

Name \_\_\_\_\_ Date \_\_\_\_\_ Period \_\_\_\_\_

## **PURCHASING** **The Role of the Buyer**

### **Organizational Buyers**

- Buy goods \_\_\_\_\_, usually in much \_\_\_\_\_ quantities than the average consumer.
- Much of what they buy requires \_\_\_\_\_ and knowledge of the \_\_\_\_\_, especially in manufacturing and service departments.

### **Two types of markets**

#### **1. Industrial markets**

- Buyers may be called \_\_\_\_\_, industrial buyers, or \_\_\_\_\_ managers.
- They buy goods or services \_\_\_\_\_ rather than to resell them.

#### **Bill of materials**

- The \_\_\_\_\_ necessary to make one unit of product.

#### **Purchasing Manager**

- Responsible for \_\_\_\_\_ ((MRP) which includes an analysis of when to make the purchases so they are available when needed.

#### **2. Resellers**

- Wholesaler and retailer operations that \_\_\_\_\_.
- \_\_\_\_\_
- \_\_\_\_\_ customer needs
- \_\_\_\_\_ the necessary products
- They must plan \_\_\_\_\_ of the selling season

#### **Six-month merchandise plan**

- The \_\_\_\_\_ planned purchases for a six-month period.
- Planned \_\_\_\_\_
- Sales \_\_\_\_\_ and \_\_\_\_\_ figures.

### **Beginning of the month inventory**

- The \_\_\_\_\_ to accommodate sales volume.
- Last years \_\_\_\_\_ to last years BOM.

### **End of the month inventory**

- The \_\_\_\_\_ figure for any given month is the \_\_\_\_\_ figure for the \_\_\_\_\_ month.

### **Planned retail reductions**

• \_\_\_\_\_ in the selling price and \_\_\_\_\_ of merchandise caused by clerical mistakes, \_\_\_\_\_, or customer \_\_\_\_\_.

•An \_\_\_\_\_ must be purchased to \_\_\_\_\_ for the shortage \_\_\_\_\_ the reductions.

### **Planned purchases**

•Formula for planned purchases:

▪ \_\_\_\_\_

### **Open-to-buy**

•The amount of money left for buying goods after all other expenses have been considered.

▪ \_\_\_\_\_

### **Purchases for chains**

#### **Centralized buying**

• \_\_\_\_\_ buying – purchasing for \_\_\_\_\_ operation, usually in a \_\_\_\_\_.

▪Creates a \_\_\_\_\_ through identical products in each store.

▪ \_\_\_\_\_.

▪Can \_\_\_\_\_ to accommodate needs.

#### **Decentralized buying**

•When \_\_\_\_\_ for retail decisions is made at \_\_\_\_\_ in the organization.

• \_\_\_\_\_ buying for their stores.

## **Government units**

- Federal , state or local \_\_\_\_\_ responsible for purchasing goods and services.
- One of \_\_\_\_\_ for retail goods and services.

## **Institutions**

- \_\_\_\_\_