

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DIPLOMA IN PROCUREMENT AND LOGISTICS MANAGEMENT

DPLM 0211: STORES AND INVENTORY MANAGEMENT

STREAMS: DIP (DPLM)

TIME: 2 HOURS

DAY/DATE: FRIDAY 8/12/2017

11.30 A.M - 1.30 P.M.

INSTRUCTIONS:

- Answer Question ONE and any other TWO Questions.
- Do not write anything on the question paper

QUESTION ONE

(a) Define the following terms as used in the disposal of stores

- | | |
|-------------------|-----------|
| (a) Scrap | [2 Marks] |
| (b) Obsolete | [2 Marks] |
| (c) Surplus | [2 Marks] |
| (d) Unserviceable | [2 Marks] |
| (e) Defective | [2 Marks] |

(b) Any warehouse is said to be an ideal if it possesses specific features. Discuss five characteristics of an ideal warehouse. [10 Marks]

(c) Warehouses can be classified according to the type of goods that are stores in them. Discuss. [10 Marks]

QUESTION TWO

(a) Understanding the role of inventory in an organization is crucial for proper balances and effectiveness. Discuss several reasons why firms hold inventories. [10 Marks]

(b) What are the factors considered when determining the stock to be held in an organization? [10 Marks]

QUESTION THREE

- (a) Coding is a logical way of describing materials and is used specifically to identify items exactness. Highlight various advantages of a coding system. [10 Marks]

- (b) Coding of materials is done according to the nature, purpose or end use of the material. Discuss various methods of coding materials. [10 Marks]

QUESTION FOUR

There are various stores layout. Discuss the four major layouts and highlight their advantages to the organization. [20 Marks]

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