



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF LOGISTICS**  
**AND SUPPLY CHAIN MANAGEMENT**  
**3<sup>RD</sup> YEAR 1<sup>ST</sup> SEMESTER 2016/2017 ACADEMIC YEAR**  
**KISUMU CAMPUS**

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**COURSE CODE: BLM 3314**

**COURSE TITLE: INVENTORY MANAGEMENT**

**EXAM VENUE:**

**STREAM: (BLSM)**

**DATE:**

**EXAM SESSION:**

**TIME: 2 HOURS**

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**Instructions:**

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

### **QUESTION ONE**

- (a) Discuss the main reasons for carrying inventories in an organization (10 Marks)
- (b) Discuss the various classes of Inventory highlighting an example in each case (8 Marks)
- (c) Explain six advantages of Inspecting materials from suppliers (6 Marks)
- (d) Explain any six assumptions underlying the Economic Order Quantity (EOQ) Model. (6 Marks)

### **QUESTION TWO**

- (a) Discuss the benefits an organization bears for holding inventories (10 Marks)
- (b) Explain the Inventory-related costs that may be incurred by an organization(10 Marks)

### **QUESTION THREE**

Write short notes on the following types of Inventory:

- (i) Seasonal Inventory (4 Marks)
- (ii) Safety inventory ( 4 Marks)
- (iii) Cycle inventory ( 4 Marks)
- (iv) Decoupling inventory (4 Marks)
- (v) Pipeline inventory ( 4 Marks)

### **QUESTION FOUR**

- (a) Explain five critical symptoms of poor Inventory management in an organization (10 Marks)
- (b) Discuss the aspects of Ordering and Holding costs of Inventory (10 Marks)

### **QUESTION FIVE**

- (a) Discuss in detail the main objectives of Inventory Management in an organization (10 Marks)
- (b) Discuss merits and demerits of Fixed Order Interval Model of Inventory (10 Marks)