CHUKA   **UNIVERSITY**

UNIVERSITY EXAMINATIONS
CHUKA/EMBU

EXAMINATION FOR THE AWARD OF DIPLOMA O PROCUREMENT AND LOGISTICS

DPLM 0211: STORES AND INVENTORY MANAGEMENT

STREAMS: **TIME: 2 HOURS**

DAY/DATE: WEDNESDAY 11/12/2019   **8.30 A.M – 10.30 A.M**

INSTRUCTIONS
Answer question one and any other two questions

QUESTION ONE (30 MARKS) COMPULSORY

1.   (a) Define the following terms in relations to stores and inventory management.

   (i) Lead time

   (ii) Maximum stock

   (iii) Economic batch quantity

   (iv)Time horizon

   (v) Order cycle   [15 marks]

   (b) Discuss the objectives of inventory management.   [10 marks]

   (c) Discuss at least 5 costs associated with inventory.   [5 marks]

QUESTION TWO

   (a) Discuss ways in which a stores manager can minimize chances of theft at the stores.

                                                             [5 marks]

   (b) Discuss the factors affecting stores layout.   [10 marks]

   (c) Discuss the relationship that exists between stores and other departments. [5 marks]

QUESTION THREE

    (a) The basic EOQ model has got some assumptions, Discuss.   [7 marks]

    (b) Discuss the factors influencing location of a warehouse.   [5 marks]

QUESTION FOUR

    (a) Explain the advantages of inventory management systems.   [10 marks]

    (b) Discuss five advantages of bar codes.   [5 marks]

    (c) Discuss the benefits of holding inventories.   [5 marks]