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COLLEGE

UNIVERSITY EXAMINATION

SECOND YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR  
OF PROCUREMENT AND LOGISTICS MANAGEMENT

BPLM 215: INVENTORY MANAGEMENT

STREAMS:BPLMY2S2

TIME:2HOURS

DAY/DATE: WEDNESDAY

13/04/2022

8.30AM-10.30 AM

INSTRUCTIONS:

- Answer question ONE(compulsory) and any other TWO questions
- Do not write anything on the question paper

QUESTION ONE [30MARKS] COMPULSORY

- a) 'Strategic and ethical procurement practices are the key pillars of the millennium development goals towards the realization of vision 2030. Cutting of cost of inventory is the major driver of procurement process.' In light of the above statement, clearly illustrate the type of costs along the supply chain and how to either: eliminate, avoid or reduce them to realize the strategic fit in the Organization. [10 marks]
- b) Discuss the main roles played by inventory within an organization. (10marks)
- c) Discuss the application of ICT in inventory management in modern firms in Kenya [10 marks]

*Inventory  
Storage  
Purchase  
Carrying  
Production*

✓ QUESTION TWO [20Marks]

- a) Bar coding of inventory enhances effective inventory control. Discuss the statement using the main characteristic of codes. (10marks)
- b) Explain how the following inventory techniques are effectively managed within an organization.
- i) Vendor Management Inventory (VMI) [2marks]
  - ii) Material Requirement Planning(MRP II) [2marks]
  - iii) Just in Time(JIT) [2marks]
  - iv) Enterprise Resource Planning (ERP) [2marks]

v) Material Resource Planning (MRPI)

[2marks]

**QUESTION THREE [20MARKS]**

- a) Discuss the various considerations of set-up of an ideal storage facility. (10marks)
- b) Discuss how the various approaches to manage inventory enhances organizational performance (10marks)

**QUESTION FOUR [20MARKS]**

- a) Discuss the concept of standardization of inventory demonstrating the advantages and disadvantages of the same. (10marks)
- b) 'Too much inventory is a necessary evil' Discuss. (10 marks)