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University of Choice

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

**UNIVERSITY SUPPLEMENTARY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

**FIRST YEAR FIRST SEMESTER EXAMINATIONS
FOR THE DIPLOMA
IN
BUSINESS MANAGEMENT**

COURSE CODE: DBA 223

**COURSE TITLE: STOCK CONTROL AND STORES
MANAGEMENT**

DATE: WEDNESDAY, 3RD JULY 2022 TIME: 11:00 - 1:00PM

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer other TWO questions
Do not write anything on the question paper

MMUST observes ZERO tolerance to examination cheating

A stores manager is responsible for various functions in a stores department. He receives, inspects and issues materials within the stores. Mr. Musanga, a stores manager at a multinational corporation is not very well conversant with his duties. You have been hired to assist Mr. Musanga to achieve his duties effectively. Recently he received consignments for use in the multinational but he does not see any need inspect them since he believes the sender checked all the items before dispatch.

- a. Educate Mr. Musanga on the need for inspection (10 marks)
- b. What are some of the consequences of the inspection that will be conducted (10 marks)
- c. Discuss any FIVE documents he can use during the reception of materials (10 marks)

Question 2

Tuskys supermarket is a struggling retail shop in Kenya. An audit and inspection carried out by KPC Auditors revealed that the shop was operating without keeping records and this was the main reason as to increased losses.

- a. Advice Tuskys supermarket on the need for book keeping (10 marks)
- b. Recommend to Tuskys supermarket **FOUR** requisites of good record keeping system that will assist in eliminating further losses (10 marks)

Question 3

- a. With the use of relevant examples, discuss the following conditions of stores
 1. Serviceable stores
 2. Unserviceable stores
 3. Obsolete stores
 4. Finished stores
 5. Unused stores (10 marks)
- b. Inventories play a significant role in any organization. Discuss (10 marks)

Question 4

- a. Discuss any FIVE demerits of codification of stores (10 marks)
- b. Analyze the FOUR types of insurance contracts (10 marks)

Question 5

Discuss the functions of inventory to a given organization and briefly explain the various inventory control levels (20 marks)