



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2018/2019 ACADEMIC YEAR  
FIRST YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS  
DIPOMA IN BUSINESS MANAGEMENT**

**COURSE CODE: DBM 09**

**COURSE TITLE: STORES AND MATERIALS  
MANAGEMENT**

**DATE : 20<sup>TH</sup> AUGUST 2019                      TIME : 8.30 AM – 10.30AM**

**INSTRUCTIONS TO CANDIDATES**

**Answer Question ONE and any other THREE Questions**

*This paper consists of 3 printed pages. Please turn over.*

## QUESTION ONE

a).The following information relates to the stores record of

January 1<sup>st</sup> opening stock 200 units @ 40/=  
3<sup>rd</sup> goods purchased 500 units @60/=  
10<sup>th</sup> goods purchased 450 units @50/=  
20<sup>th</sup> goods purchased 400 units @40/=  
30<sup>th</sup> goods purchased 250 units @30/=

Issues are as follows

January 5<sup>th</sup> -500 units; 11<sup>th</sup> - 400 units; 21<sup>th</sup> -250 -units; 26<sup>th</sup> -350 units; 31<sup>st</sup> -220 units.

### Required:

Prepare the stores ledger account using Last In First Out method. [15 marks]

b) Identify and explain five causes of discrepancies in stores records  
( 10 marks )

## QUESTION TWO

a) Highlight any five documents used to receive goods in the store ( 5 marks )

b) Explain any five ways you will ensure security of materials in the store  
( 10 marks )

## QUESTION THREE

a) Explain five roles of store keeping in an organization ( 5 marks )

b) Explain the three methods of stock taking giving at least two advantages for each of the methods  
( 10 marks )

## QUESTION FOUR

a) Assume that annual demand of commodity Q is 200,000 units, cost per order =Sh.150/-; percentage carrying cost =10%, Price per unit is =Sh.40 /-.

i) Compute the Economic Order Quantity ( 4 marks )

ii) Determine the number of orders ( 3 marks )

iii) Determine the total cost of making the orders (3 marks)

b) Explain five security measure you will put in place to reduce theft and pilferage in the store .  
( 5 marks )

### **QUESTION FIVE**

a) Identify and explain any five material handling equipments used in the store  
( 5 marks)

b) Explain the advantages of stores classification and coding ( 10 marks )

### **QUESTION SIX**

a) Explain how the stores department can assist the organization to maintain good public image of the organization .  
( 10 marks )

b) What factors influence the determination of stock levels in the store.  
( 5 marks )

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