Deli Operators Training Program for U.S. Deli Meats & Cheeses — Answer Sheet

SECTION 5: DELI PROFITABILITY

FAX BACK TO:	AX BACK TO: Deli Operators Training Program Certificate Completion — U.S. fax # 703-528-3705 (Note: there are two back up fax numbers in the U.S. if needed 770					
FROM : (Please print clearly:)		If you are taking the				
		course to become a				
		Course Leader, please				
*Store Address:		How did you study for				
		this test?				
Country:		Individually As a group				
Telephone:						
Fax:		Did you have a Course				
e-mail:		Leader administer the				
Company website:		course and testing? ──				
*(The store address provi	ded will be where your certificate will be sent)					

Fill in completely the circle that corresponds to the correct answer. Please use black or blue ink only.

Questions	Answers			
	Α	В	С	D
1.	Ο	Ο	0	0
2.	Ο	0	0	0
3.	Ο	0	0	0
4.	Ο	0	0	0
5.	Ο	0		
6.	Ο	Ο		
7.	0	0	0	0
8.	Ο	0	0	0
9.	Ο	0	0	0
10.	Ο	0	0	0
11.	0	0		
12.	0	0	0	0
13.	Ο	0	0	0

Questions	Answers				
	Α	В	С	D	
14.	0	0	0	0	
15.	0	0	0	0	
16.	0	0	0	0	
17.	0	0			
18.	0	0	0	0	
19.	0	0	0	0	
20.	Ο	0	0	0	
21.	0	0			
22.	0	0			
23.	0	0	0	О	
24.	0	0	0	0	
25.	0	0	0	0	

Deli Operators Training Program for U.S. Deli Meats & Cheeses — Question Sheet

SECTION 5: DELI PROFITABILITY

Each question is worth 4 points. A total score of at least 80 points is necessary to pass this test.

 The average supermarket operates on a net profit of about one percent. At this rate, to generate a \$100 profit for your deli, you would need to generate sales of:

- **A.** \$1,000
- **B.** \$2,500
- **C.** \$5,000
- **D.** \$10,000

2. Supermarkets that are successful create:

- A. Large sales volume
- B. High product turnover
- C. Aggressive advertising and merchandising
- D. All of the above

3. The largest expense related to selling deli products is:

- A. Advertising
- B. Employee benefits and wages
- C. Cost of goods or merchandise
- D. Product loss or shrink



4. The two most common terms that express the amount of profits generated are:

- A. Product Loss and Shrink
- B. Profit and Loss
- C. Mark-Up and Margin
- D. Volume and Sales

5. Mark-up is the selling price minus costs, and the amount is expressed in dollars and cents.

- A. True
- B. False

6. Margin represents the mark-up divided by the selling price and is expressed in dollars and cents.

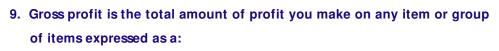
- A. True
- B. False

7. Profits are most affected by:

- A. Your product display
- B. Product turnover rate
- C. Product loss and shrink
- D. All of the above

8. You can typically generate more profit on a product that has:

- A. Low profit margins and high volume
- B. High profit margins and low volume
- C. None of the above
- D. Answers A and B



- A. Percentage of sales
- B. Specific amount in dollars and cents
- C. Answers A and B
- D. None of the above

10. Gross margin is the total amount of profit you make on any item or group of items and is expressed as a:

- A. Specific amount in dollars and cents
- B. Percentage of sales
- C. Answers A and B
- D. None of the above

11. The correct formula for figuring gross profit margins is

Dollar Sales – Cost = Gross Profit.

- A. True
- B. False

12. Net operating profit is defined as:

- A. The total amount of expenses charged to deli operations
- B. The total amount of profit after all expenses are deducted
- C. None of the above
- D. Answers A and B



13. Some of the ways you can improve gross profit margins are to:

- A. Raise some prices to increase profits
- B. Lower some prices to increase volume
- C. Change the margin mix of products
- D. All of the above

14. Effective merchandising can improve gross profit by:

- A. Placing high margin impulse items in highly visible locations
- B. Tying in high-profit items in with low-profit items
- **C.** Promoting high profit items through in-store programs
- D. All of the above

15. Shrink represents:

- A. The loss or waste of any product you purchase that cannot be sold
- B. One of the leading causes of lost revenues
- C. A term for plastic wrap
- D. Answers A and B

16. Product shrink can best be controlled by following proper guidelines for:

- A. Sanitation
- B. Product handling
- **C.** Reporting shrink
- D. All of the above

17. Stocking a wide selection of different priced brands gives your deli greater appeal to a broad cross-section of customers, and can help improve your profit margins.

- A. True
- B. False

18. The most popular category of deli products is:

- A. Cold salads
- B. Siced deli meats
- C. Hot prepared foods
- D. Sandwiches

19. Offering several different brands of the same type of product is called:

- A. Multiple-tiering
- B. Merchandising
- C. Stacking
- D. Over-stocking

20. Properly documenting shrink is important:

- A. To know the true cost of any product
- B. When doing monthly inventories
- C. For adjusting prices accordingly to maintain proper profit margins
- D. Answers A and C

21. Gross profit is the total amount of profit you make on any item you sell, expressed as a percentage of sales.

- A. True
- B. False

22. To determine which deli meats or cheeses make the most money for your department, select the ones with the highest mark-up or margin.

- A. True
- B. False



23. Most companies generate a periodic recap of sales, profit, and operating expenses. This report is usually called:

- A. Operating Report
- B. Damage and Shrink Report
- C. Profit & Loss Statement
- D. Answers A and C

24. The total amount of all expenses charged to the deli is the:

- A. Contribution to overhead
- B. Cost of goods sold
- C. Total operating expenses
- D. Net operating profit

25. When prices are raised, sales tend to:

- A. Go up dramatically
- B. Go down
- C. Be better on weekends
- D. Show no change at all

