



The
Management
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

PSM 202: WAREHOUSING AND INVENTORY MANAGEMENT

DATE: 16TH DECEMBER 2021

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

ESTABLISHING A WAREHOUSE FOR RAM & CO

Ram & Co. is an organization that deals in the garments business. The company had its own manufacturing and distribution system, and had its presence across Delhi. It wanted to expand its operations beyond Delhi and was mulling at options of establishing a warehouse and a manufacturing unit in Haryana. This thought of expanding business in Haryana was because of the easy availability of land and it was a lucrative option as compared to other states.

The owner of Ram & Co. was searching for a place to set up its own manufacturing unit and a warehouse in Haryana. Various factors had to be taken into account before it set up its warehouse and other establishments as it would facilitate in a seamless flow of operations. Various factors that the owner of Ram & Co. had contemplated, such as the **availability of raw materials** near the warehouse, whether **skilled labour** and the **sufficient workforce**, were taken into consideration. There was **proximity of transport** facility so as to make the products reach the desired location within time. After considering all these factors, the owner of Ram & Co. acquired land in Samalkha, Haryana and set up a manufacturing unit and two warehouses one for storing raw materials and the other for storing finished goods since Ram & Co. had also launched its own e-commerce site where consumers can buy products via ordering them online. The company had also implemented Warehouse Management System (WMS) to cater to customers' needs in a time-bound manner.

A number of activities were performed in the warehouse, such as weekly inspection of raw materials and finished goods to check its

condition. Since Ram & Co. also had provided an e-commerce facility for its customers, the employees in the warehouse had to pick orders pertaining to the request of customers and pack them for shipment. After two months of commencement, the work was streamlined and everything worked in tandem.

REQUIRED:

- a) Highlight reason which made the owner of Ram & Co. to think of expansion in Haryana. **(2marks)**
- b) Describe various factors that had to be considered before setting up the warehouse. **(6marks)**
- c) Give reasons as to why the owner of Ram & Co. constructs two warehouses. **(4marks)**
- d) Discuss measures which Ram & Co. introduce to facilitate the smooth flow of warehouse operations? **(4marks)**
- e) Analyze the importance of a warehouse **(6marks)**
- f) Define the concept of warehousing and inventory management **(3marks)**

QUESTION TWO

- a. Examine the types of warehouses **(10 marks)**
- b. Demonstrate how different methods is used to classify defective materials in a warehouse. **(5 marks)**

QUESTION THREE

- a. Discuss the policies and procedures of a warehouse **(10 marks)**
- b. Describe the activities carried out in a warehouse. **(5marks)**

QUESTION FOUR

- a. Discuss the roles of warehouse manager **(10marks)**

- b. Evaluate five benefits that an organization may derive from the use of specialized warehouses. **(5 marks)**

QUESTION FIVE

- a. Discuss major types of operations performed by warehouses are as follows: **(10 marks)**
- b. The management of Chaka Company Limited is concerned about the increased costs related to warehousing operations. examine five possible causes of such costs. **(5 marks)**

QUESTION SIX

- a. Discuss various factors that need to be considered while choosing the warehouse location are as follows **(10marks)**
- b. Beta Enterprises has been experiencing frequent incidents of theft of stock in its warehouses. Explain five measures that the firm should take to minimize such incidents. **(5 Marks)**