



BACHELOR OF SUPPLY CHAIN MANAGEMENT

END OF TERM EXAMINATION

DEPARTMENT: BUSINESS

COURSE CODE: CPS 401

COURSE TITLE: INVENTORY MANAGEMENT

TIME:

INSTRUCTIONS

- This examination script consists of **SIX (6)** questions.
- Read all questions carefully before attempting.
- Question **One** is compulsory and Answer any **Four (4)** questions.
- Write your **student number** on the answer booklet provided.

SECTION A: COMPULSORY

QUESTION ONE

- a) A modern day inventory manager is faced with the challenge of uncertainty in demand patterns and volatile supply base. Explain how an inventory manager can leverage on Information and Communication Technology (ICT) to achieve a balance between demand and supply side. (6 Marks)
- b) Discuss factors that may limit the accuracy of demand forecast for the newly introduced drinking water in the university. (4 Marks)

SECTION B: ATTEMPT ANY THREE QUESTIONS

QUESTION TWO

- a) Economic Order Quantity (EOQ) has been extensively adopted in inventory control by key industry players for decades. Explain five assumptions of this technique.(5 Marks)
- b) Discuss five costs associated with holding inventory in PAC University.(5 Marks)

QUESTION THREE

- a) The operations of stores involves the capturing and storing information of stock records to maintain particulars of receipt, issue and balances of stock held. Discuss the advantages an organization would accrue in maintaining stock records (5 Marks)
- b) An organisation can use ABC analysis as a way of classifying its existing inventory. Explain how the ABC can be applied. (5 Marks)

QUESTION FOUR

- a) Describe two types of inventory (2 Marks)
- b) Differentiate between dependent and independent demand. (4 Marks)
- c) Discuss four main components of materials required planning (MRPI) (4 Marks)

QUESTION FIVE

- a) Describe five main functions of inventory management. (5 Marks)
- b) Discuss **five** factors that may influence inventory levels in a firm. (5 Marks)

QUESTION SIX

- a) Explain five main factors that should guide an inventory manager when considering establishing a new warehousing facility.(5 Marks)
- b) Using relevant examples discuss five fraudulent practices common in the procurement profession. (5 Marks)