

ASSESSMENT # 8

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)