



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE DIPLOMA IN
BUSINESS MANAGEMENT (PROCUREMENT)**

DBP 1211 – STOCK CONTROL AND STORES MANAGMENT

DURATION: 2 HOURS

DATE: 6TH DECEMBER, 2017

TIME: 9.00 – 11.00 A.M.

Instructions to Candidates:

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION ONE – COMPULSORY

- a) List four objectives of stock control. (4 marks)
- b) You are one storekeeper in Abundant Stores Ltd. Briefly discuss four store activities you engage in daily. (4 marks)
- c) Describe the relationship between stores department and the following department.
- 1) Purchasing department
 - 2) Production department
 - 3) Sales department. (6 marks)
- d) From the following information provided by a storekeeper calculate Economic Order Quantity (EOQ).
- Annual demand for a product 60,000 units,
Price per unit Sh.4,500
Stockholding cost 33 $\frac{1}{3}$ %
Delivery per batch Sh.320 (4 marks)
- e) Outline four types of issues a store may provide to other departments. (4 marks)
- f) Highlight four reasons why security in stores is vital. (4 marks)
- g) Outline two types of storage facilities in stores. (2 marks)

SECTION TWO – ANSWER ANY TWO QUESTIONS

QUESTION TWO

- a) You are presently the store manager of EMUK Company. Discuss four of your responsibilities. (8 marks)
- b) Discuss four reasons for coding in your stores department. (6marks)
- c) Explain four benefits of inspecting materials receipts in stores. (6 marks)

QUESTION THREE

- (a) Discuss four types of equipment in a stock yard. (10 marks)
- (b) Outline six factors that affect decision to declare stock obsolete. (10 marks)

QUESTION FOUR

- (a) Describe four roles of record system in your store. (10 marks)
- (b) Explain five reasons for insuring store. (10 marks)