

Program: SYB.COM (M S) Semester: IV Program Code: UGMS02

Course: INVENTORY MANAGEMENT Course Code: NUMS410

Duration: 2 Hour Examination Pattern: NEP-Autonomous - External. Max. Marks: 60

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

**Examination:**  
**REGULAR**

Q. I	Attempt the following.	[15]	Course Outcome	Knowledge Level
	(a) Fill in the blanks with an appropriate answer from the alternatives given.	[08]		
	<b>I</b> Inventory helps businesses to:		CO1, CO2, CO3, CO4	LI,  L2
	a. Meet customer demand      b. Reduce employee workload			
	c. Eliminate suppliers          d. Increase taxes			
	<b>II</b> Poor inventory management in e-commerce leads to:			
	a. Customer dissatisfaction      b. Higher profits			
	c. Better service                  d. More suppliers			
	<b>III</b> Inventory control means:			
	a. Managing and regulating stock levels      b. Increasing production			
	c. Hiring employees                  d. Advertising products			
	<b>IV</b> FSN analysis categorizes inventory based on:			
	a. Frequency of usage              b. Size			
	c. Value                              d. Weight			
	<b>V</b> XYZ analysis focuses on:			
	a. Demand variability              b. Production time			
	c. Transportation                  d. Warehouse location			
	<b>VI</b> EOQ balances:			
	a. Holding cost and ordering cost      b. Production and marketing			
	c. Transportation and labor          d. Sales and advertisement			
	<b>VII</b> Lead time refers to:			
	a. Time taken by supplier to deliver goods      b. Time taken to sell goods			
	c. Time taken for marketing          d. Time taken to recruit employees			

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	<b>VIII</b>	Safety stock helps in maintaining:					
	<b>a.</b>	Customer satisfaction	<b>b.</b>	Office cleanliness			
	<b>c.</b>	Staff discipline	<b>d.</b>	Advertising quality			
	<b>(b)</b>	<b>State whether the following statements are true or false.</b>			<b>[07]</b>		
	<b>I</b>	Inventory management is not important in retail businesses.				<b>CO1, CO2, CO3, CO4</b>	
	<b>II</b>	Safety stock reduces production efficiency.					
	<b>III</b>	Barcode technology helps in tracking inventory accurately.					
	<b>IV</b>	Proper inventory management improves operational efficiency.					
	<b>V</b>	RFID technology allows automatic identification and tracking of inventory items.					
	<b>VI</b>	Inventory management helps reduce business risks.					
	<b>VII</b>	E-commerce businesses depend heavily on effective inventory management.					
<b>Q. 2</b>	<b>Attempt any TWO of the following.</b>				<b>[15]</b>	<b>Course Outcome</b>	<b>Knowledge Level</b>
	<b>(a)</b>	Define inventory management and explain its importance in business operations.			<b>[08]</b>	<b>CO1</b>	<b>L1</b>
	<b>(b)</b>	Describe the concept of inventory control and elucidate its importance in effective business operations.			<b>[07]</b>	<b>CO2</b>	<b>L2</b>
	<b>OR</b>						
	<b>(c)</b>	List the various inventory costs.			<b>[08]</b>	<b>CO1</b>	<b>L1</b>
	<b>(d)</b>	Describe ABC analysis and elucidate its method and significance in controlling inventory.			<b>[07]</b>	<b>CO2</b>	<b>L2</b>
<b>Q. 3</b>	<b>Attempt any TWO of the following.</b>				<b>[15]</b>	<b>Course Outcome</b>	<b>Knowledge Level</b>
	<b>(a)</b>	Classify the different types of inventory.			<b>[08]</b>	<b>CO1</b>	<b>L2</b>
	<b>(b)</b>	Analyze the application of EOQ in real business contexts by comparing its use in manufacturing and retail sectors.			<b>[07]</b>	<b>CO3</b>	<b>L4</b>
	<b>OR</b>						
	<b>(c)</b>	Explain the use of technology (Barcode, RFID, and ERP) in inventory management.			<b>[08]</b>	<b>CO1</b>	<b>L2</b>
	<b>(d)</b>	Examine how the integration of ABC analysis and VED analysis improves the efficiency and control of inventory management in an organization.			<b>[07]</b>	<b>CO3</b>	<b>L4</b>
<b>Q. 4</b>	<b>Read the case study and answer the questions.</b>				<b>[15]</b>	<b>Course Outcome</b>	<b>Knowledge Level</b>
	Glow Care Cosmetics Ltd is a well-known company manufacturing skincare and beauty products. One of its highest-selling products is herbal face serum, which is supplied to retail stores and online customers across India. The company depends on a special herbal					<b>CO4</b>	<b>L2, L4</b>

	<p>extract supplied by a vendor located in Kerala.</p> <p>In the past, Glow Care Cosmetics Ltd faced problems due to delay in delivery of raw materials and sudden increase in product demand during festive seasons. These issues resulted in production stoppages and delayed delivery of finished products to customers. To overcome these problems, the inventory manager introduced proper inventory control techniques such as maintaining safety stock, understanding lead time, and fixing reorder levels.</p>			
(a)	Explain the concept of lead time and discuss its importance in inventory management at Glow Care Cosmetics Ltd.	[05]		
(b)	Examine the significance of safety stock in ensuring uninterrupted production at Glow Care Cosmetics Ltd.	[05]		
(c)	Examine the significance of reorder level in ensuring uninterrupted production at Glow Care Cosmetics Ltd.	[05]		

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