1. Explain the important laws related to taxation, excise duty, shop and establishment act, and packaged commodity act.

Ans: 1. Taxation Laws
Besides the direct business taxation law like Income-tax there are other taxation rules related with retail business. In the Indian scenario the most common taxation problem is that local sales tax commonly known as VAT (value added tax). In the retail trade it may range from 4% (say on apparel) to 14.5% on electronic accessories and toys. VAT is the tax charged on the final sale price of the product/item sold by a retailer.

2. Excise Duty Law
Excise duty is the tax charged on goods leaving the manufacturing factories and is directly payable to Excise authorities. This law has come into focus since the budget of 2011, when the Finance Ministry introduced excise tax on all branded apparels for the first time. This though does not directly affect the retailer, but needs to be kept a check on by the purchase department in the retail organization, to ensure that the manufacturer supplying the merchandise are duly taking care of the excise component in their billing and duly filing their returns to the excise department. This is to ensure that in case of default by the manufacturer the excise liability does not have to be borne by the retailer.

3. Shop and Establishment Act
This is another important law of the state and the seller of merchandise need to follow this carefully. Under the law retailer can keep merchandise which have the following details on its packaging: Date of Manufacturing, Number of units or weight of the item packed, Maximum retail price, Name of the manufacturer and its address. Failure to adhere with this law will invite action against the retailer as well as the manufacturer of the product/item.

4. Packaged Commodity Act
This is another important law of the state and the seller of merchandise need to follow this carefully. Under the law retailer can keep merchandise which have the following details on its packaging: Date of Manufacturing, Number of units or weight of the item packed, Maximum retail price, Name of the manufacturer and its address. Failure to adhere with this law will invite action against the retailer as well as the manufacturer of the product/item.

2. “Probably with the success of an isolated store, many others want to open stores selling similar product lines to cash in on the flow into the area”. Explain.

Ans: A string is also an unplanned shopping area which consists of group of retail stores selling the same product-line. These stores will be generally located next to each other along a street or main road. Probably with the success of an isolated store, many others want to open stores selling similar product lines to cash in on the shoppers flow into the area. For example, furniture stores, hardware stores, sanitary/bathroom fitting stores, apparel stores, motor garages, etc.

A string location has advantages of lower rent, better visibility from the roads/streets, availability of space for expansion of the store, and lower operating expenses. The disadvantages are lower product variety, higher advertising costs, extra travel for consumers interested in the concerned products, and have to build the store premises from scratch. But there are other common advantages that can be shared by the stores located on the same street like common lighting in the vicinity, security arrangement, general maintenance of the street, and the greatest advantage is drawing more consumers to the location; thus increasing the consumer traffic to individual store.

3. How Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement and conversion?

Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all Logistics Management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. In essence, Supply Chain Management integrates supply and demand management within and across companies. Supply chain management is an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high-performing business model. It includes all of the logistics management activities, as well as manufacturing operations, and it drives coordination of processes and activities with and across marketing, sales, product design, finance and information technology.

"Supply chain" virtually universally encompass the following three functions:

i. supply of materials to a manufacturer;
ii. The manufacturing process; and,
iii. The distribution of finished goods through a network of distributors and retailers to a final customer. Companies involved in various stages of this process are linked to each other through a supply chain.