

Chapter 16 Vocabulary

Write definition and one sentence for each word in notebook.

1. Sales Check
2. Layaway
3. On-Approval Sale
4. Cash On Delivery (COD) Sale
5. Sales Tax
6. Allowance
7. Transfer
8. Area
9. Universal Product Code (UPC)
10. Point-Of-Sale (POS) System
11. Till
12. Opening Cash Fund
13. Automatically
14. Concentrate

Marketing Essentials



Chapter 16

using math in sales

Section 16.1
Sales Transactions

Section 16.2
Cash Registers

Section 16.3
Purchasing, Invoicing,
and Shipping

Sales Transactions

Graphic
Organizer

The Six Types of Retail Sales Transactions

Types of Retail Sales Transactions

1. Cash or Check

2. Debit

3. Credit card

4. Layaway

5. On-approval

6. Cash-on-delivery

Types of Retail Sales

Types of Retail Sales

Cash or Check Sales

Debit Card Sales

Credit Card Sales

Layaway Sales

On-Approval Sales

Cash-on-Delivery (COD) Sales



layaway

Removing merchandise from stock and keeping it in a separate area until the customer pays for it.



on-approval sale

An agreement that allows a customer to take merchandise home for further consideration.



cash-on-delivery (COD) sale

A transaction that occurs when a customer pays for merchandise at the time of delivery.

Sales Transactions

Types of Retail Sales

Graphic
Organizer

Advantages and Disadvantages of Different Types of Retail Sales

Type of Retail Sale	Advantages	Disadvantages
Cash	Customer: Won't overspend Retailer: Gets money immediately	Customer: May need to carry large amounts of cash Retailer: Must handle cash
Debit card	Customer: Won't overspend Retailer: Receives money immediately	Customer: Money taken from account immediately Retailer: Must pay a fee
Credit card	Customer: Billed later Retailer: Increases sales	Customer: May overspend Retailer: Must pay percentage

continued

Sales Transactions

Types of Retail Sales

Graphic
Organizer

Advantages and Disadvantages of Different Types of Retail Sales

Type of Retail Sale	Advantages	Disadvantages
Layaway	Customer: Only pays a deposit Retailer: Keeps merchandise until entirely paid for	Customer: Doesn't get merchandise immediately Retailer: Must store items until paid for
On-approval	Customer: Has more time to make a decision Retailer: Provides a service to customers	Customer: Must return merchandise if decides not to buy Retailer: Does not get money until later and the merchandise may be returned

continued

Sales Transactions

Types of Retail Sales

Graphic
Organizer

Advantages and Disadvantages of Different Types of Retail Sales

Type of Retail Sale	Advantages	Disadvantages
Cash-on-delivery	Customer: Does not pay until delivery Retailer: Provides a service to customers	Customer: Must pay a fee Retailer: Does not receive payment until delivery

Sales Transactions

Sales Tax

Sales Tax Facts

Paid only by the final user.

A regressive tax.

States want individuals to pay tax on Internet sales.



sales tax

A percentage fee levied by the government on the sale of goods and services.

Sales Transactions

Sales Tax

Each of These Situations Requires a Different Type of Sales Transaction

Return

Exchange

Allowance



allowance

Partial return of a sale price for merchandise the customer has kept, for example if there is a defect.

Sales Transactions

Sales Tax

Delivery charges are generally exempt from sales tax; they are added after the sale tax has been calculated.

Cash Registers

Graphic Organizer

Three Methods of Entering Information into an Electronic Cash Register and Three Safeguards Against Theft

Electronic Cash Registers

Methods of Entering Information

1. Optical scanning
2. Electronic wand entry
3. Manual key entry

Safeguards Against Theft/Counterfeiting

1. Close cash drawer between transactions
2. Lock drawer when leaving it
3. Become familiar with currency

Cash Registers and Their Main Functions

Three Basic Sales Functions of Cash Registers

**Recording
Sales**

**Storing Cash and
Sales Documents**

**Providing
Receipts**

Cash Registers and Their Main Functions

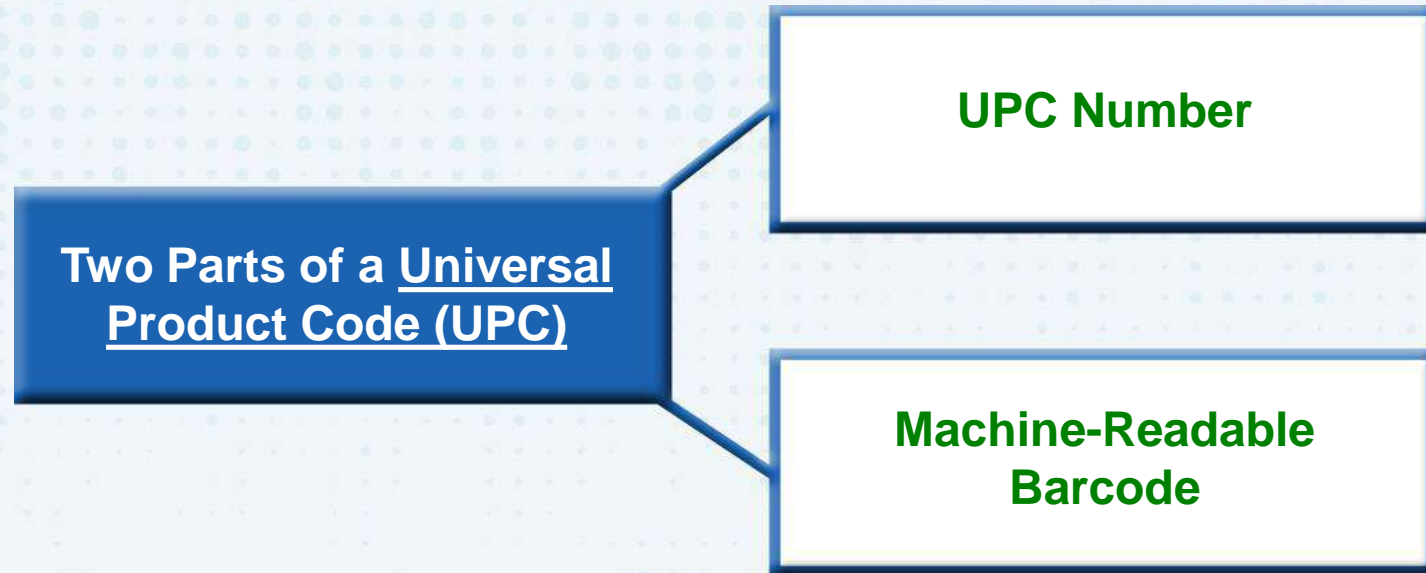
Entering Transaction Data into an Electronic Cash Register

**Optical
Scanning**

**Electronic Wand
Entry**

**Manual Key
Entry**

Cash Registers and Their Main Functions



universal product code (UPC)

A combination barcode and number used to identify a product and manufacturer that must be on every item sold by the manufacturer.

Current Trends

A point-of-sale (POS) system can trigger replenishment of stock and manufacturing of replacement merchandise.



point-of-sale (POS) system

A combination of a cash register with a computer, making it possible to capture information about the transaction at the time of sale and apply it to different functions.

Current Trends

**Radio frequency identification (RFID)
is used to read labels on products.**

Cash Registers

Current Trends

On most cash registers, the till can be opened only during a transaction.

The till has ten compartments—five in the back and five in the front.



till

The cash drawer of a cash register.

Current Trends

The opening cash fund is also known as the *change fund*.



opening cash fund

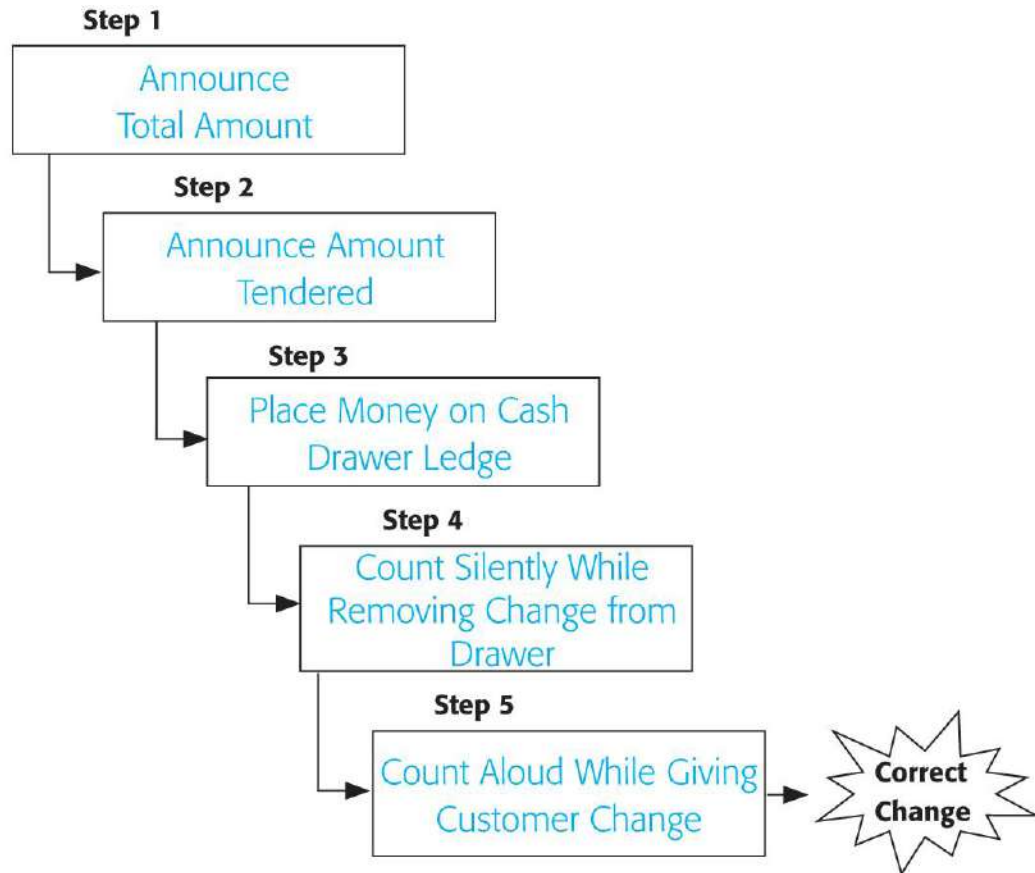
A limited amount of money in the cash register at the beginning of business.

Cash Registers

Current Trends

Graphic
Organizer

Making Change
When Using a
Non-POS System



Cash Registers

Current Trends

When balancing the till, it is not good to be over or short. In either case you made a mistake.

Cash Registers

Current Trends

Theft and counterfeiting are important concerns when operating a cash register.

Cash Registers

Current Trends

Changes in currency design are made in an effort to prevent counterfeiting.

Purchasing, Invoicing, and Shipping

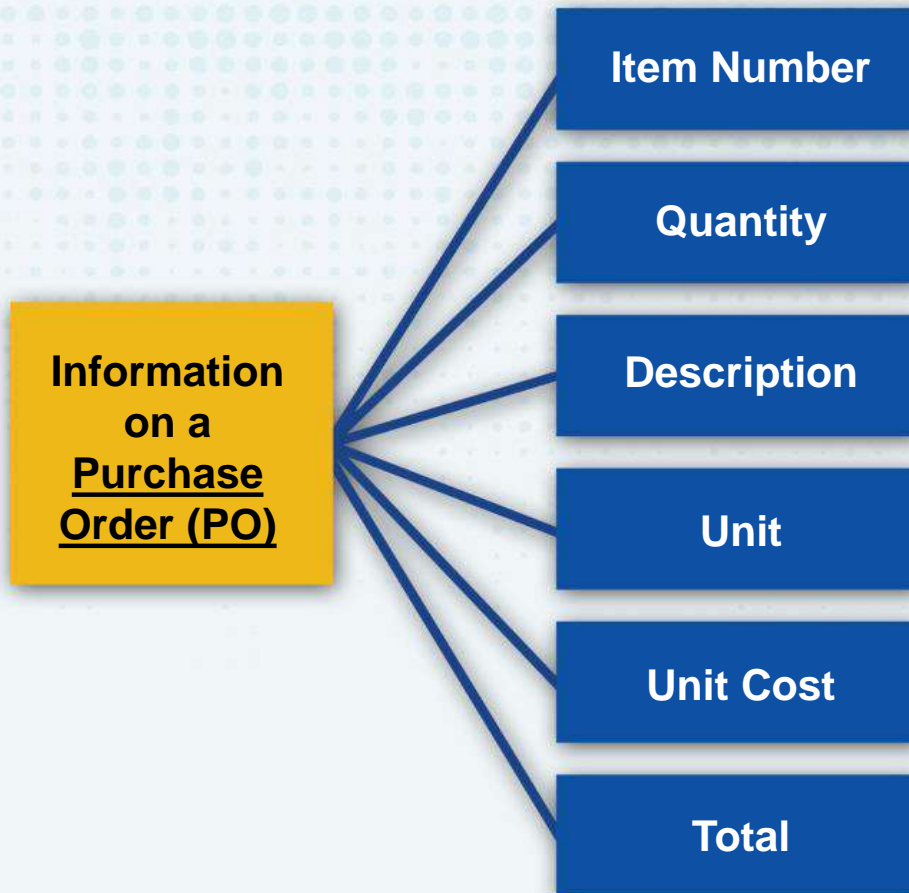
Graphic Organizer

List the Six Types of Information Needed to Complete a Purchase Order or Invoice

Information Needed

Purchase Order	Invoice
1. Item number	1. Prices of goods
2. Quantity	2. Terms of sale
3. Description	3. Total
4. Unit	4. Taxes
5. Unit cost	5. Fees
6. Total	6. Amount due

Purchase Orders



purchase order (PO)

A legal contract between a buyer and seller that lists the quantity, price, and description of the products ordered, along with the terms of payment and delivery.

Invoices

When filling an order based on a PO, a vendor includes an invoice with the delivered merchandise



invoice

Itemized list of goods that include prices, terms of sale, total, taxes and fees, and amount due.

Purchasing, Invoicing, and Shipping

Invoices

Dating terms state when a bill must be paid and the discount for paying early.

Purchasing, Invoicing, and Shipping

Invoices

Parcel post is one type of standard surface delivery offered by the U.S. Postal Service.

Purchasing, Invoicing, and Shipping

Invoices

With COD (cash on delivery) shipping, the postal carrier will collect the amount due from the customer and forward it to the business.

Invoices

Terms for delivery is part of most agreements in business-to-business sales.



terms for delivery

The final delivery arrangement made between the buyer and seller.

Invoices

The terms for delivery are all variations of free on board (FOB).



free on board (FOB)

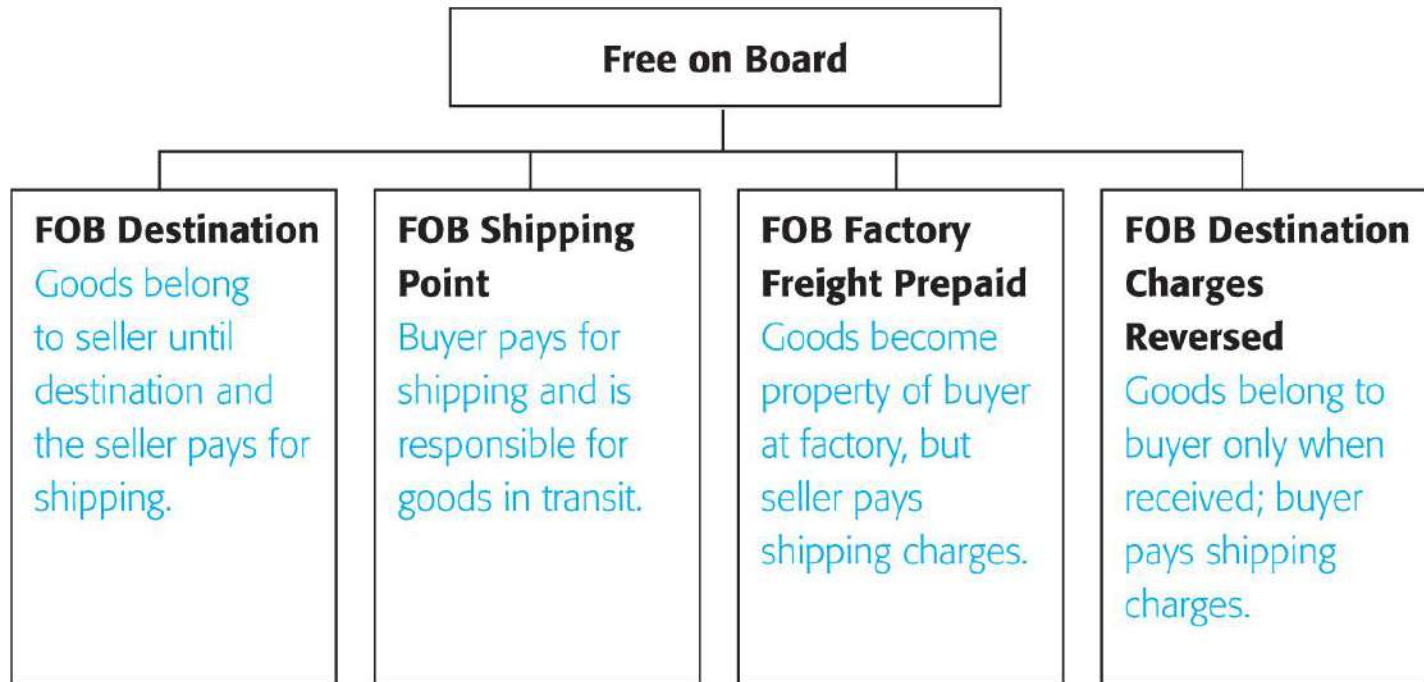
A delivery arrangement that means the price for goods includes delivery at the seller's expense to a specified point and no farther.

Purchasing, Invoicing, and Shipping

Invoices

Graphic
Organizer

Provide Definitions for Each Type of
FOB Delivery



Marketing Essentials



End of Chapter 16

using math in sales

Section 16.1
Sales Transactions

Section 16.2
Cash Registers

Section 16.3
Purchasing, Invoicing,
and Shipping

Chapter 16 Using Math in Sales

Section 16.1 Sales Transactions

Section Graphic Organizer

Directions Use the chart to list six types of retail sales transactions.

Types of Retail Sales Transactions

1. Cash or Check	2.	3.
4.	5.	6.

Chapter 16 Using Math in Sales

Types of Retail Sales

Directions Use this graphic organizer to list the advantages and disadvantages of different types of retail sales.

Type of Retail Sale	Advantages	Disadvantages
Cash		
Debit card		
Credit card		
Layaway		
On-approval		
Cash-on-delivery		

Chapter 16 Using Math in Sales

Section 16.2 Cash Registers

Section Graphic Organizer

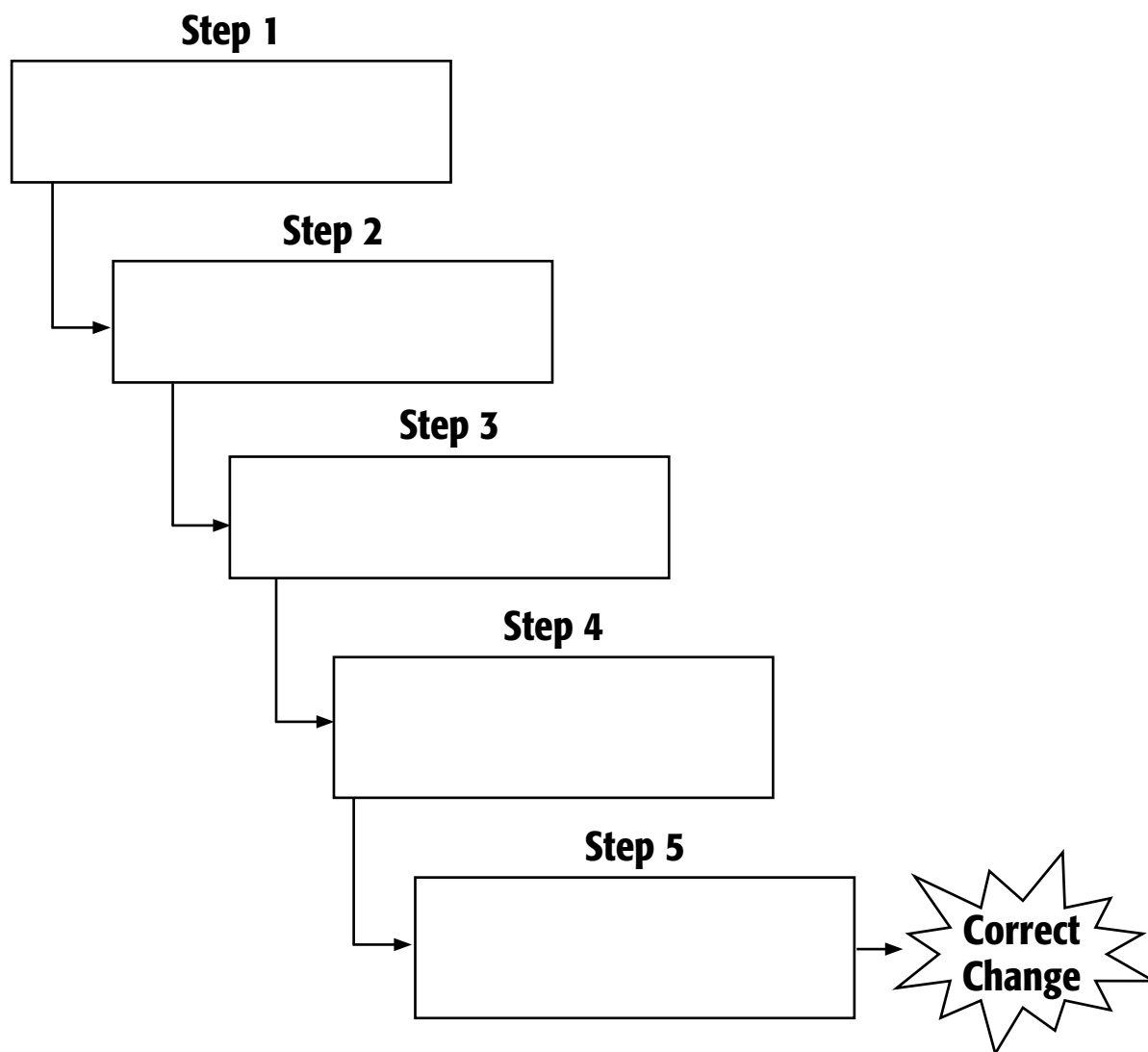
Directions Use the chart to list three methods of entering information into an electronic cash register and three safeguards against theft.

Electronic Cash Registers	
	<p>Methods of Entering Information</p> <p>1.</p> <p>2.</p> <p>3.</p>
	<p>Safeguards Against Theft/Counterfeiting</p> <p>1.</p> <p>2.</p> <p>3.</p>

Chapter 16 Using Math in Sales

Making Change

Directions Use this graphic organizer to list the steps required to ensure a customer receives the correct change.



Chapter 16 Using Math in Sales

Section 16.3 Purchasing, Invoicing, and Shipping

Section Graphic Organizer

Directions Use the chart to list six types of information needed to complete a purchase order or invoice.

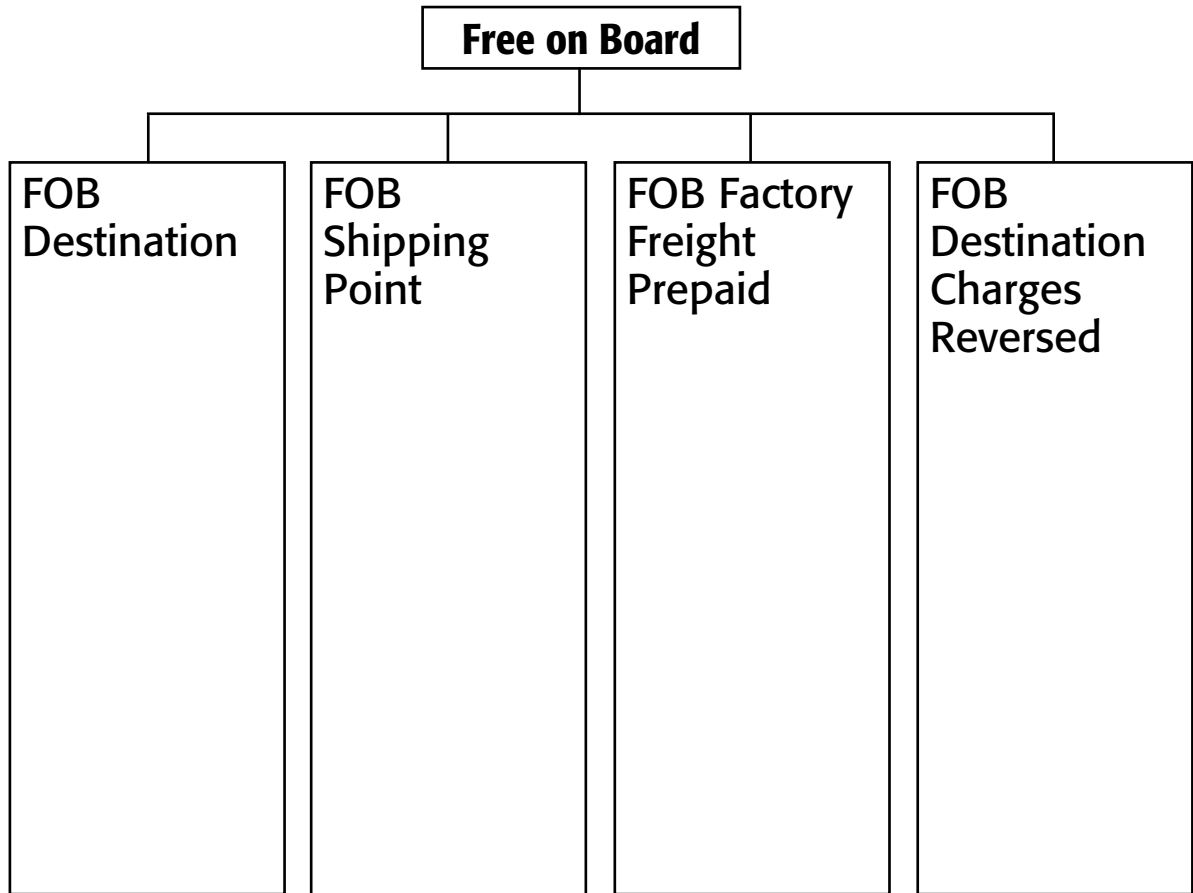
Information Needed

Purchase Order	Invoice
1. Item number	

Chapter 16 Using Math in Sales

Delivery Arrangements

Directions Use this graphic organizer to define each type of delivery arrangement.



Chapter 16 Using Math in Sales

Section 16.1 Sales Transactions



Real-World Application Register Training

Directions Study the illustration of a cash drawer. Then on the appropriate line write the name of the currency or coin that is customarily placed in each compartment.

1	2	3	4	5
6	7	8	9	10

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Directions Imagine yourself in the following sales situation: Your friend Howie comes into Stepworth Audio, where you work. He buys two used CDs for a total cost of \$18.37 and gives you \$20.

1. Name the coins and bills you will give Howie. (Be sure to use the proper order for making change).

2. How would you verbally count the change back to Howie?

3. How would you count the change if you had a POS system?

Chapter 16 Using Math in Sales

Section 16.1 Sales Transactions



Study Skills Improving Vocabulary

Directions Use the tip to help improve your vocabulary. Then review the vocabulary in Chapter 16 as you answer the questions. If the statement is true, circle **T**. If the statement is false, circle **F** and rewrite the statement so that is it true.

Improving Vocabulary

- To improve your vocabulary, play word games that incorporate new words and terms you are learning.

- On approval is a type of sale that permits a customer to take an item home for further consideration. T F

- An exchange is a trade of one item for another. T F

- A partial refund (usually because of a flaw in the merchandise) is called an allowance. T F

- UPC is a type of sale involving payment by check or currency. T F

- A COD is a sale, a return, or an exchange. T F

- A return is when you get money or credit back. T F

- A till is a money drawer in a cash register. T F

- An invoice is also known as a bill-call. T F

Chapter 16 Using Math in Sales

Section 16.2 Cash Registers



Real-World Application Preparing Sales Slips

Directions You are a salesclerk (ID No. 38760, Dept 6) at Old West Togs 'n Tack. Prepare sales slips for your first two customers of the day. Their purchases are described below. Use the current date, and assume the state sales tax is six percent.

Customer 1

3 shirts @ \$29.95
2 belts @ \$36.95
2 pairs of boots @ \$125.00
3 halters @ \$37.95

Customer 2

2 pairs of jeans @ \$ 34.95
3 shirts @ \$32.95
2 saddle racks @ \$28.50

OLD WEST TOGS 'N TACK			
400 Mesquite Hwy., Mina, NV 89824			
Sold To: _____			
Address: _____			

Date		Dept.	Clerk #
Qty	Description	Price	Amount
		Subtotal	
Sales Tax			
Total			

OLD WEST TOGS 'N TACK			
400 Mesquite Hwy., Mina, NV 89824			
Sold To: _____			
Address: _____			

Date		Dept.	Clerk #
Qty	Description	Price	Amount
		Subtotal	
Sales Tax			
Total			

Chapter 16 Using Math in Sales

Section 16.2 Cash Registers



Study Skills

Monitoring Reading Comprehension

Directions Read the tips for monitoring reading comprehension. Write a sentence or two to answer each of the questions about the main ideas in Chapter 16.

Monitoring Reading Comprehension

As you read your textbook, it's important to stop periodically to determine how well you are understanding the material. Ask yourself these questions:

- Can I put the main ideas in my own words?
- Do I need to look up any words to be sure of their meanings?
- Do I understand how the new information relates to the information I have already read?

1. What items might be found on a receiving record?

2. Explain the blind-check method. Is this the most accurate checking method?

3. What is inventory and what does it include?

4. How are retail businesses expected to maintain their inventory?

5. What are the steps in the stock handling process?

Chapter 16 Using Math in Sales



Chapter Vocabulary Matching Terms

Directions Match the vocabulary terms to their definitions. Draw lines from each term to the definition that matches it.

sales check	removing merchandise from stock until customer pays for it
allowance	agreement allowing customer to take merchandise home for consideration
invoice	itemized list of goods
purchase order	in a foreign country
transfer	specific practice of long standing
layaway	combines a cash register with a computer
overseas	legal contract between buyer and supplier
point-of-sale system	written record of a sales transaction
tradition	partial return of the sale price for merchandise customer has kept
opening cash fund	to move from one place to another
sales tax	percentage fee levied by government on sale of goods and services
cash-on-delivery sale	occurs when customer pays for merchandise at time of delivery
on-approval sale	limited amount of money in cash register

Chapter 16 Using Math in Sales



Test-Taking

Directions Study the Test-Prep Tips and think about how you can use them to improve your test scores. Take the practice test. Choose the word or phrase that best completes the sentence or answers the question.

Test-Prep Tips

- When taking a test, always read the directions before you work on a section. Circle key words such as *not*, *contrast*, *similar*, and *different*. Failing to read directions can cause you to completely misjudge what the question is asking.
- Use the Review and Activities section at the end of each chapter to study for your test.

1. Cash registers serve the function of:
 - a. providing receipts.
 - b. recording sales.
 - c. issuing vendor marketing codes.
 - d. storing cash and sales documents.
2. Money placed in the cash register at the beginning of each day is:
 - a. used for making change.
 - b. called an opening cash fund.
 - c. part of the day's sales.
 - d. deposited in the bank.
3. Optical scanners make it easier to record sales by relieving salesclerks of the responsibility for:
 - a. authorizing credit card purchases.
 - b. manually entering prices.
 - c. calling out prices.
 - d. figuring discounts.
4. Adding up all the recorded sales and counting the cash at the end of a business day is called:
 - a. balancing the cash.
 - b. computing a percentage.
 - c. balancing the till.
 - d. putting an item on layaway.
5. Advantages of using debit cards for both customers and businesses include:
 - a. immediate payment.
 - b. convenience.
 - c. theft protection.
 - d. protection against bad checks.

Marketing Chapter 16 Study Guide

Indicate whether the statement is true or false.

1. An opening cash fund is short when there are not enough coins and currency to start the day's business.
 - a. True
 - b. False
2. Shipping charges are added to a buyer's bill after the merchandise sales tax has been calculated and added.
 - a. True
 - b. False
3. For purchases by debit card, a store must pay a flat rate per sale to a debit-card issuer, such as a bank.
 - a. True
 - b. False
4. A customer asks a store to put an item on layaway. The customer makes an initial deposit and two payments, but does not make the full payment within an agreed-upon time period. The store may keep the money the customer has already paid.
 - a. True
 - b. False
5. A customer gives you a \$20 bill for an \$18.39 purchase. As change, you should give the customer one penny, one dime, two quarters or one half-dollar, and two \$1 bills.
 - a. True
 - b. False

Indicate the answer choice that best completes the statement or answers the question.

6. Anne bought three packages of paper at \$4.25 per package, six boxes of paper clips at \$3.68 per box, and two pens at \$6.19 apiece. Assuming a tax rate of 6 percent, what was the total cost of her purchase?
 - a. \$50.04
 - b. \$47.21
 - c. \$51.04
 - d. \$49.84
7. What is a typical cash register arrangement?
 - a. coins in front, bills in back, largest denominations on right
 - b. bills in back with empty compartment on right, coins in front
 - c. coins in front, bills in back, last right compartment for \$1 bills
 - d. coins in back, bills in front, largest denominations on left
8. How can a salesperson best avoid disagreements with a customer about change when using a non-POS system?
 - a. by announcing the total amount of the sale
 - b. by placing the money on the cash drawer ledge
 - c. by counting aloud when giving the customer change
 - d. all of the above
9. What is the name of the contract between a buyer and a supplier that lists the quantity, price, description of products, and terms of payment and delivery?

Marketing Chapter 16 Study Guide

- a. invoice b. terms-of-sale
- c. merchandise plan d. purchase order

10. What should you do when a customer interrupts you with a question while you are making change?
- a. ignore the interruption
 - b. answer quickly
 - c. write down the amount you have already counted
 - d. close the cash drawer and answer

Enter the appropriate word(s) to complete the statement.

11. Aisha received a music box as a gift. Unfortunately, she really needed a frying pan. She returned the gift, priced at \$85, to the department store and bought a frying pan at the same store for \$71. Assuming that sales tax is 7 percent, Aisha's cash refund should be _____.
12. On a purchase order, the _____ number is a vendor's catalog designation that identifies the merchandise being ordered.
13. A customer gives a salesperson \$14.25 to pay for a purchase of \$11.17. The customer should receive _____ in change.
14. Merchandise that a customer brings back to a store for cash refund or credit is called a(n) _____.
15. Denise DeAnza is a regular customer at the Fashion Week Dress Shop. She will often select several dresses, take them home, choose the ones she prefers, and return to the store to pay for her purchases within three days. The store allows her the privilege of a(n) _____ sale.
16. A written record of a sales transaction is called a sales _____.
17. A(n) _____ sale is considered a transaction when a customer pays for a purchase with a check.
18. Andre ordered paper for his print shop from High Country Mills. The dating terms of the contract were 3/10, net 30. The invoice was dated July 6. The last date on which he could get the discount was _____.
19. When an electronic wand or scanner does not function properly, a salesperson can enter sales transaction information into an electronic cash register by using _____ key entry.

Match each item with the correct statement.

- a. optical scanner
- b. POS
- c. UPC
- d. till
- e. EPC
- f. credit card sales
- g. dating terms
- h. PIN

Marketing Chapter 16 Study Guide

- i. invoice
- j. allowance
- 20. one device that reads barcodes
- 21. given when there is a defect in the merchandise
- 22. coded number used with debit payments
- 23. radio-signal machine that reads tags
- 24. cash register with a computer
- 25. a cash drawer of a cash register
- 26. itemized list of goods with prices and other information
- 27. combination of vertical bars and numbers
- 28. tells when a bill must be paid and what early payment discounts are available
- 29. can increase sales by forty percent
- 30. As manager of a bicycle shop, you can decide what types of sales transactions that you will accept at your store. You must select five of the following: cash, debit card, credit, layaway, on-approval, returns, exchanges, allowances. For each type, explain why accepting the transaction will satisfy your customers and increase your business.
- 31. You are the owner of a bookstore/coffee house. You must train new employees to work the cash register. Using the information given in the textbook about cash drawer arrangement and the methods for making change and safeguarding money, write a brief “training manual” that explains the cash register operations. Include all procedures to guard against theft and fraud.

Name: _____ Class: _____ Date: _____

Marketing Chapter 16 Study Guide

Answer Key

1. False
2. True
3. True
4. True
5. False
6. a
7. c
8. d
9. d
10. a
11. \$14.98
12. item
13. \$3.08
14. return
15. on-approval
16. check
17. cash
18. July 16
19. manual
20. a
21. j
22. h
23. e
24. b
25. d

Marketing Chapter 16 Study Guide

26. i

27. c

28. g

29. f

30.

Answers will vary but should include the following:

Students must discuss the merits of five sales transactions. Student explanations should be logical justifications of the transaction choices they make.

31.

Answers will vary but should include the following:

Students must demonstrate their knowledge about cash drawer arrangement. In addition, they must outline the basic procedure for making change: announce the amount tendered, place the money on the cash drawer ledge, count silently when removing change, count aloud when handling change. Students may also mention that it is wise for a salesperson who is giving change to ignore customer interruptions until the change is received. Students may also mention the importance of checking customer identification on checks and on credit cards.