

Exam Name : PGDMM/PGDSCM-Inventory Management

Total Questions : 50

Q.1 Which is not the role of Inventory?

Marks: 2

Question ID:
6287089

No	Options Details	Select Option
1	Meet variation in Production demand	
2	Achieve economy of scale in procurement	
3	Take advantage of quantity discount in purchase	
4	Take loans from bank against inventory	

Q.2 Which of these is not the cost of Inventory holding?

Marks: 2

Question ID:
6287090

No	Options Details	Select Option
1	Warehouse Cost	
2	Transportation	
3	Security costs	
4	Ordering Cost	

Q.3 Which of these costs are not added in stock valuation?

Marks: 2

Question ID:
6287091

No	Options Details	Select Option
1	Material handling costs	
2	Freight costs	
3	Factory overhead costs	
4	Selling Costs	

Q.4 The "INVENTORY" is :

Marks: 2

Question ID:
6287092

No	Options Details	Select Option
1	Fixed Asset	
2	Floating Asset	
3	Current Asset	
4	Moveable Asset	

Q.5 Which of these is "Operating Objective " of Inventory?

Marks: 2

Question ID:
6287093

No	Options Details	Select Option
1	Continuous supply of materials	
2	Ensure uninterrupted Production	
3	Ensure better Customer Service	
4	All of these	

Q.6 What is "Cycle Counting" in Inventory Control?

Marks: 2

Question ID:
6287094

No	Options Details	Select Option
1	Method of checking the stock levels.	
2	Method of knowing Lead Time for an item	
3	Method to know consumption of an item.	
4	None of these	

Q.7 Which of these is not an Inventory Techniques?

Marks: 2

Question ID:
6287095

No	Options Details	Select Option
1	ABC	
2	LIFO	
3	VED	
4	FSN	

Q.8 Which one is not the Objective of Inventory Control?

Marks: 2

Question ID:
6287096

No	Options Details	Select Option
1	Ensure Uninterrupted Production	
2	Ride over demand fluctuation	
3	To show as Current Asset in the Balance-sheet	
4	Avoid over-stocking of products	

Q.9 Which of these is not the relevant factor for Inventory Control?

Marks: 2

Question ID:
6287097

No	Options Details	Select Option
1	Product type	
2	Product Cost	
3	Lead Time	
4	Demand frequency	

Q.10 Which technique of Inventory Control is Similar to ABC Analysis?

Marks: 2

Question ID:
6287098

No	Options Details	Select Option
1	VMI	
2	HML	
3	FSN	
4	VED	

Q.11 Which of these is not the Limitation in the forecasting?

Marks: 2

Question ID:
6287099

No	Options Details	Select Option
1	Manufacturing capacity	
2	Uncertainty Factor	
3	Assumption based	
4	Time and cost factor	

Q.12 What, when & howmuch is needed - answer is :

Marks: 2

Question ID:
6287100

No	Options Details	Select Option
1	ERP	
2	Forecasting	
3	MRP	
4	Sales Forecast	

Q.13 Which is not the "Objective" of MRP?

Marks: 2

Question ID:
6287101

No	Options Details	Select Option
1	Ensure availability of materials	
2	Maintain lowest levels of Inventory	
3	Reduce time of production and delivery	
4	Enhance sales volumes	

Q.14 What is "Lead Time" ?

Marks: 2

Question ID:
6287102

No	Options Details	Select Option
1	Materials Transportation Time in transit	
2	Time needed from "felt of the need to fulfilment of the need"	
3	Cycle counting time.	
4	None of these	

Q.15 Which of these is not the part of Inventory?

Marks: 2

Question ID:
6287103

No	Options Details	Select Option
1	Raw Materials (RMs)	
2	FGs	
3	WIPs	
4	Ordered Materials	

Q.16 Which of these is not helping parameter for efficient Inventory?

Marks: 2

Question ID:
6287104

No	Options Details	Select Option
1	Quantities to be stocked	
2	Storage space / area	
3	Inventory turn-over	
4	The ROLs & EOQs	

Q.17 How can organisations protect themselves from transit losses?

Marks: 2

Question ID:
6287105

No	Options Details	Select Option
1	Transport by own vehicles	
2	Hiring trusted Transporters	
3	Taking Transit Insurance	
4	None of these	

Q.18 Which of these is not Inventory Level ?

Marks: 2

Question ID:
6287106

No	Options Details	Select Option
1	Pack size	
2	Re-order Level	
3	Lot Size	
4	Safety stock	

Q.19 Which of these are most important part of Inventory ?

Marks: 2

Question ID:
6287107

No	Options Details	Select Option
1	Operating Supplies	
2	Maintenance Spares	
3	Insurance Spares	
4	C-class items	

Q.20 What of these is not provided by ERP System?

Marks: 2

Question ID:
6287108

No	Options Details	Select Option
1	Integration & Accuracy	
2	MIS	
3	Efficiency & Productivity	
4	Non moving Inventory	

Q.21 Which of these are provided by EPICOR ERP?

Marks: 2

Question ID:
6287109

No	Options Details	Select Option
1	CRM	
2	SCM	
3	HRM	
4	All of these	

Q.22 For making MRP run successfully, which one is not needed?

Marks: 2

Question ID:
6287110

No	Options Details	Select Option
1	BOM	
2	Inventory Status File	
3	Lead Time	
4	All needed	

Q.23 Minimum Consumption rate X Emergency delivery period =

Marks: 2

Question ID:
6287111

No	Options Details	Select Option
1	Danger Level	
2	Average stock level	
3	Re-order Level	
4	Minimum Level	

Q.24 Why is EOQ important for organization ?

Marks: 2

Question ID:
6287112

No	Options Details	Select Option
1	Profitability	
2	Process improvement	
3	Procurement	
4	All of these	

Q.25 While finalising EOQ, which factor is not relevant?

Marks: 2

Question ID:
6287113

No	Options Details	Select Option
1	Constant rate of consumption	
2	Demand - Supply position in the market	
3	Constant Lead time	
4	Constant Purchase rate	

Q.26 For computing the total cost of inventory which of the cost shall not be included?

Marks: 2

Question ID:
6287114

No	Options Details	Select Option
1	Purchase cost	
2	Ordering cost	
3	Building cost	
4	Holding costs	

Q.27 Which of these is not relevant for calculating Reorder Level?

Marks: 2

Question ID:
6287115

No	Options Details	Select Option
1	Unit rate	
2	Lead time	
3	Usage rate	
4	safety stock	

Q.28 For calculating "Safety Stock" which is not relevant?

Marks: 2

Question ID:
6287116

No	Options Details	Select Option
1	Consumption Rate	
2	Price flexibility	
3	Lead Time	
4	Load time	

Q.29 For computing EOQ which is the formula? When Q=Economic order quantity; D= Annual Demand; H= Holding Cost per unit; O = Ordering cost per unit ?

Marks: 2

Question ID:
6287117

No	Options Details	Select Option
1	$Q = \sqrt{2DO \text{ over } H}$	
2	$Q = 2 DO \text{ over } H$	
3	$Q = \text{Square root } 2 DO \text{ over } 2H$	
4	$Q = \text{Square root } 3 DO \text{ over } H$	

Q.30 Which of the costs not associated with Safety Stock ?

Marks: 2

Question ID:
6287118

No	Options Details	Select Option
1	Warehouse cost	
2	Obsolescence cost	
3	Staff Cost	
4	Stock out cost	

Q.31 "Safety Stock" does not protect an organization against which variance?

Marks: 2

Question ID:
6287119

No	Options Details	Select Option
1	Delivery date variance	
2	Requirement Variance	
3	Price Variance	
4	Delivery quantity variance	

Q.32 Which of these parameters is not relevant in JIT ?

Marks: 2

Question ID:
6287120

No	Options Details	Select Option
1	Right quantity	
2	Right rate	
3	Right Time	
4	Right Place	

Q.33 JIT was invented by whom ?

Marks: 2

Question ID:
6287121

No	Options Details	Select Option
1	BMW Cars Owners	
2	MG Hector Owner	
3	Ford Car Manufacturer	
4	Toyota Motor Company	

Q.34 Which factor is required for implementation of JIT?

Marks: 2

Question ID:
6287122

No	Options Details	Select Option
1	Support of Top Management	
2	Education and Training of Workers	
3	Planning and Piloting	
4	All of these	

Q.35 The JIT system does not provide benefit to organizations in :

Marks: 2

Question ID:
6287123

No	Options Details	Select Option
1	Lower Inventory	
2	Reduce cost	
3	Enhance Sales	
4	Improve Productivity	

Q.36 Which of these is not a valid reason for holding FG Inventories?

Marks: 2

Question ID:
6287124

No	Options Details	Select Option
1	Create shortage in the Market	
2	Handle demand Fluctuation	
3	Fulfill customer demand	
4	Circumvent delay in supply	

Q.37 Finish Goods are shown in Balance-sheet as:

Marks: 2

Question ID:
6287125

No	Options Details	Select Option
1	Receivables Amount	
2	Current Asset	
3	Fixed Asset	
4	Shown as Liability	

Q.38 Which factor is influencing FG Inventories?

Marks: 2

Question ID:
6287126

No	Options Details	Select Option
1	Sales forecast	
2	Economic Production lot size	
3	Storage space availability	
4	All of these	

Q.39 Which is not the relevant factor for accuracy of demand forecast?

Marks: 2

Question ID:
6287127

No	Options Details	Select Option
1	Market trend	
2	Country's economy	
3	Technological development	
4	Last year's sales	

Q.40 Efficient Inventory Management does not help on which area ?

Marks: 2

Question ID:
6287128

No	Options Details	Select Option
1	Right payment	
2	Right place	
3	Right Time	
4	Right quantity	

Q.41 Which one is not the method of checking stocks of Inventories ?

Marks: 2

Question ID:
6287129

No	Options Details	Select Option
1	Physical counting	
2	Spot Checking	
3	FIFO	
4	Despatch record	

Q.42 Which of these zones is not the part of the warehouse zones?

Marks: 2

Question ID:
6287130

No	Options Details	Select Option
1	Arrival zone	
2	Scrap item zone	
3	Storage zone	
4	Packing zone	

Q.43

The control measures for WIP Inventory are not manufacturing cycle efficiency or work centre efficiency.

Marks: 2**Question ID:**
6287131

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.44

MRP is computer based Inventory system that is used as an alternative to Forecasting.

Marks: 2**Question ID:**
6287132

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.45 An Accountant by mistake overstates the closing stock. In that accounting period, the profit will be overstated.

Marks: 2

Question ID:
6287133

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.46 Every type of Inventory Technique is applicable to all kinds of businesses viz Manufacturing, Trading etc.

Marks: 2

Question ID:
6287134

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.47 FSN Inventory Management technique is most suitable for FMCG Industry.

Marks: 2

Question ID:
6287135

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.48 Lead time is a factor, not to be considered in Inventory Control.

Marks: 2

Question ID:
6287136

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.49 Market search is an excellent forecast method for short term forecasts.

Marks: 2

Question ID:
6287137

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.50 The file containing the status of inventories, open orders and Lead time is called BOM.

Marks: 2

Question ID:
6287138

No	Options Details	Select Option
1	TRUE	
2	FALSE	