



RIARA SCHOOL OF BUSINESS

NURTURING INNOVATORS

SEPTEMBER –DECEMBER 2022 TRIMESTER

EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION

EVENING/WEEKEND PROGRAMME

UNIT CODE: RPS 303 UNIT TITLE: INVENTORY MANAGEMENT

DATE: 3rd DECEMBER 2022

TIME: 2 HOURS

SPECIAL INSTRUCTIONS

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question One and ANY other TWO questions.
3. Questions in all sections should be answered in answer booklet(s)
4. PLEASE start the answer to EACH question on a NEW PAGE.
5. For the questions, write the number of the question on the answer booklet(s) in the order you answered.
6. Write on both sides of each leaf and indicate number of each question at the top of each page.
7. Write the answers in a paragraph form unless stated otherwise.
8. Marks allocated to each question are shown at the end of the question.
9. All rough work must be done on the answer booklet and crossed through!
10. Use supplementary pages only when you have exhausted those in the book.
11. Fasten the supplementary pages to the inside back cover of the booklet.

QUESTION ONE (COMPULSORY – 30 MARKS)

- a) “Inventory is regarded as a necessary “devil” among various supply chain operations”. Demystify this statement in the context of inventory management best practices **(10 marks)**
- b) Using relevant illustrations, analyze five main techniques/methods used by inventory managers in forecasting demand for inventories in an organization **(10 marks)**
- c) Identify five components of Materials Requirement Planning (MRP1) **(5 marks)**
- d) Discuss five benefits an organization can reap from implementing Enterprise Resource Planning (ERP) system. **(5 Marks)**

QUESTION TWO

- a) Examine five main categories that are adopted by inventory managers while classifying inventory **(8 marks)**
- b) Elucidate on the six roles of modern warehouse facilities in driving the operational capability of logistics function **(12 marks)**

QUESTION THREE

- a) State and explain five costs incurred by an organization when the management makes a decision to hold high levels of inventory **(10 marks)**
- b) Discuss five factors that may limit the accuracy of a demand forecast **(10 marks)**

QUESTION FOUR

- a) Critically examine five inventory control techniques that can be adopted by the Kenyan government to achieve food security in the country **(10 marks)**

b) Information and Communication Technology (ICT) is considered to be a critical driver of inventory management responsiveness. Analyze this statement

(10 marks)