INVENTORY MANAGEMENT

Date : 28.12.2018 Max. Marks :100
Time : 10.00a.m. to 1.00 p.m. Duration : 3 Hrs.

Instructions:
1. The question paper is in three parts A, B & C.
2. Part A is compulsory. Each question carries one mark. Total : 32 Marks
4. Part C is a case study with sub questions and it is compulsory. It carries 20 marks.
5. Use of calculator is allowed wherever necessary.
6. Graph sheets can be used wherever necessary.

Part – A (compulsory) 32 marks

(Attempt all questions each question carries 1 mark)

Q.1. State TRUE or FALSE – 1 Mark each (8 Marks)

1. Materials ordered and paid for but not received are called stock-in-trade.
2. Objective of inventory control is to maximize customer service and minimize costs.
3. Items under X-Y-Z analysis are classified based on their value of stock.
4. Modular bill of materials is bill of materials in sequence.
5. Perpetual review system is excellent for high cost items.
6. EOQ is good for seasonal items.
7. The most common unit load is pallet.
8. Weighted average method is most rational for determination of issue price of materials.

Q.2. Fill in the Blanks – 1 Mark each (8 Marks)

1. Stock in trade includes ________ready for sale.
2. Profit margin is calculated by dividing _____by ______.
3. Obsolescence and deterioration forms_____% of total inventory carrying cost.
4. Insurance items have_____life as compared to machine.
5. PQR classification is based on ______of items.
6. GOLF classification is based on nature of ______of items.
7. Goods in transit contribute to ______inventory.
8. Perishable material requires ______controlled storage.
Q3. **Expand the following abbreviations** (1 mark each) - 8 Marks

1. ROI  
2. MRP  
3. GIT  
4. SIT.  
5. MSDS  
6. KU  
7. ABC  
8. LIFO.

Q4. **Match the following in column A with those in column B** - 1 Mark each (8 Marks)

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ABC classification.</td>
<td>A. Low Safety stock.</td>
</tr>
<tr>
<td>2. ASTM</td>
<td>B. MRP System</td>
</tr>
<tr>
<td>3. Low shelf life..</td>
<td>C. Large WIP in inventory</td>
</tr>
<tr>
<td>4. Two Bin System</td>
<td>D. Supplier managed inventory.</td>
</tr>
<tr>
<td>5. Bill of Materials</td>
<td>E. Annual consumption value</td>
</tr>
<tr>
<td>7. SMI</td>
<td>G. Fixed Order system..</td>
</tr>
</tbody>
</table>

**PART - B**

Write any three (3) of the following questions – 16 marks each (48 Marks)

Q5. How will you account for loss and pilferage while accounting for inventories?

Q6. Explain factors influencing finished goods inventory.

Q7. Write short notes on any two. (2 x 8 = 16 marks)
   1) Advantage of vendor managed inventory.
   2) Analysis of spare parts inventory.
   3) Reorder level system.
   4) Qualitative techniques of demand forecasting.

Q8. For assembly type of products, MRP will work better-explain in detail.

Q9. Analyse inventory of your company in terms of FSN and discuss how you will deal with slow and non-moving items.
PART – C

Q. 10 compulsory  (20 marks)
You have a Scooter Manufacturing unit producing 1 lakh scooters per year in 3 varieties. How will you arrange MRP system-show your Master Production Schedule and other processes.

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