



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P. O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
THIRD YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 11th December, 2023
Time: 8.30am –10.30am

KPS 301 - INVENTORY PLANNING

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

MANE LTD

Mane Ltd is a retail firm that deals with different categories of clothing line, ranging from: men, women and kids wear. It has been in operation for the last 5 years and commands a significant market share. The firm operates in a highly competitive market where customer preferences change rapidly. Therefore, inventory planning is crucial for the company to meet customer demand, optimize costs, and maximize profitability.

The management has tasked the inventory manager to adopt the following inventory management strategies:

- Accurate demand forecasting techniques which uses a combination of historical sales data, market research, and customer feedback effectively
- JIT inventory provisioning technique aimed at minimizing carrying costs and inventory obsolescence
- ABC analysis that categorizes its products based on their values and sales frequency to aid in prioritizing inventory management efforts
- Adopt sound Inventory Key Performance Indicators (KPIs)
- Institute appropriate Distribution Requirement Planning (DRP) system
- Ensure appropriate SKU standardization process

Required:

- a) Describe FIVE demand projecting methods that Mane Ltd can choose in a bid to acquire the optimal amount of different categories of inventories and contribute significantly to the bottom-line (5 marks)
- b) Examine FIVE challenges Mane Ltd might experience from adopting JIT as an inventory provisioning approach. (5 marks)
- c) Analyze FIVE steps Mane Ltd can apply when conducting ABC analysis, citing relevant examples where applicable. (5 marks)
- d) Summarize FIVE inventory KPIs that Mane Ltd should adopt
- e) Discuss FIVE key steps that Mane Ltd should involve in SKU standardization process. (5 marks)

QUESTION TWO (20 MARKS)

- a) Discuss SIX steps that are involved in decision making process to achieve effective inventory planning in an organization. (6 marks)
- b) Discuss EIGHT reasons why an organization may adopt a stockholding policy, citing relevant examples where applicable. (8 marks)
- e) Evaluate SIX key sources of materials requisition in an organization. (6 marks)

QUESTION THREE (20 MARKS)

- a) Examine SIX types of material specifications in an organization, citing examples where appropriate (6 marks)
- b) Summarize EIGHT challenges of inventory standardization in an organization. (8 marks)
- c) Discuss SIX measures included in health and safety inspection associated with inventory planning. (6 marks)

QUESTION FOUR (20 MARKS)

- a) Identify SIX location analysis tools commonly used to scout for a suitable place to set up a warehouse structure. (6 marks)
- b) Analyze SIX questions the warehouse manager should ask before goods are received into the organization. (6 marks)
- c) Describe EIGHT ways to reduce occurrence of damaged stock in an organization. (8 marks)

QUESTION FIVE (20 MARKS)

- a) Outline SIX types of inspection audits that can be conducted in an organization. (10 marks)
- b) Argue the rationale of accurately managing various stockholding costs in an organization. (8 marks)
- c) Analyze SIX objectives of stores management in an organization. (6 marks)