



# **MURANGA UNIVERSITY COLLEGE**

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

**MAINCAMPUS**

**UNIVERSITY EXAMINATIONS**

**SECOND SEMESTER JAN – MAY 2016**

**PROGRAMME: DIPLOMA IN BUSINESS MANAGEMENT**

**EXAMINATION: SUPPLEMENTARY/SPECIAL**

**UNIT CODE: DBP 1121**

**UNIT NAME: STORE CONTROL AND STORES MANAGEMENT**

**DATE:**

**TIME:**

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## **INSTRUCTIONS TO CANDIDATES**

- Answer Question **ONE** (1)
- Answer any other **TWO**

## QUESTION ONE

- (a) Explain *FIVE* documents that assist in management of a store. [5 marks]
- (b) The annual demand of material Q2 is 640 units. The unit cost is sh 6. Inventory carrying cost is 25% of inventory carrying cost, ordering cost is sh750. Calculate economic order quantity [4marks]
- (c) Accidents in organizations are at times caused by unsafe acts of employees. Describe *FIVE* such acts. [5 marks]
- (d) Discuss *FOUR* ways mechanical handling of materials are advantageous to an organization. [4 marks]
- (e) Describe *FIVE* benefits of using ABC methods of stock control to an organization. [5 marks]
- (f) Discuss *FOUR* circumstances which would necessitate an organization to use imprest method of storekeeping. [4 marks]
- (g) Describe *THREE* aims of preservation of materials. [3 marks]

[Total 30 Marks]

## QUESTION TWO

- (a) Discuss *FIVE* types of tender options a purchasing organization may utilize. [10 marks]
- (b) Discuss principles of coding and briefly explain its importance to an organization. [10marks]

[Total 20 marks]

## QUESTION THREE

- (a) From the following information provided by J stores limited, prepare store ledger cards using FIFO method. [10 marks]

Nov. 1 opening stock – 400 units valued sh 1600

4 Received 200 units @ sh5 each

10 Issued 500 units

16 Received 300 units @ sh 6 each

20 Issued 300 units

24 Received 400 units @ sh7 each

30 Issued 200 units.

- (b) Discuss methods a store would use to minimize accidents. [10 marks]

## QUESTION FOUR

- (a) Describe procedure for stock taking.
- (b) Describe benefits of coding system in purchasing. [10 marks]

[Total 20 Marks]