QUESTION ONE (30MKS)

a) Write short notes on the following

    i.   Point of sale system (2mks)

    ii.   Lead time (2mks)

    iii.   Economic order quantity (2mks)

    iv.   Buffer stock (2mks)

    v.   Stock holding policy (2mks)

b) Discuss the key performance indicators in stores (10 marks)

c) State and explain the objectives of inventory control in stores(10 marks)

QUESTION TWO (20mks)

a) The following transactions were extracted from the books of JIONIEZ limited relating to its stores materials for the month of May 2019

Date   **transaction**

1st   The store materials were 3700 units valued at ksh 19 each.

2nd The stores received materials 2600 units valued at ksh 18 each

4th   3400 units of materials were issued out.

4th 2300 units of materials valued at ksh 18 each were received.

7th 300 units were issued out

9th 2800 units worth ksh20 were received

14th 2900 units were issued out

18th 3200 units were received valued at ksh22 each

22nd received 2900 units worth ksh 21 each

25th issued 2300 units of materials

28th 2850 units of materials worth ksh 22 each were received.

30th 4050 units of materials were issued out.

Required ;

Using **LIFO** method, compute the value of closing stock at the end of the month. (14mks)

b) Explain the benefits of stock holding policies (6mks)

QUESTION 3 (20mks)

a) Explain the advantages of usingtraditional system over the EDI(electronic Data interchangesystems(10mks)

b) State and explain the disadvantages associated with   centralized store. (10MKS)

QUESTION 4

a) State and explain the factors to consider when designing a store layout. (10mks)

b) Discuss the factors to be considered during supplier appraisal (10 marks)

QUESTION 5

a) The following information was extracted from ABC LTD company.

Normal usage	200 units per day
Maximum usage	220 units per day
Minimum usage	180 units per day
Re order period	24-30 days
Lead time	6-10 days.

Required

1. Calculate the re-order quantity. (3mks)
2. Calculate the re-order level (3mks)
3. Calculate the minimum level of materials (4mks)
4. Calculate the maximum level of materials (4mks)
b) State and explain the reasons of holding inventory in store (6marks)