1. It includes all activities related to the sale of goods and services direct to consumers.
  - a. wholesaling
  - b. retailing
  - c. manufacturing
  - d. purchasing
  
2. Which of the following is not involved in purchasing?
  - a. obtaining goods in right amounts
  - b. preparing a market list
  - c. keeping a record of purchases
  - d. checking all goods received
  
3. In the selling process, this individual is the link between producer and consumer.
  - a. wholesaler
  - b. manufacturer
  - c. retailer
  - d. producer
  
4. Aling Paz is worried because she discovered that some bottles of vinegar are missing. The number of items did not tally with the record of goods she received. What should Aling Paz do?
  - a. Check the condition of the product
  - b. Check the quantity of goods bought
  - c. Store the goods well
  - d. Return all the items in the store
  
5. The value that a retailer sets for an article for sale.
  - a. price
  - b. markup
  - c. retailer
  - d. selling price
  
6. Aling Rosa bought a dozen oranges for P120.00. She added a markup of 10%. How much now is the selling price of each orange?
  - a. P 11.00
  - b. P 12.00
  - c. P 13.00
  - d. P 14.00

7. How much markup is added to the cost of a dozen oranges?
- P 8.00
  - P 12.00
  - P 14.00
  - P 15.00
8. Which of the following determines the sales technique that an entrepreneur should adopt?
- the needs of the customers
  - buying capacity
  - the practice of customers
  - all of the above
9. Ludy, the owner of a pizza store, received an order from a customer. Payment will be given upon delivery. What type of selling is this?
- charge-deliver
  - charge-send
  - charge-take-sale
  - C.O.D. sale
10. A system of selling in which the customer orders the merchandise and requests the store to put away the goods until he/she calls for it.
- cash-deliver sale
  - part-cash-part charge sale
  - will-call sale
  - installment sale

Now, compare your answer with the answer key on page 13.

If all your answers are correct, very good! However, you may still review the module. Find time to develop more insights as well.

If you rated low, don't feel bad. It only tells that this module is for you. You may proceed to Lesson 1.

## Lesson 1

### Retailing and Related Activities How Activities Contribute to the Success of Retailing

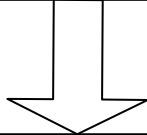
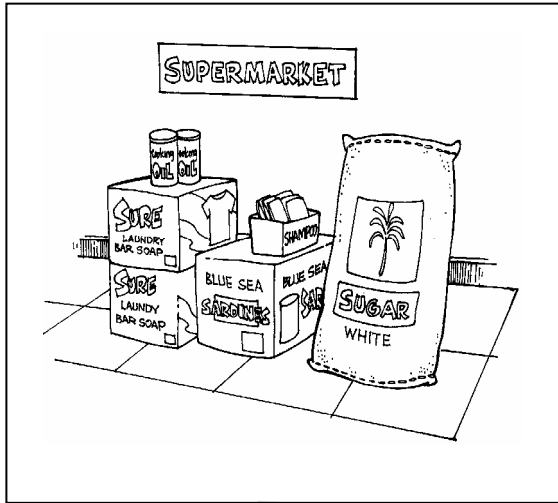
In this lesson, you will find out why retailing, as an entrepreneurial activity, is a good source of livelihood among Filipinos. Through retailing, customers can avail of goods from

cheap sources near their homes. Retailing requires a lot of other activities. Hence, the future entrepreneur should adopt an ideal scheme prior to venturing into this kind of business.

Try to perform and learn all the tasks requested of you in order to maximize learning from this module.

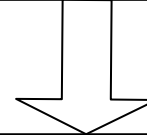
**Activity 1**

Illustration A



- 2 cans of cooking oil
- 2 boxes of soy sauce
- 3 boxes of laundry soap (bar soap)
- 1 box of sardines
- 1 sack of white sugar
- 3 packs of shampoo (sachet)

Illustration B



- 1 cup of cooking oil
- 1/2 cup of soy sauce
- 1/4 piece of laundry bar soap
- 2 cans of sardines
- 1/2 kilo of white sugar
- 1 piece of shampoo (sachet)

Analyze the two illustrations and answer the following questions:

1. What do you notice in the illustrations?

Illustration A

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Illustration B

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2. If you were asked to buy small quantities of certain goods, where will you buy them? Why?

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3. Describe a *sari-sari* store in your community. How does it operate?

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Were you able to do it right? Understand the lesson well. There are other information on activities in retailing besides what you have written.

What is retailing?



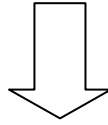
Retailing includes all activities relating to the sale of goods to consumers. The operator is called a retailer. He is the link between the operator and the consumer.

Retailing is interesting because the operator has a chance to get acquainted with the people in the community. It is challenging because it sharpens one's mathematical ability and develops judgment and creativity in the effort to please and satisfy customers.

There are three activities involved in retailing, as follows:

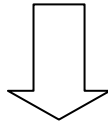
Purchasing

Obtaining the right kind of merchandise in the right amount, at the right price and from the right source. The list of purchases should be complete to facilitate buying.



### Receiving and checking the goods

Merchandise is checked as to weight, quantity, quality and other details before receiving and signing the delivery receipts. Store the goods well.



### Pricing the Merchandise

Price is the value that a retailer sets an article for sale.  
Pricing is affected by the supply and demand for goods, the season of the year, the quality of goods and competition from other stores.

What is markup?

It is the difference between the cost price and the selling price.

To understand better how to compute the selling price of a product, read this example:

Aling Chona paid P100 for 10 handkerchiefs. How much is a handkerchief if she will sell it?

Here's how it is done:

The cost of 10 handkerchiefs is P100. If she wants to have a 10% markup, multiply P100 by 10%.

$$\begin{array}{r} P100.00 \\ \times \quad .1 \\ \hline P10.00 \end{array}$$

Aling Chona expects a profit or markup of P10.00.

To get the selling price, add the cost of the materials plus 10% markup, then divide by the number of handkerchiefs bought. Aling Chona will get the selling price of each handkerchief.

Here's how she did it:

Cost of 10 handkerchiefs	P100.00
10% markup	<u>10.00</u>
Total	P110.00

P110 divided by 10 (number of handkerchiefs) = Selling price

The selling price per handkerchief is P 11.00. She imposed only a 10% markup in order to sell the handkerchiefs because she already has a profit.

## Activity 2

Your mother bought a box of sardines for P96.00. The box contains 12 cans of sardines. She added a 10% markup for the goods. Now, compute the selling price for each can of sardines. Can you do it?

Try to compute the selling price. Reflect your solution in your assignment notebook. Then, try to show your solution to any member of the family or to a friend to check if your solution is correct.

Did you get it right? Good!

The cost of a box of sardines is P 96.00. The markup imposed is 10%. So, simply multiply P 96.00 by 10%. Your mother expects a profit of P 9.60.

To determine the selling price:	P 96.00	cost of 10 cans of sardines
	<u>+ 9.60</u>	markup
	P 105.60	price of 10 cans of sardines

$$P105.60/12 = 8.80 \text{ selling price of 1 can of sardines}$$



Self-check:

See if you can give the right answers to the clues below.



*Across:*

1. Goods bought and intended for sale.
2. Obtaining the right kind and quantity of goods at the right amount, at the right time, and from the right source.
3. The value that the store owner sets for his merchandise.
4. The term that tells the selling price of a product.

*Down:*

1. Activities relating to the sale of goods and services to the customer.
2. The difference between cost price and selling price.
3. Another term for markdown D\_S\_\_N\_

## Lesson 2

### Types and Value of Selling

The most important concern of every store owner is how to win the customer's goodwill. In this lesson, you will learn how to be a good retailer, and have the benefits from selling in return.



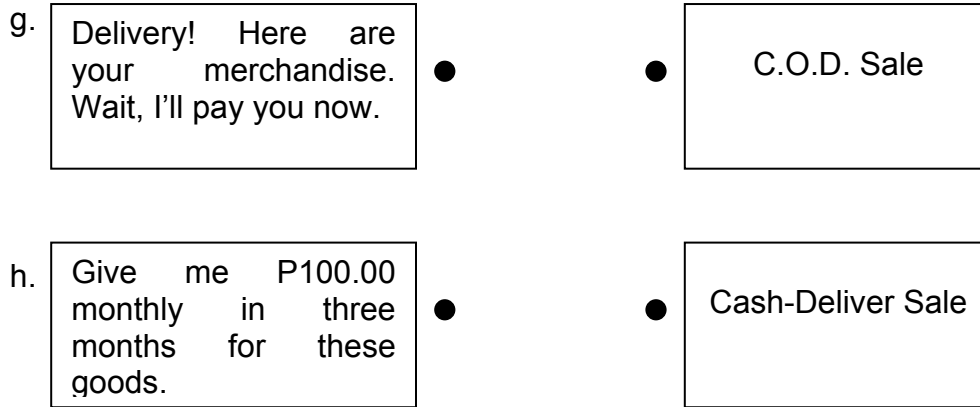
### Activity 3

Now, start playing this game.

ENTRE..... Connect

Directions: Using the dots, draw a line to connect the boxes on the left to the related boxes on the right.

a.	How much will I pay you? I'll bring these goods right now.	●	●	Part-Cash Part Charge Sale
b.	Charge these goods to me. Have them delivered to my store.	●	●	Cash Take Sale
c.	I'll pay $\frac{1}{2}$ the cost of these goods and the rest, charge to my account.	●	●	Lay-Away or Will-Call Sale
d.	I want to order school supplies at this much. I'll give P150 deposit. You want me to take hold of these goods for a week? Okay	●	●	Charge send or charge delivery
e.	I'll pay for these goods, but please deliver them to my store.	●	●	Charge-Take-Sale
f.	I'll bring home the merchandise. Charge them to my account.	●	●	Installment Sale



How many correct answers do you have? Don't worry if you did not get it perfect. The activity you have just done tells you the types of selling. Try to go over the activity again to ensure further learning.



Self-check:

Identify the type of selling described in each statement.

1. Customer pays part of the merchandise in cash, and the rest of the amount, charged to his account.
2. The customer pays cash for goods delivered.
3. Goods are charged to the customer and then delivered to his home.
4. The customer pays for the goods and takes the products home with him.
5. The customer and the owner agreed that a certain amount be paid on a specific date until the merchandise is fully paid.



LET'S SUMMARIZE

- ❖ As an entrepreneurial activity, retailing is a good source of livelihood, but it requires wise purchasing, accurate receiving and checking of goods, and reasonable pricing.
- ❖ Identify the needs and capability of the people to buy products. The buying practices and preferences of customers determine the sales techniques a retailer should adopt.

Answer the posttest to determine to what extent you have learned from the previous discussion.



## POSTTEST

Directions: Write only the letter of the correct answer in your answer notebook. Present the results of the posttest to a member of the family who is knowledgeable of the topics. Find time to show the same results when you come to the school.

1. It includes all activities related to the sale of goods and services direct to consumers.
  - a. wholesaling
  - b. retailing
  - c. manufacturing
  - d. purchasing
  
2. Which of the following is not involved in purchasing?
  - a. obtaining goods in the right amounts
  - b. preparing a market list
  - c. keeping a record of purchases
  - d. checking all goods received
  
3. In the selling process, who serves as the link between producer and consumer?
  - a. wholesaler
  - b. manufacturer
  - c. retailer
  - d. producer
  
4. Aling Paz is worried because she discovered that there were missing bottles of vinegar. The number of items did not tally with the record of goods she received. What should Aling Paz do?
  - a. check the conditions of the product
  - b. check the quantity of goods bought
  - c. store the goods well
  - d. return all the items to the store
  
5. It is the value that a retailer sets for an article for sale.
  - a. price
  - b. markup
  - c. retailer
  - d. selling price
  
6. Aling Rosa bought a dozen oranges for P120.00. She added a markup of 10%. How much now is the selling price of an orange?
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7. How much markup is added to the cost of a dozen oranges?
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  - d. P 15.00
8. Which of the following determines the sales technique that the entrepreneur should adopt?
- a. customer needs
  - b. buying capacity
  - c. the practice of customers
  - d. all of the above
9. Ludy, the owner of a pizza store, received an order from a customer. Payment will be given upon delivery. What type of selling is this?
- a. charge-deliver
  - b. charge-send
  - c. charge-take-sale
  - d. C.O.D. sale
10. A system of selling where the customer orders the merchandise and requests the store to lay away the goods until he/she calls for it?
- a. cash-deliver sale
  - b. part-cash-part charge sale
  - c. will-call sale
  - d. installment sale

Did you get a perfect score? Congratulations! This ends Module 2. If you did not fare well, go over the missed items again before proceeding to the next module. I am sure you will make it this time. You may now take a short break. I think you have the potential of being an entrepreneur. Congratulations for being persistent. See you in the next module.



#### ANSWER KEY

#### Pretest

- 1. b
- 2. d
- 3. c
- 4. b
- 5. a
- 6. a
- 7. b
- 8. d
- 9. d
- 10. c

Lesson 1: Self-check

Across

1. merchandise
2. purchasing
3. price
4. tag

Down

1. retailing
2. profit
3. discount

Lesson 2: Self-check

1. charge-deliver
2. C.O.D. sale
3. part-cash-part charge sale
4. cash-take sale
5. installment sale

Posttest

1. b
2. d
3. c
4. b
5. a
6. a
7. b
8. d
9. d
10. c