

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

CHUKA, EMBU & IGEMBE CAMPUSES

EXAMINATION FOR THE AWARD OF CERTIFICATE IN PROCUREMENT AND LOGISTICS & INVENTORY MANAGEMENT

CPLM 00114: INTRODUCTIN TO STORES & INVENTORY MANAGEMENT

STREAMS: CPLM

TIME: 2 HOURS

DAY/DATE: FRIDAY 8/12/2017

2.30 P.M - 4.30 P.M.

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**INSTRUCTIONS:**

- Answer question ONE and any other TWO

**QUESTION ONE**

- (a) Highlight and briefly explain the major types of inventories in an organization. [4 Marks]
- (b) Discuss the basis reasons for holding inventories in an organization. [6 Marks]
- (c) Discuss the reason for maintaining inventory records in an organization. [5 Marks]
- (d) Discuss the role of Information Technology (IT) in inventory management. [5 Marks]
- (e) In a warehouse, it is necessary to have a logical basis for identification of materials which is more precise and less cumbersome. What are the advantages of a good coding system? [5 Marks]
- (f) Discuss the various methods that an organization can use to dispose stores and equipments. [5 Marks]

**QUESTION TWO**

- (a) Discuss the relevance of inventory management to organization profitability. [10 Marks]
- (b) Analyze the costs associated with inventories and prescribe ways of minimizing some of the costs. [10 Marks]

**QUESTION THREE**

(a) Just-in-time is increasingly being adopted to many organizations in production. Explain the reasons that may account for the trend. [10 Marks]

(b) Discuss ABC analysis as a stock control method. [10 Marks]

**QUESTION FOUR**

(a) Define EOQ [2 Marks]

(b) What are the major assumptions in EOQ? [8 Marks]

(c) If you are the Inventory Manager in Chuka University, what roles would you expect your internal customers to play in determining stock range? [10 Marks]

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