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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY  
UNIVERSITY EXAMINATION, 2016/2017 ACADEMIC YEAR  
DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT**

**DPS 015 - STORES AND INVENTORY MANAGEMENT**

Date: 9<sup>th</sup> August, 2016.  
Time: 12.00pm – 2.00pm

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

Holding of stock is very important to each and every organisation that want to ensure smooth operation of its activities;

- a) Discuss the different types of stocks with relevant examples. (10 Marks)
- b) Discuss the advantages of holding stock. (10 Marks)
- c) Discuss the factors that affect supply of a product. (10 Marks)

**QUESTION TWO (20 MARKS)**

You are the store manager in your organisation. Due the challenges faced during retrieval of systems, you have decided to code the items in the store;

- a) i) Define the term coding (2 Marks)
- ii) Discuss the different types of coding systems. (8 Marks)
- b) Discuss the characteristics of a good coding system that you will require in selection of the coding system . (10 Marks)

**QUESTION THREE (20 MARKS)**

Forecasting is key to each and every organisation.

- a) Discuss the characteristics of a good forecasting technique. (10 Marks)
- b) Discuss the various forecasting techniques that an organization can use. (10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Define the following terms;
  - i) Obsolete stock. (2 Marks)
  - ii) Surplus stock. (2 Marks)
  - iii) Re order level. (2 Marks)
  - iv) Lead time. (2 Marks)
  - v) Scrap. (2 Marks)
- c) Discuss the routes/ methods for disposal of surplus, scrap and obsolete stock. (10 Marks)

**QUESTION FIVE (20 MARKS)**

Juma a store manager has been experiencing a lot of theft in his store.

- a) Discuss the tips he can use to stop stock loss and theft. (10 Marks)
- b) Discuss the responsibilities of a store manager. (10 Marks)