



The Co-operative University College of Kenya
(A Constituent College of Jomo Kenyatta University of Agriculture & Technology)

END OF SEMESTER EXAMINATION APRIL-2015

EXAMINATION FOR THE DIPLOMA IN PUBLIC RELATIONS

UNIT TITLE: STORES AND INVENTORY MANAGEMENT

DATE: 27TH APRIL, 2015

TIME: 9.00 A.M. – 11. 00 A.M.

INSTRUCTIONS:

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

QUESTION ONE

(a) With examples define the following

- i. Ordering costs (4 marks)
- ii. Holding costs (4 marks)
- iii. Stockout cash (4 marks)

(b) Discuss ABC system of inventory planning

QUESTION TWO

Use the following information to calculate the value of inventory on hand on 31st March and the cost of goods sold during the month of March.

| | |
|---|-------------------------------------|
| March 1 st opening inventory | 68 units @ 15shs. per unit |
| 5 th march | Purchase 140 units @ 15/50 per unit |
| 9 th march | Sale 94 units @ 19 per unit |
| 11 th march | Purchase 40 units @ 16 per unit |
| 16 th march | Purchase 78 units @ 16/50 per unit |
| 20 th march | Sale 116 unit @ 19/50 per unit |
| 20 th march | Sale 62 units @ 21 per unit |

NB: Show all your workings

QUESTION THREE

- (a) Discuss the role of warehouses in inventory management. (10 marks)
- (b) Explain the following in relation to safety in a store
 - i. The role of the supervisor (5 marks)
 - ii. The responsibility of the employee (5 marks)

QUESTION FOUR

- (a) Explain the following terminologies
 - i. Lead time (4 marks)
 - ii. Obsolete inventory (4 marks)
 - iii. Safety stock (4 marks)
 - iv. Consignment stocking (4 marks)
- (b) Describe the following documents (4 marks)
 - i. Local purchase order
 - ii. Delivery note
 - iii. Stores requisition voucher

iv. Goods received note

QUESTION FIVE

- (a) Discuss the impact of information technology on warehousing and inventory management. (10 marks)
- (b) ????