

Exam Name : Inventory Management

Total Questions : 50

Q.1 Inventory facilitates the balancing of _____ and _____

Marks: 2

Question ID:
5217111

No	Options Details	Select Option
1	Customer orders and Finished good	
2	Expense and Revenue	
3	Demand and Supply	
4	Raw material and finished goods	

Q.2 _____ type of inventory represents the semi-processed goods at various stages of finishing.

Marks: 2

Question ID:
5217112

No	Options Details	Select Option
1	Raw Material Inventory	
2	Work in Process Inventory	
3	Finished Goods Inventory	
4	None of the above	

Q.3 In the _____ technique, a product is purchased and shipped only after an order is placed for it

Marks: 2

Question ID:
5217113

No	Options Details	Select Option
1	Backordering	
2	JIT	
3	Cycle counting	
4	ABC inventory management	

Q.4 The process of verifying stock levels in a factory is called _____.

Marks: 2

Question ID:
5217114

No	Options Details	Select Option
1	Cycle counting	
2	stock control	
3	Cycle counting	
4	ABC inventory management	

Q.5 _____ decides the policy of inventory control.

Marks: 2

Question ID:
5217115

No	Options Details	Select Option
1	Lower Management	
2	Middle Management	
3	Top Management	
4	Purchasing Manager	

Q.6 _____ is a selective inventory control method that classifies inventory based on seasonality

Marks: 2

Question ID:
5217116

No	Options Details	Select Option
1	SOS ANALYSIS	
2	FSN ANALYSIS	
3	VED ANALYSIS	
4	XYZ ANALYSIS	

Q.7 _____ department informs an organisation how much inventory should be purchased

Marks: 2

Question ID:
5217117

No	Options Details	Select Option
1	Marketing	
2	Purchase	
3	Finance	
4	Sales	

Q.8 Seasonal demand for products is a _____ forecasting

Marks: 2

Question ID:
5217118

No	Options Details	Select Option
1	Long-term	
2	Short-term	
3	Medium term	
4	Qualitative	

Q.9 Delphi method of inventory forecasting is a _____ method

Marks: 2

Question ID:
5217119

No	Options Details	Select Option
1	Qualitative	
2	Quantitative	
3	Long term	
4	Short term	

Q.10 A limitation of forecasting is that it is _____ -based

Marks: 2

Question ID:
5217120

No	Options Details	Select Option
1	Scientific	
2	Assumption	
3	Certainty	
4	Qualitative	

Q.11 ERP systems are successors of _____.

Marks: 2

Question ID:
5217121

No	Options Details	Select Option
1	MRP	
2	SCM	
3	MRP II	
4	RCCP	

Q.12 _____ is the manufacturing strategy where production orders are the result of sales order

Marks: 2

Question ID:
5217122

No	Options Details	Select Option
1	MTO	
2	EPQ	
3	EOQ	
4	OPP	

Q.13 In _____ model, stock levels are continuously checked

Marks: 2

Question ID:
5217123

No	Options Details	Select Option
1	Modern inventory	
2	Modern inventory	
3	Traditional inventory	
4	FSN analysis	

Q.14 Inventory turnover ratio = _____/Average stock.

Marks: 2

Question ID:
5217124

No	Options Details	Select Option
1	ROQ	
2	ROL	
3	EOQ	
4	COGS	

Q.15 When the forecast is inaccurate, it leads to _____ variance

Marks: 2

Question ID:

5217125

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

Q.16 In JIT, there is no _____ stock

Marks: 2

Question ID:

5217126

No	Options Details	Select Option
1	Idle	
2	Full	
3	Half	
4	Quarter	

Q.17 _____ company introduced the concept of JIT

Marks: 2

Question ID:
5217127

No	Options Details	Select Option
1	Yamaha	
2	Nissan	
3	Honda	
4	Toyota	

Q.18 The zero-defect concept is defined as _____ DPMO.

Marks: 2

Question ID:
5217128

No	Options Details	Select Option
1	3.4	
2	4.3	
3	3	
4	4	

Q.19 The semi-processed raw materials in a plant constitute _____ inventory.

Marks: 2

Question ID:
5217129

No	Options Details	Select Option
1	WIP	
2	Finished goods	
3	JIT	
4	Raw material	

Q.20 Inventory turnover ratio is _____ for fast-moving goods

Marks: 2

Question ID:
5217130

No	Options Details	Select Option
1	low	
2	high	
3	medium	
4	constant	

Q.21 By calculating the ITR of a _____ product, an organisation can determine whether to replenish the item

Marks: 2

Question ID:
5217131

No	Options Details	Select Option
1	WIP	
2	Finished goods	
3	JIT	
4	Raw material	

Q.22 A grocery owner tries to sell the stock of the oldest butter in the inventory before opening a new stock. This technique is called _____

Marks: 2

Question ID:
5217132

No	Options Details	Select Option
1	LIFO	
2	FIFO	
3	EOQ	
4	JIT	

Q.23 _____ zone of the warehouse are goods ready to be shipped to retail stores kept

Marks: 2

Question ID:
5217133

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

Q.24 _____ process in reverse logistics is usually outsourced to save costs?

Marks: 2

Question ID:
5217134

No	Options Details	Select Option
1	transportation	
2	Return system-customer interface	
3	distribution centres and warehouses	
4	communication channels	

Q.25 The WIP inventory consists of _____ raw materials.

Marks: 2

Question ID:

5217135

No	Options Details	Select Option
1	fully processes	
2	partially processed	
3	minimal processed	
4	None of the above	

Q.26 The finished goods purchased by a retailer are called _____

Marks: 2

Question ID:

5217136

No	Options Details	Select Option
1	consumer goods	
2	finished goods	
3	Merchandize	
4	raw material	

Q.27 The setup costs can be reduced through the _____ system.

Marks: 2

Question ID:
5217137

No	Options Details	Select Option
1	SMED	
2	EOQ	
3	JIT	
4	EDI	

Q.28 Verification helps with removing any form of _____ between the quantities mentioned in the inventory records and the quantity of actual inventory on hand

Marks: 2

Question ID:
5217138

No	Options Details	Select Option
1	error	
2	mismatch	
3	problems	
4	inaccuracy	

Q.29 The main reason to have an updated inventory record is for establishing and _____ various items in all the records which are maintained by the company.

Marks: 2

Question ID:
5217139

No	Options Details	Select Option
1	quantify	
2	record	
3	verify	
4	classify	

Q.30 If stock-in-trade is not recorded properly, then it will be difficult to _____ the profit or loss for the period

Marks: 2

Question ID:
5217140

No	Options Details	Select Option
1	maintain	
2	determine	
3	evaluate	
4	divide	

Q.31 The _____ method aims at matching the unit cost of the specific units sold with the sales income.

Marks: 2

Question ID:
5217141

No	Options Details	Select Option
1	Weighted Average Method	
2	specific identification method	
3	Simple Average Method	
4	LIFO	

Q.32 The _____ cost is the cost of replacing an existing material with the same type of material at the current market price.

Marks: 2

Question ID:
5217142

No	Options Details	Select Option
1	purchasing cost	
2	inventory cost	
3	Replacement cost	
4	average cost	

Q.33 Inventory accounting greatly influences reported ____ levels.

Marks: 2

Question ID:
5217143

No	Options Details	Select Option
1	profit	
2	loss	
3	cost	
4	revenue	

Q.34 An item of the inventory whose demand is not dependent on that of the demand for another item falls under _____ category.

Marks: 2

Question ID:
5217144

No	Options Details	Select Option
1	dependent	
2	independent	
3	supplementary	
4	complementary	

Q.35 The _____ capacity, meaning, the total surface area of the land, the number of cartons, their sizes available, etc.

Marks: 2

Question ID:
5217145

No	Options Details	Select Option
1	storage	
2	rate	
3	information handling	
4	organising	

Q.36 By _____, we mean the maximum amount of goods and services which can be produced in a given span of time with all the available resources.

Marks: 2

Question ID:
5217146

No	Options Details	Select Option
1	Aggregate Planning	
2	capacity planning	
3	operation planning	
4	None of the above	

Q.37 Scrap is not an inventory

Marks: 2

Question ID:
5217147

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.38 An accountant by mistake overstates the closing stock. In that accounting period, the profit will be overstated

Marks: 2

Question ID:
5217148

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.39

Lead time is a factor to be considered in inventory control.

Marks: 2**Question ID:**

5217149

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.40

In the ABC analysis method, the strictest control is deployed on A category items as they have the maximum usage value.

Marks: 2**Question ID:**

5217150

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.41 The quantitative perspective of forecasting predicts the future demand of products based on data of past sales.

Marks: 2

Question ID:
5217151

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.42 If the cost of inventory declines, then COGS will_____.

Marks: 2

Question ID:
5217152

No	Options Details	Select Option
1	Incerases	
2	Reduces	
3	Become stable	
4	not Change	

Q.43 Stocks are valued to determine

Marks: 2

Question ID:

5217153

No	Options Details	Select Option
1	Income	
2	Financial position	
3	Liquidity	
4	All of the above	

Q.44 The inventory that has not been or cannot be sold or consumed, resulting in loss of revenue.

Marks: 2

Question ID:

5217154

No	Options Details	Select Option
1	consumables	
2	work in progress	
3	Dead stock	
4	raw materials	

Q.45 In this inventory management technique, the on-hand inventory is organised into three categories according to their importance (80-20 rule)

Marks: 2

Question ID:
5217155

No	Options Details	Select Option
1	Backordering	
2	JIT	
3	Cycle counting	
4	ABC inventory management	

Q.46 This method considers the average cost of all items purchased during a period in stock valuation.

Marks: 2

Question ID:
5217156

No	Options Details	Select Option
1	Last-in-first-out (LIFO) inventory valuation	
2	Weighted Average Cost (WAC) inventory valuation:	
3	First-in-first-out (FIFO) inventory valuation	
4	stock-out	

Q.47 Which items will be loaded on the truck first as per the VMI?

Marks: 2

Question ID:

5217157

No	Options Details	Select Option
1	Items that are least above the targeted stock levels	
2	Items that are furthest below the targeted stock levels	
3	Items that are expected to stock-out	
4	Advance shipment of promotional items	

Q.48 The factors considered in inventory control include

Marks: 2

Question ID:

5217158

No	Options Details	Select Option
1	product type	
2	product cost	
3	lead time	
4	All of the above	

Q.49 The best size of an order for the refill of inventory.

Marks: 2

Question ID:

5217159

No	Options Details	Select Option
1	Economic order quantity	
2	Economic order quantity	
3	Vendor-managed inventory	
4	None of the above	

Q.50 The inventory control method based on unit price

Marks: 2

Question ID:

5217160

No	Options Details	Select Option
1	ABC analysis	
2	XYZ analysis	
3	HML analysis	
4	SOS analysis	