



**The Co-operative University of Kenya**  
**END OF SEMESTER EXAMINATIONS AUGUST-2018**

**EXAMINATION FOR THE CERTIFICATE IN PURCHASING AND SUPPLIES**  
**MANAGEMENT (YR I SEM I)**

**UNIT CODE: CPS 0103**

**UNIT TITLE: STORES AND INVENTORY MANAGEMENT**

**DATE: 24<sup>TH</sup> AUGUST, 2018**

**TIME: 2:00 PM – 4:00 PM**

**INSTRUCTIONS:**

- Answer question **ONE (compulsory)** and any other **TWO** questions

**QUESTION ONE**

- (a) Explain any **FOUR** features of a good coding system (8 Marks)
- (b) As an experienced and competent Stores Supervisor, explain any **THREE** dangers of handling materials manually (6 Marks)
- (c) Analyze any **FOUR** key features of a good stores lay out (8 Marks)
- (d) Highlight any **FOUR** merits of automating stores operations (8 Marks)

**QUESTION TWO**

- (a) Explain any **FIVE** strategies that the stores operative space would consider to maximize usage of the available storage space (10 Marks)
- (b) Outline any **FIVE** advantages of applying Just-In-Time (JIT) tool in controlling inventory in the organization (10 Marks)

**QUESTION THREE**

- (a) The decisions relating to the selection of ideal site to locate a warehouse have to be taken by senior management, with specialist advice from stores management. Examine any **FIVE** factors that will influence the selection of the right site to locate a warehouse. (10 Marks)
- (b) Describe any **FIVE** stock levels used in controlling quantities of materials held in the warehouse (10 Marks)

**QUESTION FOUR**

- (a) Analyze any **FIVE** costs associated with inventory carrying (10 Marks)
- (b) Outline any **FIVE** sources of from which materials may be received in the warehouse (10 Marks)

**QUESTION FIVE**

- (a) All the incoming deliveries should be subjected to thorough checking and inspection by the stores operative staff before acceptance into the storehouse. Explain any **FIVE** options available to the stores operative staff in handling incoming deliveries that are of poor quality (10 Marks)
- (b) Describe the precautionary measures that the warehousing staff would put in place to preserve stock held in the warehouse from quality deterioration (10 Marks)