



KIBABII UNIVERSITY COLLEGE

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UNIVERSITY EXAMINATIONS

2012/ 2013 ACADEMIC YEAR

**FOR THE DIPLOMA OF
BUSINESS MANAGEMENT**

COURSE CODE: DPS 101

COURSE TITLE: STOCK CONTROL AND MANAGEMENT

DATE: 23rd August 2013

TIME: 9.00am-12 noon

Instructions to Candidates

- Attempt any four question

QUESTION ONE

- a) Define stock taking and why it is important (4 marks)
- b) Explain the factors to consider in determining a stores layout (16 marks)

QUESTION TWO

- a) Outline five advantages and disadvantages of centralizing stores (10 marks)
- b) Explain the following terms as used in stores management (10 marks)
 - i) Private warehouse
 - ii) Bonded warehouse
 - iii) Government warehouse
 - iv) Public warehouse
 - v) Cooperative warehouse

QUESTION THREE

- a) Explain the main functions of stores (10 marks)
- b) Outline the reasons why organizations should hold stock (6 marks)
- c) Differentiate between inventory control and material control (4 marks)

QUESTION FOUR

- a) Disposal of inventories in public institutions is governed by the public procurement and disposal act of 2005. Outline the five methods of disposing inventories as given in the Act (5 marks)
- b) Explain the following terminologies as used in stock management (10 marks)
 - i) Pilferage
 - ii) Inventory carrying cost
 - iii) Safety stock
 - iv) Danger level
 - v) Ordering costs

QUESTION FIVE

- a) Briefly explain the following terms:
 - i) Obsolete items
 - ii) Surplus items