

ASSESSMENT # 15

Total Marks: 30

1. Provide short answers for the following questions: (15)
 - i. What is inventory?
 - ii. Why is inventory management important?
 - iii. What are the potential consequences of poor inventory management?
2. Discuss what is meant by the term 'Costs of carrying stock'. How can these costs be brought under better control? (8)
3. Why is surplus/safety stock important? Explain the potential consequences of failing to carry safety stock. (7)