



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2023/2024 ACADEMIC YEAR  
FIRST YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS & ECONOMICS  
DIPLOMA IN BUSINESS MANAGEMENT**

**COURSE CODE: DBM 09  
COURSE TITLE: STORES & MATERIALS  
MANAGEMENT**

**DATE: 13/12/2023**

**TIME: 1430-1630 HRS**

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## **INSTRUCTIONS TO CANDIDATES**

**Answer question ONE compulsorily then choose any other THREE**

## QUESTION ONE

- (a) Briefly define inventory management [3 marks]
- (b) State main function/roles of store manager in an organization [5 marks]
- (c) Discuss briefly five objectives of stores management [10 marks]
- (d) Define Economic order quantity model [2 marks]
- (e) Explain the following control levels in inventory management
  - i. Maximum level [1 mark]
  - ii. Minimum level [1 mark]
  - iii. Average stock level [1 mark]
  - iv. Safety stock level [1 mark]
  - v. Order level [1 mark]

## QUESTION TWO

- (a) Discuss the merit and demerit of keeping too much inventory in an organization [10 marks]
- (b) Discuss the significance of information technology in stores and material management [5 marks]

## QUESTION THREE

- (a) Explain five objectives of inventory control in materials management [10marks]
- (b) Explain the functions of stores materials ( 5 marks)

## QUESTION FOUR

- (a) Explain five functions of purchasing in materials management [5 marks]
- (b). A biscuit manufacturing company buys a lot bags of 10,000 bags wheat Per annum. The cost per bag is ksh.500 and ordering cost is ksh.400. The Inventory carrying cost is estimated at 10% of the price of the wheat. Determine EOQ and number of orders required per year [10 marks]

## QUESTION FIVE

- (a) With the aid of a diagram discuss the procedures of purchasing. (10 marks)
- (b) Explain the significance of negotiation in the process of materials (5 Marks)

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