COOPERATIVE UNIVERSITY OF KENYA
UNIVERSITY EXAMINATIONS 2021/2022
YEAR III SEMESTER II EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE (PURCHASING & SUPPLIES MANAGEMENT OPTION)
BPSM 3201: INVENTORY MANAGEMENT

DATE: MAY 2022 TIME: 2 HOURS
INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS.

QUESTION ONE (30 MARKS)

(a) Organizations carry stock for various reasons. Give five such reasons. [5 marks]

(b) Stock kept in stores can be categorized into various classes. Explain briefly five such classes. [5 marks]

(c) Explain five advantages of variety reduction. [5 marks]

(d) Explain four determinants of stock holding policy within an organization. [5 marks]

(e) Briefly explain four ways of identifying slow moving inventory. [4 marks]

(f) Explain three advantages of fixed order systems. [3 marks]

(g) Organizations can operate using manual or electronic information systems for various uses. Explain four such uses of information systems. [4 marks]

QUESTION TWO (20 MARKS)

(a) Discuss any five techniques of provisioning and inventory control. [10 marks]

(b) Discuss six advantages that a purchasing organization gains by using standardization. [6 marks]

(c) Explain four methods that can be used to avoid carrying stock. [4 marks]

QUESTION THREE (20 MARKS)

(a) Discuss the four components of the information systems. [8 marks]

(b) Discuss six types of information systems. [6 marks]

(c) Discuss six advantages of electronic point of sale (EPOS). [6 marks]

QUESTION FOUR (20 MARKS)

(a) Discuss the process of disposal of redundant, obsolete and scrap items. [10 marks]

(b) Discuss the process of issuing and receiving goods and tools. [10 marks]

QUESTION FIVE (20 MARKS)

(a) Discuss the various methods used in costing/pricing stock. [10 marks]

(b) Discuss the operational research techniques used in stock control. [10 marks]