



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

DPSM 0106: STORES AND INVENTORY MANAGEMENT

INSTRUCTIONS

- 1. Do not write anything on this question paper.**
- 2. Answer Question ONE and any other THREE Questions.**

QUESTION ONE (25 MARKS)

- a) Explain the following as used in stores and inventory management of an organization:
- Economic Order Quantity (EOQ). (5 Marks)
 - Just-In-Time (JIT). (5 Marks)
 - The Bullwhip effect. (5 Marks)
 - Barcoding. (5 Marks)
- a) Explain advantages and limitations of Radio Frequency Identification Device (RFID). (10 Marks)
- b) State and explain advantages and disadvantages of Vendor Managed Inventory (VMI). (10 Marks)

QUESTION TWO (15 MARKS)

- a) Explain factors to consider when implementing an inventory control system. (8 Marks)
- b) Mention and explain main tools of inventory management. (7 Marks)

QUESTION THREE: (15 MARKS)

- a) Explain three methods used to improve inventory management of an organization. (8 Marks)
- b) Outline five documents that may be used in the process of ordering and receiving inventory. (7 Marks)

QUESTION FOUR (15 MARKS)

- a) Explain advantages and disadvantages of overstocking and understocking of inventory. (8 Marks)
- b) Outline five benefits of cross-docking in stores and inventory management. (7 Marks)

QUESTION FIVE (15 MARKS)

- a) Mention and explain eight types of holding costs involved in inventory management. (8 Marks)
- b) Explain various classifications of inventory held in a manufacturing organization. (7 Marks)