UNIVERSITY REGULAR EXAMINATIONS

2013 /2014 ACADEMIC YEAR

3RD YEAR 2ND SEMESTER EXAMINATIONS

(MAIN EXAMINATION)

FOR THE BACHELOR OF

BUSINESS MANAGEMENT

COURSE CODE: BBM 333

COURSE TITLE: MATERIAL STORAGE MANAGEMENT

DATE: 16TH APRIL 2014   **TIME: 9.00A.M – 12.00 NOON**

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INSTRUCTIONS TO CANDIDATES:

- Answer ALL Questions in Section A and other THREE in Section B.
- Be neat and orderly

QUESTION ONE.

a) Explain the term inventory and its components. (5mks)

b) State the fundamental objectives of the materials management function. (5mks)

c) Explain the inventory systems: (5mks)

d) The following are the details regarding purchases of a certain item during the month of January.

Jan 1st purchases 200 units @ sh. 7 = sh. 1,400

Jan 8th purchases 900 units @ sh. 8 = sh. 7,200

Jan 25th purchases 300 units @ sh. 9 = sh. 2,700

Jan 30th purchases 400 units @ sh. 10 = sh. 4,000

700 units are in hand. Calculate the value of inventory as per FIFO. 10mks)

SECTION B.

QUESTION TWO.

Explain in detail the aims or objectives of materials management. (15mks)

QUESTION THREE.

Explain in detail the purchasing procedure. (15mks)

QUESTION FOUR

a) Explain the basic functions, to manage stores carried out are. (5mks)

b) Explain the different parts of stores. (4mks)

c) Draw an inventory control environment. (6mks)

QUESTIONS FIVE.

Explain the costs considered before deciding the amount of stock to have. (15mks)