



FINAL
Examination Paper

(COVER PAGE)

Session : August 2017

Programme : Certificate in Business Studies (CBSI)

Course : MGT1006: Inventory Management

Date of Examination : 14 December 2017 (Thursday)

Time : 11:00am – 1:00pm Reading Time : -

Duration : 2 hours

Special Instructions :

This paper consists of **THREE (3)** sections.

Section A: Answer **ALL** the questions in the OMR sheet provided.

Section B: Answer any **TWO (2)** out of **FOUR (4)** questions in the answer booklet provided.

Section C: Answer any **ONE (1)** out of **TWO (2)** questions in the answer booklet provided.

Materials permitted :
Non-Programmable Scientific Calculator

Materials provided :
OMR Sheet

Examiner(s) : Khor Kok Chin

Moderator : Dr. Daisy Kee

This paper consists of 7 printed pages, including the cover page.

INTI INTERNATIONAL COLLEGE PENANG

CERTIFICATE IN BUSINESS STUDIES (CBSI)
MGT1006: INVENTORY MANAGEMENT
FINAL EXAMINATION: AUGUST 2017 SESSION

SECTION A (40 marks)

Instructions: This section consists of 20 multiple choice questions. Answer ALL the questions in the OMR sheet provided. Each question carries 2 marks.

1. The following are efforts place to improve objectives of inventory management **EXCEPT** _____.
 - A. the right time
 - B. the right quality
 - C. the right input
 - D. the right place

2. Raw material inventory involves identifying relevant inventory cost. Identify an element of inventory cost from below:
 - A. Work-in-progress cost
 - B. Holding cost
 - C. Finish goods cost
 - D. Overdraft cost

3. Supply chain management has several stages. Identify supply chain management stages from below:

I. Suppliers	III. Manufacturer
II. Retailers	IV. Distributers

 - A. I, II and III
 - B. II, III and IV
 - C. I, III and IV
 - D. I, II, III and IV

4. Drivers of supply chain management are set to improve supply chain performance. Identify a driver of supply chain management.
 - A. Product
 - B. Distribution
 - C. Logistics
 - D. Pricing

10. Identify the elements of procurement process in inventory management.
- | | | | |
|-----|----------------|------|------------------|
| I. | Purchase order | III. | Bill of material |
| II. | Goods receipt | IV. | Work order |
- A. I, II and III
B. II, III and IV
C. I, III and IV
D. I, II, III and IV
11. Management of stores is crucial to the success of supply chain and inventory management. One of the following is a function of store management.
- A. To segregate materials while in store
B. To protect materials while in store
C. To receive payment for products
D. To issue materials at the right time
12. Upon a purchase indent is accepted by the buyer, a purchase requisition is issued. Purchase requisition includes the following **EXCEPT** _____.
- A. legal offer by buyer to seller for purchase
B. without a purchase order the order is cancelled
C. the seller must accept the offer without prejudice
D. it include the requirement details and terms and conditions
13. One of the objectives of effective material control includes _____.
- A. ease of material storage
B. material available in unquestionable amount
C. material handling does not require storage
D. material of desired quantity available when needed
14. Records are needed for store management as the following **EXCEPT** _____.
- A. Maintain records of receipts and issues
B. Update stock level
C. Bin card is not used today
D. Stock registry done regularly
15. First-in-first-out (FIFO) is a method of stock evaluation. Identify the characteristics of FIFO.
- A. Assumes the first stock to be received is first to be sold.
B. Cost of material sold is based on current pricing.
C. Closing stock is valued at older price.
D. None of the above.

5. The following are truth about Barcode in inventory management **EXCEPT** _____.
- A. an optical machine readable data representation
 - B. available in linear 1D version
 - C. available in geometric pattern image in two dimension 2D
 - D. known as Electronics Business Management Standard of Data
6. RFID Bands are widely used in industry especially in managing materials to finished goods. Identify the advantage of RFID Band in inventory management.
- A. Costly
 - B. Problematic items
 - C. Robust and reasonably operating distance
 - D. Has line of sight and manually reads
7. Inventory control is a technique of maintaining size of inventories. Which of the following are objectives of inventory control?
- I. Protect against fluctuating of demand
 - II. Automated usage of equipment
 - III. Control of stock volume
 - IV. Control of stock distribution
- A. I, II and III
 - B. II, III and IV
 - C. I, III and IV
 - D. I, II, III and IV
8. Inventory control has evolved into major activities to manage and transfer materials. Select an activity of inventory control.
- A. Planning the inventories
 - B. Transfer of inventories to producers
 - C. Material differentiation
 - D. Recording inventories
9. Stores are part of inventory management and divided into centralised and decentralised store. Identify the features of centralised stores.
- I. Efficient layout of stores
 - II. Simple inventory checks
 - III. Reduced personnel requirement
 - IV. Better handling technology
- A. I, II and III
 - B. II, III and IV
 - C. I, III and IV
 - D. I, II, III and IV

16. Material handling includes primary objectives and secondary objectives. Identify a secondary objective of material handling.
- A. Forecasting.
 - B. Standardization.
 - C. Consistent in quality.
 - D. Good information system.
17. The importance of material handling includes effective material movement in production. Identify an additional advantage of effective material handling.
- A. Increase timing and increase number of damage.
 - B. Promotes unity.
 - C. Control inventory.
 - D. Manage total cost of procurement and warehousing.
18. Material Requirement Planning (MRP) include several important system. Select a system that is **NOT** required in MRP.
- A. Computer Inventory Control
 - B. Production Requisition System
 - C. Management Information System
 - D. None of the above
19. Many production firms today are implementing Material Management System. Identify a purpose of the system as below.
- A. Maintain overall cost and quality
 - B. Increase material surplus
 - C. Maintain operations schedule
 - D. Inadequate relationship with suppliers
20. Identify elements of efficient and effective logistics management from below.
- | | |
|--------------|---------------|
| I. Time | III. Security |
| II. Quantity | IV. Packaging |
- A. I, II and III
 - B. II, III and IV
 - C. I, III and IV
 - D. I, II, III and IV

SECTION B (40 marks)

Instructions: This section consists of 4 short essay questions. Answer any **TWO (2)** out of **FOUR (4)** questions.

Question 1

- a) Explain the terms inventories and the purpose of inventory management as function of production process with given examples. (10 marks)
- b) Explain in detail any **TWO (2)** objectives of inventory control to supply chain and operations control. (10 marks)

Question 2

- a) Determine the need for inventory management in operations of a manufacturing company. (10 marks)
- b) Explain the term inventory control and the importance to manufacturing company. (10 marks)

Question 3

- a) Identify and explain any **THREE (3)** advantages of good coding system such as RFID in inventory management system. Illustrate your answer with examples. (10 marks)
- b) Explain the term barcode of GS1-128 in supply chain and logistics and the purpose of GS1-128 inclusion in supply chain management coding. (10 marks)

Question 4

- a) Differentiate the characteristic of push and pull strategies in supply chain. (10 marks)
- b) Discuss any **TWO (2)** drivers of supply chain management with examples. (10 marks)

SECTION C (20 marks)

Instructions: This section consists of 2 long essay questions. Answer any **ONE (1)** out of **TWO (2)** questions.

Question 1

Explain the philosophy of Just-In-Time (JIT) system and discuss **FOUR (4)** benefits with suitable examples of using JIT approach in inventory management.

(20 marks)

Question 2

Evaluate any **FOUR (4)** problems faced by supply chain management today in detail.

(20 marks)

-The End-

MGT1006(F)/Aug2017/KokChin

