



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

BACHELOR OF COMMERCE – PROCUREMENT

BPC 4406: INVENTORY MANAGEMENT

END OF SEMESTER EXAMINATION

ORDINARY PAPER

SERIES: APRIL Pickyear2022

TIME:2HOURS

DATE: Pick Date2022

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of five questions. Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

Question ONE (COMPULSORY) – 30 Marks

- a) In recent years, despite many companies' best efforts to reduce their inventory costs, these costs have often shown a tendency to rises. Explain any FIVE reasons for rising inventory costs. **[10 marks]**

- b) Briefly, describe the FIVE methods of pricing. **[10 marks]**

- c) Write short notes on these terms in production scheduling and control systems.
 - i) "push" and "pull" system. **[5 marks]**
 - ii) Dependent and independent demand. **[5 marks]**



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Question Two

- a) Examine the **FIVE** advantages of standard pricing method. [10 marks]
- b) Briefly, describe any **FIVE** purposes of stock records. [10marks]

Question Three

- a) Briefly, describe FIVE benefits of a coding system of identification. [10 marks]
- b) What are the **FIVE** advantages of fixed order point for inventory management. [10 marks]

Question Four

- a) Examine the FIVE causes of bullwhip effect in supply chain. [10 marks]
- b) Discuss any **FIVE** benefits of ABC analysis to inventory management. [10 marks]

Question Five

- a) Briefly, describe any **FIVE** limitation of radio frequency identification (RFID) applications in inventory management. [10 marks]
- b) Explain any FIVE important elements of inventory carrying cost [10 marks]

