



FINAL
Examination Paper
(COVER PAGE)

Session : April 2016

Programme : Certificate in Business Studies (CBSI)

Course : MGT 1006: Inventory Management

Date of Examination : 27 July 2016, Wednesday

Time : 2.00pm – 4.00pm

Duration : 2 Hours Reading Time : Nil

Special Instructions :

SECTION A: Answer ALL questions.

SECTION B: Answer TWO (2) out of FOUR (4) questions.

SECTION C: Answer ONE (1) out of TWO (2) questions.

IMPORTANT NOTE : **THIS PAPER SHOULD NOT BE TAKEN OUT OF THE EXAMINATION HALL**

Materials Permitted : Nil

Materials Provided : Answer Booklet

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Moderator : Dr. Daisy Kee Mui Hung

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

INTI INTERNATIONAL COLLEGE
CERTIFICATE IN BUSINESS STUDIES (CBSI)
MGT1006: INVENTORY MANAGEMENT
FINAL EXAMINATION: APRIL 2016 SESSION

Instructions: This paper consist of THREE (3) sections. Answer ALL questions in Section A, attempt any TWO (2) of FOUR (4) questions Section B and attempt only ONE (1) question in Section C in the answer booklet and OMR provided.

SECTION A: MULTIPLE CHOICES (40 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
 - II. Retailers
 - III. Manufacturer
 - 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

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
10. Identify the elements of procurement process in inventory management.
- I. Purchase order
 - II. Goods receipt
 - III. Bill of material
 - 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. After a purchase indent is accepted by the buyer, a purchase order is issued. Purchase order 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
12. A work order is part of purchasing process which include one of the below.
- A. An order prepared by Planning department for the Production department
 - B. A document prepared by the seller when delivering products
 - C. A document similar to Bill of Material
 - D. The document contains payment order and terms.
13. Objectives of good production system and material control includes _____.

- A. Material of desired quantity available when needed
 - B. Material available in unquestionable amount
 - C. Material handling does not require storage
 - D. All of above
14. 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 above
15. Material handling includes primary objectives and secondary objectives. Identify *ONE* (*I*) primary objective of material handling.
- A. Forecasting
 - B. Standardization
 - C. Product improvement
 - D. Right price
16. 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
17. Material handling work flow include several equipments. identify the types of material used.
- I. Forklift
 - II. Cranes
 - III. Conveyor
 - IV. Hoist
- A. I, II and III
 - B. II, III and IV
 - C. I, III and IV
 - D. I, II, III and IV
18. Many firms today are implementing Material Management System including

- A. Maintain overall cost and quality
 - B. Increase material surplus
 - C. Better relationship with supplier
 - D. Maintain project schedule.
19. Material requirement planning (MRP) has several risks besides the benefits. Identify **ONE (1)** risk of material requirement planning.
- A. Contractual obligation is met
 - B. Unusual material stocks will tie up the organization
 - C. Stocks and materials tracking unsettled
 - D. None of the above
20. Identify elements of efficient and effective logistics management from below.
- I. Time
 - II. Quantity
 - III. Security
 - 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: Short Essay Questions (40 marks)

Answer any **TWO (2)** out of **FOUR (4)** questions.

21. (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)**
22. (a) Discuss the goals of supply chain management in operations of a large manufacturing company. **(10 marks)**
- (b) Evaluate any **TWO (2)** problems faced by supply chain management today in detail. **(10 marks)**
23. (a) Identify and explain any **TWO (2)** 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)
24. (a) What is stock taking in inventory management? (5 marks)
- (b) Describe with examples *THREE (3)* purposes why companies carry out stock taking activities as part of inventory management (15 marks)

Section C: Long Essay Question (20 marks)

Answer any **ONE (1)** out of **TWO** questions

25. Push and pull is a method used in considering effective supply chain management in operations decision. Discuss in detail the Pull strategies in supply chain integration. (20 marks)
26. Explain the philosophy of Just –In –Time (JIT) system and discuss with the use of suitable examples **FOUR (4)** benefits of using JIT approach in inventory management with suitable examples. (20 marks)

~ The End ~
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