

B.Tech. Civil (Construction Management)

Term-End Examination

June, 2013

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

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) What is inventory ? Why industry keeps inventory ? Write down the functions of inventory. 7+7
- (b) What are the different types of inventory, which are kept by a construction company ? Explain.

2. (a) The annual demand for an item is 3200 parts. The unit cost is Rs. 6 and the inventory carrying charges are estimated as 25% per annum. If the cost of one procurement is Rs. 150, Find : 7+7
 - (i) E.O.Q.
 - (ii) Time between two consecutive orders.
 - (iii) No. Of orders per year.
 - (iv) The optimal cost.

- (b) The demand for an item is uniform at the rate of 25 units/month. Ordering costs is Rs.30 and cost per unit is Rs.2 per unit. Inventory carrying cost is Rs.0.5 per unit per month and if shortage cost is Rs. 0.3 per unit per month. Determine:
- (i) E.O.Q.
 - (ii) Optimal scheduling between two consecutive orders.
3. (a) Explain ABC inventory management. 7+7
Discuss it's different variants.
- (b) A contractor has to supply 10,000 bearings per day to an automobile manufacturer. He finds that when he starts the production run,he can produce 25,000 bearings per day. The cost of holding the bearings in stock for one day is 2 paise and set up cost of production run is Rs. 18. How frequently should the production runs be made.
4. (a) What are the main factors that cause 7+7
damages to stored materials ? List out the precautions to be taken in the storage of explosives.
- (b) Explain the factors need to be considered while deciding on the location of main stores in large production units.

5. (a) What is stock taking process in stores management ? What are the objectives and methods of stock taking ? Explain. 7+7
- (b) Write short notes on the following :
- (i) Suspense account
 - (ii) Priced stores ledger.
6. (a) Explain out the advantages and disadvantages of sampling inspection over 100% inspection. 7+7
- (b) What are the inspection plans ? How do you decide the nature and amount of inspection in respect of a received item ? Explain.
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