

1059

B. Voc. (Logistic Management)

Second Semester

LEM-204: Inventory Management

Time allowed: 3 Hours

Max. Marks: 80

**NOTE:** Attempt five questions in all, including Question No. 1 which is compulsory and selecting one question from each Unit.

x-x-x

I. Attempt any four of the following:-

- a) What is Shortage Cost?
- b) Explain Danger level of inventory.
- c) What is EOQ?
- d) Describe Just in Time philosophy.
- e) Explain Outsourcing.
- f) Define Work in Progress Inventory.

(4x4)

**UNIT – I**

- II. What do you understand by Inventory Control? Explain the scope and importance of inventory control. (16)
- III. Explain various costs associated with inventory management. (16)

**UNIT – II**

- IV. Annual consumption - 6000 units (in 360 days). Cost per unit - Re. 1. Ordering cost - Rs. 6 per order. Inventory carrying charge - 50%. Normal lead time = 30 days. Safety stock - 60 days consumption. Find out-
  - a) Each time, how much should be ordered
  - b) When the order should be placed,
  - c) What should be the ideal inventory level immediately before the delivery of material ordered is received,
  - d) Each many times orders for EOQ should be placed in a year. (16)
- V. Describe the inputs to a material requirements plan and the effect the accuracy of the data has on the outputs of the plan. (16)

**UNIT – III**

- VI. What do you mean by Make or Buy decision? Explain various factors influencing make or buy decisions. (16)

P.T.O.

(2)

- VII. What are the advantages and disadvantages of outsourcing? How might an operations manager weigh the impact of each? (16)

**UNIT - IV**

- VIII. Explain various types of stocks with examples. How do you track the paper life of inventory? (16)
- IX. Explain the use and benefits of using computers for inventory management. (16)

x-x-x