

Total No. of Pages:

Register Number:

6726

Name of the Candidate:

M.B.A. (CORPORATE MANAGEMENT) DEGREE

EXAMINATION - 2011

(SECOND YEAR)

(PAPER – XVII)

291. INVENTORY MANAGEMENT AND BOOK KEEPING

December)

(Time: 3 Hours

Maximum: 75 Marks

SECTION - A

Answer any FIVE questions.

(5 × 3 = 15)

1. What is material management?
2. Define ordering cost.
3. Define economic ordering quantity.
4. What is ABC analysis?
5. Define material handling.
6. What do you mean by store keeping?
7. Define cash book.
8. What is double entry system?

SECTION - B

Answer any THREE questions.

(3 × 10 = 30)

9. Discuss the objectives and need for materials management.
10. What is the role of production managers in respect of the management of inventory?
11. What are some of the benefits and costs associated with safety stock?
12. Explain the factors that influence the selection of material handling equipment.
13. Name the different types of stores. Explain.

SECTION - C  
Answer any ONE question. (1 × 15 = 15)

14. State and explain the different selective inventory control techniques.
15. Explain the principles of material handling.
16. The following balances were extracted from the books of Prasad on 31<sup>st</sup> March 1999.

	Rs.		Rs.
Capital	50,000	Creditors	5,000
Drawings	4,000	Bad debts	1,100
General Expenses	5,000	Loan	15,760
Buildings	22,000	Sales	1,30,720
Machinery	18,680	Purchases	94,000
Stock	32,400	Motor car	4,000
Power	4,480	Reserve fund (Cr)	1,800
Taxes and Insurance	2,630	Commission (Cr)	2,640
Wages	14,400	Car expenses	3,600
Debtors	12,560	Bills payable	6,700
Bank overdraft	6,600	Cash	160
Charity	210		

Stock on 31<sup>st</sup> March 1999 valued at Rs. 47,000. Prepare the Final Accounts for the year ended on 31<sup>st</sup> March 1999.

SECTION - D  
(Compulsory) (1 × 15 = 15)  
Case Study

17. Sabre enterprises is a growing organization specializing in manufacture of spare parts for plant and machines. Sabre enterprises started the business as a vendor for machining cast iron castings. Ever day metal/scrap rejected material is collected in bins and stored in compartments at scrap yard. Other scrap like paper waste, waste packing box, etc., are dumped in a scrap yard in a separate compartment. Once in four months scrap buyer used to visit the factory and collect the scrap.

However Sabre expanded its activities to a variety of materials like brass, gunmetal, mild steel, cast iron, etc. The total scrap generated is about 10 tons per year. Now the scrap is being segregated as ferrous, non ferrous and non metallic scrap and stored in Scrap yard. Method of disposing scrap through scrap dealer remains unchanged. The storekeeper coordinates scrap disposal activities. The price of scrap keeps fluctuating in the market due to a number of environment factors.

Sabre has a new materials manager who feels that the existing system of scrap disposal needs to be changed. What should he do?

%%%%%%%%%