

※注意：Part I 題目請於試卷內之「選擇題作答區」依序作答，Part II 請作答於試卷內之「非選擇題作答區」。

Part I (40%): Reading Comprehension (閱讀並回答下列問題於試卷內之「選擇題作答區」):

**Article 1:** Excerpts of "Costco Wholesale Corporation: A Key Metric That All COST Shareholders Should See," by Mani, iStockAnalyst, May 14, 2013

Costco Wholesale Corporation is exponentially better than the other staples retailers on stock keeping unit (SKU) productivity. SKU is a key metric for inventory management as it helps suppliers track products/services sold or remaining in stock efficiently. Costco's limited assortment of about 3,800 SKU's compares to Sam's Club at 5,000 and BJs at 7,000. There are significant benefits from this. Costco's stores average about \$160 million in annual sales per store, and about \$3 million in weekly sales per store. "This means its (Costco's) SKU's are extremely productive, averaging over \$750 in revenue per SKU per store per week. This is 2.5x Sam's Club's rate and ~5x BJ's rate in the club format," UBS analyst Jason DeRise wrote in a note to clients. The next best retailers on this metric are the limited assortment, small box retailers including Trader Joe's, Aldi's Save-A-Lot, Whole Foods Market, Inc., and The Fresh Market, Inc. Costco's metric is 60x higher than the average supermarket, 70x higher than supercenters and 200x higher than drug stores.

So why this matters. The extremely high productivity per SKU means suppliers can make a high return on investment (ROI) as well if they become one of the 3,800 SKUs sold by Costco. Costco can leverage this attraction by negotiating product exclusivity and lower prices. The low SKU count also creates SG&A efficiencies. Because of the large size of its stores, Costco can stack the product high and deep on the shelf such that the products do not run out through the day. "This means Costco can have fewer employees per square foot maintaining in stock levels. Instead, Costco can reallocate employee efforts to customer service and to its registers to reduce wait times," DeRise said. ...(omitted)...

Meanwhile, a virtuous circle is the driver of Costco's SKU productivity. A key driver of Costco's valuation is its membership fees. Increased membership fees allow Costco to reduce gross margins, which incentives more members to sign up. When consumers sign up for membership, they are incentivized to use it, so Costco generates more revenue per SKU. "Increasingly productive SKU's means Costco can go back to its suppliers and negotiate better prices or more exclusive product. This in turn means its members spend more, which means they are happy with Costco," DeRise noted. Costco can then increase its member fee rate, which funds lower mark ups on its products. Costco's members are so happy that even when Costco put through its last fee increase, membership renewal rates reached all time highs near 90 percent in the US. ...(omitted)

**Article 2:** Excerpts of "Costco Shoppers in a Market of Their Own: Analyst" by Althea Chang, Big Data Download at CNBC, May 29, 2013

Wholesale shoppers and deal seekers at Costco may be looking for low prices, but they're not the same bargain hunters that frequent other warehouse stores, according to one analyst. Costco shoppers are looking for more brand-name items than those at discount warehouses like Sam's Clubs and BJ's, Oppenheimer retail analyst Brian Nagel said on "Big Data Download."

Rising consumer sentiment has helped Costco's sales growth, which tends to come in around the mid to high single digits, Nagel said. But Costco's customers were actually less affected by broader economic conditions, he said. "They focus more on the upper-end consumer which has proven more resilient than consumers broadly over the past several quarters," Nagel added. "I view Costco as really much more of a broad-based retailer that competes with all different kinds of stores: grocery stores, consumer electronics retailers," Nagel said. "I think the biggest differentiating factor for Costco is simply their merchandizing. The[y] tend to skew high-end." ...(omitted)

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Answer the following questions. For each of Questions 1-4, select one answer choice:

1. (5%) The number of "Stock keeping unit (SKU)" is the amount of distinct products carried in a retail store. So, having the same revenue with fewer SKU means that:
  - a. On average more units were sold per SKU.
  - b. On average less units were sold per SKU.
  - c. On average equal units were sold per SKU.
2. (5%) True or False: According to Article 1, Costco members do not terminate their memberships even under a fee hike because Costco could use those higher fees to fund lower markups to satisfy them, which in turn helps Costco negotiate lower prices with suppliers.
  - a. True,
  - b. False,
  - c. Not specified in the article.
3. (5%) According to Article 2, Costco competes with an unusual range of stores, but does not compete with:
  - a. Supermarkets
  - b. Dollar stores
  - c. Warehouse clubs
  - d. Stores that carry Walkman and iPods
  - e. Stores that sell computers and laptops
4. (5%) According to Article 2, what is likely not Costco's sales growth during the period reported?
  - a. 6%
  - b. 7%
  - c. 8%
  - d. 9%
  - e. 10%

For the following questions, consider each of the choices separately and select all that apply:

5. (10%) According to Article 1, having high SKU productivity helps because:
  - a. Manufacturers are less willing to do business with you.
  - b. Costco can staff less workers to stock their shelves.
  - c. Customers are less likely to find that the item they want is out of stock.
  - d. Customer service staff would be more friendly and helpful.
  - e. Costco can request supplies to lower their price or offer special products.
6. (10%) According to Article 2, which of the following statement(s) is/are true about Costco's customers?
  - a. They look for lower prices.
  - b. They tend to favor products produced by well-known manufacturers more than other people.
  - c. They are similar to bargain hunters commonly seen in other warehouse stores.
  - d. They are less affected by the financial crisis and the subsequent economic downturn.
  - e. Their consumer sentiment is more consistent with the general public during economic recessions than expansions.

**Part II (60%): Analytical Writing (分析寫作；作答於試卷內之「非選擇題作答區」)**

Read the following excerpts of a news article, then plan and compose a response to the particular issue below. Responding to any other issue will receive a score of zero. Be sure to respond according to the specific instructions and support your position on the issue with reasons and examples drawn from such areas as your reading, experience, observations, and/or academic studies.

**Article 3: Excerpts of "Costco pays more ... because it can" from USA Today, January 30, 2014**

**Can Costco pay more because workers stay longer or because customers spend more? Experts are divided.**

President Obama chose a Costco warehouse store in Maryland on Wednesday to push for a hike in the federal minimum wage, choosing Costco, the White House says, because it is "acting on its own to pay its workers a fair wage." Labor union officials and backers agree, saying other retailers, such as Walmart, could learn from the way Costco treats its workers and the results.

But others say the Costco membership stores have such a different business model and customer base that Costco can't be compared with other retailers. Costco "has half the number of employees per square foot (of Walmart), is a much smaller company, its stores are only in affluent areas and people are buying in bulk," says Richard Berman, who runs a business advocacy group opposed to a minimum wage increase. "It's like saying, 'Why does Microsoft pay more than Starbucks?'"

Costco officials did not respond to requests for comment, but, according to Bloomberg BusinessWeek, its employees make an average wage of about \$21 an hour... (omitted) ... The federal minimum wage is now \$7.25 an hour, although many states have a higher minimum. Walmart says its average hourly wage is \$11.83. The United Food and Commercial Workers union says they believe Walmart's hourly wage is lower.

(omitted)

Jonelle Gilden, a Chicago training consultant, is impressed by the way Costco treats both employees and customers. "I knew Costco employees were paid more and it shows in their attitude and customer service," says Gilden. "Costco's business model obviously works and their employees are loyal." Costco has annual worker turnover of less than 6%, low for a retailer, according to Dreier. He says this cuts costs and lets Costco pay higher wages.

Brian Gansmann, who owns a food development company in Denver, applauds Costco's decision to pay its workers more, but doesn't think higher wages should be mandated. "Costco has relied on the simple laws of economics to get a leg up on their competition. The more that we business owners willingly pay an employee, data proves that this higher-paid team member is going to stay with our organization longer."

Costco is paying its employees decently and still makes a profit. It is time for Walmart to take a lesson from Costco and consider the potential upside of treating employees like human beings.

Write a response in which you discuss the extent to which you agree or disagree with this claim **AND** the reason on which that claim is based.

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You should write no less than 300 words, but no more than 1000 words. Your response will be evaluated for its overall quality based on how well you:

- Respond to the specific task instructions
- Consider the complexities of the issue
- Organize, develop, and express your ideas
- Support your ideas with relevant reasons and/or examples
- Control the elements of standard written English

Before beginning writing, you may want to think for a few minutes and then plan your response. **Use the bottom of this page to plan your response, and then write your response in the answer sheets (試卷內之「非選擇題作答區」).** Be sure to develop your positions completely and organize it coherently, but spare some time to proof-read what you have written to make any revisions you deem necessary.

**Plan Your Response Here -- Write Your Essay in the Answer Sheets (試卷內之「非選擇題作答區」)**



This page will not be scored.

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