



**MURANG'A UNIVERSITY COLLEGE**  
(A constituent college of Jomo Kenyatta University of Agriculture and Technology)  
SCHOOL OF BUSINESS AND ECONOMICS.

DEPARTMENT: COMMERCE

PROGRAMME: CERTIFICATE IN BUSINESS MANAGEMENT

ORDINARY EXAM

UNIT NAME: STORES MANAGEMENT

UNIT CODE: CIB 0107

DATE: 21<sup>ST</sup> AUGUST 2015

TIME: 2 HOURS

---

INSTRUCTIONS: ANSWER QUESTION *ONE* AND ANY OTHER *TWO* QUESTIONS

- Q1(a) Explain **FIVE** objectives of store keeping. (5 marks)
- (b) What are the advantages of a well laid out store? (5 marks)
- (c) From the following information calculate economic order quantity and number of orders per your total annual carrying cost .  
Annual consumption 48000 units purchase price per unit sh 25  
Annual carrying cost 12% ordering cost per order sh 180. (5 marks)
- (d) As a stores executive you have recommended per perpetual inventory system explain the MD benefits which accrue from such a system. (5 marks)
- (e) Explain **FOUR** purpose of checking stock taking. (5 marks)
- (f) Explain reason for obsolete and slow moving stocks. (5 marks)

- Q2(a) You have been newly recruited into material Bora Ltd as a store keeper. Describe **FIVE** duties you are likely to be involved in. (10 marks)
- (b) Describe the steps purchase procedure. (10 marks)

Q3(a) Suryam Ltd purchase and issues materials in the month of Dec. 2012 as follows

| 2012 Dec.        | DETAL<br>Unit | Qty<br>Unit | PRICE PER<br>Unit |
|------------------|---------------|-------------|-------------------|
| 1 <sup>st</sup>  | Purchase      | 400         | Sh.20.00          |
| 5 <sup>th</sup>  | purchases     | 350         | sh.18.00          |
| 10 <sup>th</sup> | issues        | 300         |                   |
| 15 <sup>th</sup> | issues        | 400         |                   |
| 20 <sup>th</sup> | purchases     | 250         | 20.00             |
| 25 <sup>th</sup> | purchases     | 250         | sh.25.00          |

- Prepare stores ledge to value materials using FIFO method. (20 marks)
- (b) You have recommended to your stores departmental marriage to establish imprest system of store keeping. Explain benefit which accrue from such system. (10 marks)
- Q4 (a) Describe the importance of insuring the store ad is personnel. (10 marks)
- (b) What are **FIVE** reasons for inspection of material entering a store. (10 marks)