

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DIPLOMA IN PROCUREMENT AND LOGISTICS MANAGEMENT

DPLM 0211: STORES AND INVENTORY MANAGEMENT

STREAMS: DPLM Y2S1

TIME: 2 HOURS

DAY/DATE: MONDAY 6/08/2018

11.30 A.M - 1.30 A.M.

INSTRUCTIONS:

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

QUESTION ONE

- (a) Briefly discuss the following concepts as applied in stores and inventory management;
- (i) Stock holding [2 Marks]
  - (ii) Two bin system [2 Marks]
  - (iii) Hastening stock level [2 Marks]
- (b) The term inventory covers a wide spectrum. Discuss five types of inventories in a contemporary business set up. [10 Marks]
- (c) Explain different methods that an organization may adopt while coding materials in a warehouse. [6 Marks]
- (d) To discharge its responsibilities effectively and efficiently, the stores department should actively integrate its programs to those of other departments. Briefly discuss the relationship between stores department and each of the following departments;
- (i) Production department [2 Marks]
  - (ii) Transport department [2 Marks]
  - (iii) Design and engineering department [2 Marks]
  - (iv) Quality department [2 Marks]

QUESTION TWO

- (a) Discuss the various challenges that an organization may face while disposing its stores/equipment. [8 Marks]

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(b) The intent of inventory management is to continuously hold optimal inventory levels. Discuss the reasons against holding inventories. [6 Marks]

(c) Briefly discuss Just in Time (JIT) inventory management and control technique. [6 Marks]

**QUESTION THREE**

(a) Warehousing is a vital function in determining an effective performance in an organization. Discuss the benefits that may accrue to an organization as a result of warehousing. [8 Marks]

(b) More precise and less cumbersome basis of identification of materials has become a necessity for an efficient warehouse. Outline the basic characteristics of an ideal coding system. [6 Marks]

(c) Discuss the role of information systems in inventory management. [6 Marks]

**QUESTION FOUR**

(a) Discuss the various available disposal methods of store materials as stipulated in Public Procurement and Assets Disposal Act (2015). [6 Marks]

(b) Discuss any four determinants of stock holding policy in today's organizations. [8 Marks]

(c) Vividly discuss the major shortcoming of Material Requirement Planning (MRP) based systems. [6 Marks]

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