

**Class: B.Com 1st Year**

**Subject: Inventory Management (MINOR)**

**Long Answer Questions:**

1. Define inventory management. Explain its significance in business.
2. Discuss various methods of inventory management in detail.
3. Explain the inventory management process and its objectives.
4. What are the principles of inventory management? Illustrate with examples.
5. Describe the concept of perpetual inventory system and its advantages.
6. Explain the role of inventory management in cost control and profitability.
7. Discuss the benefits of good inventory management.
8. What are inventory costs? Explain the types with examples.
9. Define inventory valuation. Discuss different valuation methods.
10. What are the objectives and need for holding inventory?
11. Explain planning and controlling inventory levels in detail.
12. Discuss the effects of excess inventory on business.
13. Describe various product classification and coding methods.
14. Explain the concepts of lead time and replenishment methods.
15. Define working capital. What are its types and significance?
16. What are the factors determining working capital requirements?
17. Discuss the various sources of working capital.
18. Explain working capital ratios like current ratio and quick ratio.
19. Describe absolute liquid ratio and cash ratio.
20. Explain working capital turnover ratio and its relevance.
21. Define inventory control and discuss its objectives.
22. Discuss various types of inventory control systems.
23. Explain EOQ, ROP, and JIT techniques in inventory control.
24. Describe ABC and VED analysis with suitable examples.
25. What are the causes and impacts of inventory inaccuracy?
26. How can a business dispose of obsolete and scrap items?
27. Explain the concept of obsolescence and its control techniques.

28. What is scrap control? How is it managed effectively?
29. Explain demand analysis and its relation to inventory planning.
30. Describe the role of technology in modern inventory management.
31. How can inventory management help improve customer satisfaction?
32. Differentiate between periodic and perpetual inventory systems.
33. Discuss the challenges faced in inventory control.
34. How is inventory managed in a manufacturing vs. service business?
35. Explain the importance of product coding and classification.
36. Describe how inventory inaccuracies affect financial statements.
37. What is the role of forecasting in inventory planning?
38. How does lead time affect reorder levels and stockouts?
39. Discuss techniques to improve inventory turnover.
40. Explain the relationship between inventory and working capital.
41. What are the legal and ethical considerations in inventory management?
42. Evaluate inventory performance using key performance indicators.
43. Describe the components of inventory costs.
44. How do seasonal demands affect inventory management?
45. Discuss inventory shrinkage and how to prevent it.
46. What is buffer stock? Explain its importance.
47. Explain the concept of safety stock and its calculation.
48. What are the implications of stockouts on business operations?
49. How can inventory software improve inventory control?
50. Discuss environmental and sustainability issues in inventory management.

### **Short Answer Questions**

1. Define inventory.
2. What is inventory turnover?
3. Mention two types of inventory.
4. State any two objectives of inventory control.
5. What is EOQ?
6. Define lead time.

7. What is stock out?
8. Mention two types of working capital.
9. What is a quick ratio?
10. Define perpetual inventory system.
11. What is the full form of JIT?
12. Mention any two methods of inventory valuation.
13. What is scrap?
14. What is obsolescence?
15. Define cash ratio.
16. What is working capital turnover?
17. What is ABC analysis?
18. Mention two inventory control techniques.
19. Define ROP.
20. What is buffer stock?
21. Define working capital.
22. What is demand analysis?
23. What is the need for holding inventory?
24. Mention any two sources of working capital.
25. What is product coding?
26. What is inventory inaccuracy?
27. What is the significance of classification in inventory?
28. Define absolute liquid ratio.
29. State two reasons for inventory inaccuracy.
30. What is the difference between EOQ and ROP?
31. Name any two inventory-related costs.
32. Define valuation of inventory.
33. Mention any two planning tools in inventory.
34. What is the importance of inventory control?
35. What do you mean by inventory planning?
36. Mention two effects of excess inventory.
37. What is a current ratio?

38. Define working capital requirement.
39. What is VED analysis?
40. Mention one technique to reduce scrap.
41. State one advantage of JIT.
42. What is the main objective of inventory management?
43. What is lead time replenishment?
44. How is inventory classified?
45. Mention two benefits of inventory control.
46. What is the use of classification in inventory?
47. State one reason for using perpetual inventory system.
48. What is a replenishment method?
49. What is meant by product lead time?
50. Name two inventory management books.

#### **One Word / Objective Type Questions**

1. Full form of EOQ – \_\_\_\_
2. Full form of JIT – \_\_\_\_
3. Formula of Current Ratio – \_\_\_\_
4. One example of perpetual inventory system – \_\_\_\_
5. Inventory used for smooth operations – \_\_\_\_
6. EOQ stands for – \_\_\_\_
7. Reorder point is also known as – \_\_\_\_
8. ABC stands for – \_\_\_\_
9. Lead time means – \_\_\_\_
10. Scrap is a type of – \_\_\_\_
11. Obsolescence occurs due to – \_\_\_\_
12. VED stands for – \_\_\_\_
13. Inventory turnover ratio shows – \_\_\_\_
14. Quick ratio = \_\_\_\_
15. Cash ratio = \_\_\_\_
16. Inventory levels are affected by – \_\_\_\_

17. Cost of carrying inventory is also known as – \_\_\_\_
18. Inventory is part of – \_\_\_\_ assets.
19. Stock out means – \_\_\_\_
20. ROP means – \_\_\_\_
21. Working capital = \_\_\_\_ - \_\_\_\_
22. Classification helps in – \_\_\_\_
23. Product coding is used for – \_\_\_\_
24. Working capital turnover shows – \_\_\_\_
25. Inventory valuation affects – \_\_\_\_
26. Inaccuracy in inventory leads to – \_\_\_\_
27. Inventory control helps avoid – \_\_\_\_
28. Absolute liquid ratio excludes – \_\_\_\_
29. Periodic inventory is checked – \_\_\_\_
30. Inventory management reduces – \_\_\_\_
31. Scrap is generated during – \_\_\_\_
32. Demand analysis helps in – \_\_\_\_
33. Inventory cost is a part of – \_\_\_\_ cost.
34. Maximum level is the – \_\_\_\_ quantity.
35. Safety stock is kept to prevent – \_\_\_\_
36. FIFO stands for – \_\_\_\_
37. LIFO stands for – \_\_\_\_
38. Economic order quantity minimizes – \_\_\_\_
39. Inventory is essential for – \_\_\_\_ operations.
40. High inventory turnover means – \_\_\_\_ stock movement.
41. Low turnover ratio indicates – \_\_\_\_
42. Excess inventory leads to – \_\_\_\_
43. Replenishment is done when – \_\_\_\_
44. One type of inventory classification – \_\_\_\_
45. An example of obsolete inventory – \_\_\_\_
46. Inventory inaccuracy affects – \_\_\_\_
47. Working capital management involves – \_\_\_\_

48. One short-term source of working capital – \_\_\_\_

49. Inventory level is measured in – \_\_\_\_

50. Main goal of inventory management – \_\_\_\_