



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/HM/SEM-3/BHM-305/2010-11**

**2010-11**

**INVENTORY CONTROL &  
PURCHASE MANAGEMENT**

*Time Allotted : 3 Hours*

*Full Marks : 70*

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for the following :  $10 \times 1 = 10$ 
  - i) The quantity of materials that is to be ordered to supplier is known as
    - a) EOQ
    - b) VED
    - c) SDE
    - d) FSN.
  - ii) Which of the following is a method of stores accounting ?
    - a) EOQ
    - b) FIFO
    - c) ABC
    - d) Bin Card.



- iii) Selection of suppliers is a function of
- a) Purchasing department
  - b) Sales department
  - c) Production department
  - d) None of these.
- iv) What is contract ?
- a) An agreement
  - b) An agreement, enforceable by law
  - c) An agreement for selling of a product
  - d) Intention of a person to work for a mission.
- v) What will be the effect of profitability of an organisation if FIFO method stock valuation is employed in a situation of falling prices of inventory ?
- a) Higher profit
  - b) Lower profit
  - c) No effect profitability
  - d) None of these.
- vi) EOQ stands for
- a) Economic Order Quantity
  - b) Economic Order Quality
  - c) Economic Object Quality
  - d) None of these.



- vii) Inventory is stock for
- a) production process
  - b) maintenance process
  - c) marketing process
  - d) selling process.
- viii) For 'A' category of item 'safety stock' should be
- a) high
  - b) very high
  - c) low
  - d) medium.
- ix) VED analysis stands for
- a) Value, Essential, Desirable
  - b) Very Essential Desirable
  - c) Vital, Essential, Desirable
  - d) None of these.
- x) Criteria for FSN analysis is
- a) Critically of materials
  - b) cost of each materials
  - c) value of consumption of each materials
  - d) consumption pattern of item.



**GROUP – B**

**( Short Answer Type Questions )**

Write short notes on any *three* of the following.  $3 \times 5 = 15$

2. Purchasing principles.
3. Bin card
4. ABC analysis.
5. Function and importance of hospital stores.

**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

6. “Profitability of a company depends upon effectiveness of its purchase function” — Discuss.
7. Explain purchasing cycle with the help of diagram.
8. Define inventory. Explain the principles of inventory control with special reference to EOQ, VED and lead time.
9. How are the different materials pressured and stored in a hospital store ? Discuss.

