



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR
BACHELOR OF PURCHASING AND SUPPLY MANAGEMENT**

BCP 100 – STORES MANAGEMENT AND STOCK CONTROL

DURATION: 2 HOURS

DATE: 24TH APRIL, 2018

TIME: 2.00- 4.00 P.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.

QUESTION ONE

- a) The following transaction relate to material WYE for the month of April 2017.

April 1	Bal B/f	6,000	@ sh. 100
April 2	Receipt	5,000	@ sh. 120
April 4	Issue	6,000	
April 8	Receipt	5,700	@ sh. 150
April 14	Issue	4,000	
April 16	Receipt	7,000	@ sh. 180
April 20	Receipt	5,000	@ sh. 200
April 22	Issue	10,000	
April 24	Receipt	4,500	@ sh. 250
April 26	Issue	5,000	
April 28	Receipt	8,000	@ sh. 240
April 29	Issue	3,000	
April 30	Receipt	4,000	@ sh. 220

The enterprise maintains a minimum stock of 2000 units. Prepare a stores ledger card using simple average. (12 marks)

- b) Explain Five reasons why an organization would prefer to have materials kept in departments sub stores. (10 marks)
- c) Discuss four principles of material coding. (8 marks)

QUESTION TWO

- a) Elucidate Five objectives of stock inspection in stores management. (10 marks)
- b) Describe how the following articles should be preserved.
- i. Wood. (2 marks)
 - ii. Metal. (2 marks)
 - iii. Leather. (2 marks)
 - iv. Rubber. (2 marks)
 - v. Perishable goods. (2 marks)

QUESTION THREE

a) The following information relates to material Zed

Maximum consumption	6000 units
Minimum consumption	2000 units
Lead time	3-5 weeks
Order cost	Sh. 200 per order
Storage cost	Sh. 0.4 per unit per annum

Required

Calculate.

- i. Minimum level. (3 marks)
 - ii. Maximum level. (4 marks)
 - iii. Re-order level. (2 marks)
 - iv. Average level. (1 marks)
- b) Discuss Five factors that influence the location of a warehouse. (10 marks)

QUESTION FOUR

- a) Explain Five functions of a store in an organization. (10 marks)
- b) Elucidate Five documents used in Receipt of material in a store. (5 marks)
- c) Distinguish between Serviceable, non-serviceable and obsolete stock. (5marks)