



**MURANGA UNIVERSITY COLLEGE**

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

**MAINCAMPUS**

**ORDINARY UNIVERSITY EXAMINATIONS**

**2015/2016 ACADEMIC YEAR**

**FIRST YEAR FIRST SEMESTER EXAMINATIONS**

**FOR THE DEGREE OF**

**BACHELOR OF SUPPLIES AND PROCUREMENT MANAGEMENT**

**COURSE CODE: HPS 2102**

**COURSE TITLE: STORES MANAGEMENT STOCK CONTROL**

**DATE 8<sup>th</sup> DECEMBER 2015**

**TIME:**

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**INSTRUCTIONS TO CANDIDATES**

Question ONE (1) is compulsory  
Answer any other TWO(2) questions

MRUC observes Zero tolerance to examinations irregularities

This paper consists of 2 printed pages. Please turn over



1a. The following information relates to material zed

Normal usage 4000 unit per week

Minimum usage 2000 unit per week

maximum usage 6000 unit per week

lead time 3to5 weeks

reorder quantity 26000 units

calculate

- i. Maximum level
- ii. Minimum level
- iii. Reorder level
- iv. Average level (10marks)

b. Identify four items of stock and explain how they should be preserved (10 marks)

c. Explain five reasons why an organisation would prefer to store all stock items in a central place (10 marks)

2a. Describe the procedure of stock verification using inventory card method (14marks)

b. Explain the meaning of serviceable, unserviceable and obsolete stores (6marks)

3a Discuss the assumptions of economic order quantity (5marks)

b. Discuss three areas from which a store receives materials (6marks)

c.) The following are receipts and issues of material ess

April 1 stock balance 1200 unit @sh 80 per unit

April 1 received 7000 unit @sh 100 per unit

April 4 issued 4500 units

April 6 received 1500 unit @sh 90 per unit

April 8 received 3000 unit @sh 105 per unit

April 10 issued 3500 units

April 18 received 2000 unit @sh 110 per unit

April 20 issued 2700 units

April 24 issued 500 units

The company maintains a minimum stock of 700 units.

Prepare a stores ledger using first in first out method

(9 marks)

4a. .Explain the importance of classification and codification of stores

(8marks)

b Explain six factors to consider when setting stock levels

(12marks)