

CHUKA



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**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
PROCUREMENT AND LOGISTICS MANAGEMENT**

BPLM 211: STORES MANAGEMENT AND STOCK CONTROL

STREAMS: BPLM

TIME: 2 HOURS

DAY/DATE: MONDAY 14/04/2025

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS

- **Answer question ONE and any other TWO questions**

a) A Manufacturing company producing automobile parts has been facing significant challenges in managing its inventory and stores control. Over the past six months, the company has experienced frequent stock-outs of essential raw materials, causing production delays. At the same time, excess stock of certain slow-moving items has led to high storage costs and wastage. The warehouse manager has identified several issues:

- Lack of real-time inventory tracking
- Inefficient reordering process, leading to overstocking or stock-outs
- Poor coordination between procurement and production departments
- Outdated manual stock management system

To address these problems, the company is considering implementing an automated inventory management system and adopting Just-in-Time (JIT) principles. However, there are concerns about initial costs and employee resistance to change.

Based on the Case Study

i. Describe the key challenges the company is facing in stock management and stores control

(5 Marks)

- ii. How can an automated inventory management system help improve stock control and reduce costs? (5 Marks)
- iii. What are the potential risks and benefits of adopting a Just-in-Time (JIT) inventory system in this company? (5 Marks)
- iv. How can the company overcome employee resistance when implementing a new stock management system? (5 Marks)
- v. What strategies can be used to balance stock levels and avoid both overstocking and stock-outs in the future. (5 Marks)
- b) Stock is a times viewed as a necessity in an organization. In reference to the above statement explain reasons for holding stock in an organization set up. (5 marks)

QUESTION TWO

- a) The operations of stores functions and controls of stock involves the capturing and storing information of stock records to maintain particulars of receipt, issue and balances of stock held. (10 Marks)
- b) Discuss the merits that an organization could enjoy in maintaining stock records (10 marks)

QUESTION THREE

- a) There are costs associated with handling of stock. State fur types of inventory carrying costs. (5 Marks)
- b) One of the tools of inventory control is ABC. State five advantages of this tool. (10 Marks)
- c) Identify and discuss the methods of coding materials in an organization set up. (5Marks)

QUESTION FOUR

- (a) There are various types of warehouses. Identify and explain any four such warehouses found in Kenya. (10 Marks)
- (b) State four factors you would consider when selecting stock control method. (10 Marks)

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