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ET-581(B)

**B. TECH. CIVIL (CONSTRUCTION  
MANAGEMENT) (BTCM)  
Term-End Examination**

**June, 2019**

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

*Time : 3 Hours*

*Maximum Marks : 70*

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*Note : Attempt any ten questions. All questions  
carry equal marks. Use of non-programmable  
scientific calculator is permitted.*

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1. Explain two major reasons of holding inventory for construction projects. 7
2. What are the different considerations in locating a store ? Explain with suitable examples. 7
3. What are the relevant costs that management should try to balance in deciding the size of purchase orders ? How do they vary with order size ? 7

(A-46) P. T. O.

4. What is stock verification ? Explain the process of stock verification. What are the purposes served by stock verification ? 7
5. What are the responsibilities of purchase officer ? Describe the key factors in the selection of suppliers of stores. 7
6. Explain A-B-C control policy of inventory. Bring out the salient features and various advantages obtained by it. 7
7. What are stock out costs and capacity associated costs ? How are these costs related to inventory ? 7
8. What is Purchase Order ? Explain a model purchase order. 7
9. What are inspection plans ? Discuss the factors that one needs to take into consideration for items received. 7
10. What is the role of safety stock in an MRP system ? 7

11. Product A consists of two units of subassembly B, three units of C, and one unit of D. B is composed of four units of E, and three units of F. C is made of two units of H, and three units of D. H is made of five units of E and two units of G. 7

(a) Prepare a simple bill of materials (product structure tree)

(b) To produce 100 units of A, determine the number of units of B, C, D, E, F, G and H required.

12. An aircraft company uses rivets at an approximate consumption rate of 2500 kg per year. The rivets cost ₹ 300 per kg and the company personal estimate that it costs ₹ 1,300 to place an order and inventory carrying cost is 10% per year. How frequently by should orders for rivets be placed and what quantities should be ordered ? 7