

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**FIRST YEAREXAMINATION FOR THE AWARD OF CERTIFICATE IN
PROCUREMENT AND LOGISTICS MANAGEMENT**

CPLM 00114: INTRODUCTION TO STORES AND INVENTORY MANAGEMENT

STREAMS: CPLM (Y1S1)

TIME: 2 HOURS

DAY/DATE: FRIDAY 07/12/2018

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

- **Answer question ONE and any other TWO questions**
- **Do not write on the question paper**

QUESTION ONE

- (a) Stores management involves a wide range of activities. Discuss five functions of a store in a contemporary business organization. [10 marks]
- (b) The level of stock to be maintained by business entitles will vary from one organization to another. Discuss any five factors that would influence the stock holding policy in an organization. [10 marks]
- (c) Briefly discuss five characteristics of a good inventory coding system in an organization [10 marks]

QUESTION TWO

- (a) The term inventory covers a wide spectrum. Discuss five types of inventories in a contemporary business set up. [10 marks]
- (b) Briefly discuss the role of information technology (IT) in inventory management [6 marks]
- (c) Briefly discuss the following concepts as applied in stores and inventory management
- (i) Stock holding [2 marks]
 - (ii) Coding [2 marks]

QUESTION THREE

- (a) Briefly discuss the basic characteristics of an ideal warehouse [8 marks]
- (b) Just-In- Time inventory control philosophy aims at maintaining just enough materials in just the right place at just the right time to make just the right amount of a product.
Discuss any three advantages that may accrue to an organization as a result of adopting JIT inventory management approach [6 marks]
- (c) Briefly discuss the relationship between stores department and each of the following department
 - (i) Design and engineering department [2 marks]
 - (ii) Sales department [2 marks]
 - (iii) Quality department [2 marks]

QUESTION FOUR

- (a) Discuss the challenges faced by today organizations while disposing stores/equipment [8 marks]
 - (b) The objective of inventory management is to continuously hold optimal inventory levels.
Discuss any four reasons why an organization may hold inventory [8 marks]
 - (c) Write short notes on Two-Bin-system as a modern inventory management technique [4 marks]
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