



TECHNICAL UNIVERSITY OF MOMBASA
SCHOOL OF BUSINESS & SOCIAL STUDIES
DEPARTMENT OF MANAGEMENT SCIENCES

DIPLOMA IN TRANSPORT & LOGISTICS MANAGEMENT
(DTLM)

BLT2110: WAREHOUSING AND INVENTORY MANAGEMENT

END OF SEMESTER EXAMINATIONS
SERIES: MAY 2016
TIME: 2HRS

INSTRUCTIONS:

- This paper consists of **A** and **B**.
- Section A is Compulsory. Answer any **TWO** questions in Section **B**.
- Mobile phones are not allowed into the examination room
- Cheating leads to disqualification.
- This paper consists of three printed pages.

QUESTION 1.

Q1(a) Define the following terms as used in inventory and warehousing management.

- (i) Material handling (2marks)
 - (ii) Sortation (2marks)
 - (iii) Repacking (2marks)
 - (iv) Cross-docking (2marks)
 - (v) Radio frequency information identification system (2marks)
- (b) State two roles of Inventory management in each case
- (i) In the competitive strategy of a firm (2marks)
 - (ii) In supply chain strategy (2marks)
- (c) A company has determined its demand as 3000 units per year and is uniformly

Distributed over the year. The cost price is Ksh 2 per unit. Its ordering cost is ksh 40 per order and the inventory carrying cost is 8% of the inventory value. It is known that lead time is uniform and is equal to 8 working days. The number of working days in a year is believed to be 300 days.

Determine

- (i) The Economic order quantity (3marks)
 - (ii) The Re-order Level (3marks)
 - (iii) Optimum number of order per year (5marks)
 - (iv) Length of Inventory cycle (5marks)
- Describe the evolution of computer applications schedules from its origin to enterprise Resource planning ERP Software in manufacturing. Describe the advantages of a company implementing an ERP system in this its production schedule. (10marks)

QUESTION 2

- (a) State and explain five principles of material handling (10marks)
- (b) Describe in details any five inventory costs, giving examples (10marks)

QUESTION 3

- (a) Explain the significance if computer application in inventory management Implemented by modern organizations, citing examples (10marks)
- (b) Describe any five factors that on exporting manufacturer such as John Finlay would

Consider in a locating its warehouse for export.

(10marks)

QUESTION 4

- (a) “Inventory management is important for a successfully supply chain response” defend this statement. (10marks)
- (b) Describe in details any five points of difference between independent and dependent demand system (10marks)

QUESTION 5

- (a) Describe the concept of just in Time (JIT) implemented by modern organizations as part of inventory control management giving any five benefits and limitations of JIT in a production manufacturing schedule.
- (b) Describe the evolution of computer applications schedules from its origin to enterprise Resource planning ERP Software in manufacturing. Describe the advantages of a company implementing an ERP system in this its production schedule. (10marks)