

 W1-2-60-1-6

**JOMO KENYATTA UNIVERSITY**

**OF**

**AGRICULTURE AND TECHNOLOGY**

 **UNIVERSITY EXAMINATIONS 2015/2016**

**YEAR I SEMESTER II EXAMINATION FOR THE DIPLOMA IN PURCHASING AND CONTRACTING MANAGEMENT**

**HEP 0102: STORES AND INVENTORY MANAGEMENT**

**DATE: APRIL 2016 TIME: 1 1/2 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER ONE QUESTION**

**QUESTION ONE (40 MARKS)**

1. Explain FIVE functions of warehouses. [10 marks]
2. Explain FOUR benefits of benchmarking. [8 marks]
3. Describe FOUR qualitative forecasting techniques. [8 marks]
4. Explain FOUR reasons for carrying stock in a firm. [8 marks]
5. Discuss three contributions of information systems in achieving stores and inventory management. [6 marks]

**QUESTION TWO (20 MARKS)**

1. Explain the concept of cross-docking and its importance in stores and inventory management. [6 marks]
2. Discuss the weaknesses of standardization to a purchaser. [6 marks]
3. Outline FIVE benefits of variety reduction. [5 marks]
4. Describe how EPOS information system works. [3 marks]

**QUESTION THREE (20 MARKS)**

1. Discuss the responsibilities of the purchasing department in implementing just-in-time (JIT) inventory control philosophy in a firm. [8 marks]
2. A typist an average receives 20 letters per day for typing. She works 8 hours average 22 minutes to type a letter. Required to determine;
3. Typist utilization rate. [4 marks]
4. Expected time to have a letter. [4 marks]
5. Expected number of letters waiting to be typed. [4 marks]