



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION AUGUST -2018

EXAMINATION FOR THE DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT
(YR I SEM II)

UNIT CODE: DMPS 1102

UNIT TITLE: STORES AND INVENTORY MANAGEMENT

DATE: 24TH 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** types of inventory that a manufacturing organization may hold in its warehouse. (8 Marks)
- (b) As an experienced and competent Stores Supervisor, explain the criteria you would follow in coding inventory. (6 Marks)
- (c) Analyze any **FOUR** key features of a good material handling equipment. (8 Marks)
- (d) Highlight any **FOUR** factors that may influence the stock levels held in the storehouse. (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) Discuss any **FIVE** disadvantages of embracing Economic Order Quantity (EOQ) tool in controlling inventory in the organization. (10 Marks)

QUESTION THREE

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

QUESTION FOUR

- (a) Explain any **FIVE** areas of business sectors in which bar coding may be applied in the codification of the materials. (10 Marks)
- (b) Analyze any **FIVE** sources of safety risks in a storehouse. (10 Marks)

QUESTION FIVE

- (a) Describe the importance of checking and inspecting the incoming deliveries before acceptance into the storehouse. (10 Marks)
- (b) Explain any **FIVE** duties and responsibilities of the stores operative staff. (10 Marks)