



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER**

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

COURSE CODE: DBM 09

COURSE TITLE: STORES & MATERIALS MANAGEMENT

DATE: 18/4/2023

TIME: 0830-1030 HRS

INSTRUCTIONS TO CANDIDATES

Answer question ONE compulsorily then choose any other THREE

QUESTION ONE:

- (a)** Briefly explain the meaning of inventory. **(4 marks)**
- (b)** Discuss the inventory level management techniques. **(8 marks)**
- (c)** Explain the meaning of economic order quantity in firms and state its formulae. **(5 marks)**
- (d)** Discuss the significance of material management function in organizations. **(8 marks)**

QUESTION TWO

With the aid of a diagram discuss the procedures of purchasing. **(10 marks)**

- (a)** Explain the significance of negotiation in the process of materials **(5 Marks)**

QUESTION THREE.

- (a)** Discuss the procurement challenges in organizations. **(10 marks)**
- (b)** Explain the significance of ethical buying practices in organizations. **(5 marks)**

QUESTION FOUR.

- (a)** Discuss the importance of computers in inventory management. **(10 marks)**
- (b)** Explain five roles of store keeping in an organization **(5 marks)**

QUESTION FIVE

- 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)**

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