



MURANG'A UNIVERSITY COLLEGE
(A constituent College of Jomo Kenyatta of Agriculture & Technology)

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

MAIN CAMPUS

UNIVERSITY EXAMINATIONS

2014/2015 ACADEMIC YEAR

EXAM: END OF SEMESTER 2 EXAM

FOR CERTIFICATE IN BUSINESS MANAGEMENT

UNIT CODE : CIB 107

UNIT NAME : STORES MANAGEMENT

DATE; 24TH APRIL 2015

TIME: 2 HOURS

REGULAR EXAMINATION

INSTRUCTIONS TO CANDIDATES

TIME: 2HOURS

Question ONE (1) is compulsory and any other

TWO (2) QUESTIONS

Q1a) What are the advantages of ABC system of stock control (5marks)

b) Explain the purchasing procedure (5marks)

c) Suppose you are appointed as a storekeeper to an organization what would you expect your responsibilities to be (5marks)

d) In what ways do you consider purchasing department to be important to an organization (5marks)

e) What gains would occur to a firm through inspection of goods purchased (5marks)

f) What are the main reasons for import purchasing (5marks)

Total 30marks

Q2a) Describe ways which would ensure safety in the purchasing department (10marks)

b) What are the code of ethics for consideration by buyers & sellers (10marks)

Total 20marks

Q3a) In a factory component Z was used as follows

Normal usage 50kg per week

Maximum usage 75kg per week

Minimum usage 25kg per week

Re-order quantity 300kg

Re-order period 4 to 6 weeks

Calculate the following components Z

- i. Re-order level (2marks)
 - ii. Maximum level (2marks)
 - iii. Minimum level (2marks)
 - iv. Average stock level (2marks)
- b) Explain the coding principles (6marks)
- c) What are the objectives of purchasing (6marks)

Total 20marks

Q4a) As compared to centralized purchasing what are the advantages of departmental purchasing

(10marks)

b) Describe the objectives of material control

(10marks)

Total 20marks