

**B.Tech. Civil (Construction Management)**

**Term-End Examination**

**December, 2013**

**ET-581(B) : INVENTORY AND STORES  
MANAGEMENT**

01741

*Time : 3 hours*

*Maximum Marks : 70*

*Note : Attempt any five of the following questions. Use of calculator is permitted. Assume, missing data if any.*

1. (a) Explain different costs associated with inventory management. 7+7  
(b) Briefly explain the following terms of inventory control :
  - (i) EOQ
  - (ii) Reorder point
  - (iii) Lead time
  
2. (a) ABC corporation has got a demand for particular part at 10,000 units per year. The cost per units is Rs. 2 and it costs Rs.36 to place an order and to process the delivery. The inventory carrying cost is estimated at 9 percent of average inventory investment. Determine :
  - (i) E. O. Q.
  - (ii) Optimum number of orders to be placed per annum.
  - (iii) Minimum total cost of inventory per annum.

- (b) A manufacturer has to supply his customers 3600 units of his product per year. Shortages are not permitted. Inventory carrying costs amounts Rs. 1.2 per unit per annum. The set-up cost per run is Rs. 80. Find :
- (i) E. O. Q.
  - (ii) Optimum number of orders per annum
  - (iii) Minimum annual inventory cost.
3. (a) Explain major functions of procurement department. 7+7
- (b) Who the requisitions for materials are prepared ? Explain the precautions taken while preparing requisitions.
4. (a) What is the importance of floor area in stores ? What would be the desired requirements ? 7+7
- (b) What is central store ? What are the advantages and disadvantages of a central store ?
5. (a) What do you understand about classification and codification of materials ? Explain its advantages and disadvantages. 7+7
- (b) Describe the various objectives of maintaining stores accounts.
6. (a) Define sampling inspection plan. What are the different types of inspection plans ? Explain. 7+7
- (b) Briefly describe the importance of inspection and testing.
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