



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **MGT1233 INVENTORY MANAGEMENT**
 Trimester & Year : September - December 2019
 Lecturer/Examiner : Chang Sheau Huey
 Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 3 parts:
 - PART A (20 marks) : Answer all FOUR (4) short answers questions. Answers are to be written in the Answer Booklet provided.
 - PART B (60 marks) : Answer all THREE (3) long essay questions. Answers are to be written in the Answer Booklet provided.
 - PART C (20 marks) : Answer all TWO (2) calculation questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorised materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 4 (Including the cover page)

PART A : SHORT ANSWER QUESTIONS (20 MARKS)

INSTRUCTION(S) : Answer all **FOUR (4)** questions. Write your answers in the Answer Booklet(s) provided.

1. a) Define 'inventory management'. [2 marks]
b) List **THREE (3)** objectives of inventory management. [3 marks]

[Total: 5 marks]

2. Explain the following acronyms:

- a) VMI
- b) QR
- c) ECR
- d) DSD
- e) EDI

[Total: 5 marks]

3. a) Briefly explain 'ABC analysis'. [2 marks]
b) Describe the usage of ABC analysis. [3 marks]

[Total: 5 marks]

4. Compare the differences between shortage and shrinkage.

[Total: 5 marks]

END OF PART A

PART B : ESSAY QUESTIONS (60 MARKS)

INSTRUCTION(S) : Answer all **THREE (3)** questions. Write your answers in the Answer Booklet(s) provided.

1. "Material Requirements Planning (MRP) is a computerized inventory control and production planning that schedules component items as needed which will track inventory and help in many aspects of business."

- a) Identify **THREE (3)** steps of material requirements planning (MRP). [3 marks]
- b) Justify how MRP influences the retail market. [12 marks]
- c) Provide examples to support your explanation. [5 marks]

[Total: 20 marks]

2. Identify the **SIX (6)** forecasting process that should be done by an operator. Provide one scenario to support your answer.

[Total: 20 marks]

3. Discuss **FIVE (5)** types of discounts that are commonly being used by retailers. Provide examples to support your answer.

[Total: 20 marks]

END OF PART B

PART C**- CALCULATION QUESTIONS (20 MARKS)****INSTRUCTION(S)**

- Answer **ALL TWO (2)** questions. Write your answers in the Answer Booklet (s) provided.

1. A computer company has annual demand of 10,000. They want to determine Economic Order Quantity (EOQ) for circuit boards which have an annual holding cost (H) of \$6 per unit, and an ordering cost (S) of \$75. This company is open 250 days per year and the lead time to receive an order is 5 days.
 - a) Compute the Economic Order Quantity (EOQ) and reorder point.
 - b) If the total quantity is 500, then calculate the total inventory cost.

[Total: 10 marks]

2. Demand for the Deskpro computer at Best Buy is 1,000 units per month. Best Buy incurs a fixed order placement, transportation, and receiving cost of \$4,000 each time an order is placed. Each computer costs Best Buy \$500 and the retailer has a holding cost of 20%. Evaluate the number of computers that the store manager should order in each replenishment lot.

[Total: 10 marks]

END OF EXAM PAPER