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**University Examinations 2015/2016**

FIRST YEAR SECOND SEMESTER EXAMINATION FOR CERTIFICATE IN PURCHASING AND SUPPLIES MANAGEMENT

**BBC 1104: STORES MANAGEMENT AND STOCK CONTROL**

 **DATE: NOVEMBER 2015 TIME: 11/2 HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***two*** *questions*

**QUESTION ONE (30 MARKS)**

Key among the duties of store and inventory manager is to set various stock levels which match the organization operations demand.

1. Define the following terms as used in stores and inventory management:
2. Re-order level. (2 Marks)
3. Average stock level. (2 Marks)
4. Maximum stock level. (2 Marks)
5. Re-order period. (1 Mark)
6. Minimum stock level. (1 Mark)
7. State and explain four assumptions that underlies EQQ. (8 Marks)
8. Highlight at least four types of stores. (4 Marks)
9. Discuss five methods that can be used by an organization for inventory evaluation. (10 Marks)

**QUESTION TWO (20 MARKS)**

1. Giving specific current examples, discuss five characteristics of a good stores layout system. (10 Marks)
2. Explain the importance of inventory control. (8 Marks)
3. Briefly explain the term “Safety stock level”. (2 Marks)

**QUESTION THREE (20 MARKS)**

1. In the contemporary business environment interdepartmental relationships play an integral role in perfection of organizations envisioned goals and objectives. In view of this observation discuss the relationship of stores department with other departments. (10 Marks)
2. Assume you have been called upon to advice on the location of a warehouse in a newly established business organization. Discuss the key factors you would put into considerations. (10 Marks)

**QUESTION FOUR (20 MARKS)**

1. Discuss the key advantages of coding system in an organization. (10 Marks)
2. Discuss the distinct reasons for holding stock. (10 Marks)

**QUESTION FIVE (20 MARKS)**

1. Assume you have been appointed the stores manager in a newly established business entrepreneur. Explain the key roles you would be expected to play in that capacity. (10 Marks)
2. Explain the purpose of maintaining accurate and updated stores records. (10 Marks)