

B.Tech. Civil (Construction Management)

Term-End Examination

June, 2012

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

Time : 3 Hours

Maximum Marks : 70

*Note : Attempt any five questions, each from Part A and B.
(ie. in all solve ten questions.) Assume any missing
data suitably.*

Part-A

Attempt *any five* questions :

1. Define inventory. Explain the factors affecting inventory. What are the uses of an inventory ? 7
2. What are the responsibilities of procurement manager ? Write down the objectives of procurement department. 7
3. Who prepares a Purchase order ? What are the different aspects to be considered in this regard ? 7
4. A construction company has a demand of 20,000 uses at the rate of Rs 10,000 worth of an item during the year. The ordering cost was estimated at Rs 50 per order and carrying costs are 12.5% of the average inventory value find the optimal order size, number of orders per year, time period per order and the total cost. 7

5. A retailer purchase three items. He works with the limitation that he is not able to invest more than Rs 20,000 at any time. Other relevant information is given as under : 7

Item	1	2	3
Demand Rate	10,000	750	2,000
Purchase $\frac{\text{Cost}}{\text{unit}}$	20	100	50
Ordering $\frac{\text{cost}}{\text{order}}$	50	75	100
Carrying charge	20%	20%	20%

Calculate optimal lot size for each item, and optimal total cost of inventory management.

6. What is the information required in product file ? What is the information needed for preparing a requisition ? 7

7. A company has the procurement pattern of five items irrespective of their level of demand as given in the table below. Reduce the inventory levels while keeping the total number of orders per year the same

Item	Annual demand (Rs)	No of order per year	Order Size (Rs)	Average Inventory (Rs)
1	10,00,000	4	2,50,000	1,25,000
2	6,40,000	4	1,60,000	80,000
3	9,00,000	4	22,500	11,250
4	2,500	4	625	3,125
5	1,600	4	400	200

Part-B

Attempt *any five* Questions :

8. What are the points to be considered in deciding the layout of stores ? What are the advantages and disadvantages of Central Stores ? 7
 9. What are the main factors that cause damages to stored materials ? List the precautions to be taken in the storage of explosives. 7
 10. What is meant by an inspection plan ? How do you decide the nature and amount of inspection in respect of a received item ? 7
 11. What are the precautions to be taken while storing items that are hostile to each other ? 7
 12. What are the advantages of Sampling Inspection over the practice of 100% Inspection ? 7
 13. What precaution would you adopt for fire prevention in the store ? 7
 14. What are the facts to be considered in deciding the size of the store ? 7
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