



BRAINWARE UNIVERSITY

Term End Examination 2021 - 22

Programme – Bachelor of Business Administration in Hospital Management

Course Name – Inventory and Purchase Management

Course Code - BBAHMS301

(Semester III)

Time : 1 Hr.15 Min.

Full Marks : 60

[The figure in the margin indicates full marks.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

Choose the correct alternative from the following :

- (1) Which of the following is not an inventory
 - a) Machines
 - b) Raw material
 - c) Finished products
 - d) Consumable tools
- (2) Materials management is a coordinating function responsible for planning and controlling materials flow. Its objective(s) is/are
 - a) Maximize the use of the firm's resources
 - b) Provide the required level of customer service
 - c) Both of the above
 - d) Neither of the above
- (3) A good planning system must consider
 - a) What are we going to make
 - b) What does it take to make it
 - c) What do we have and need
 - d) All of these
- (4) _____ must satisfy the demands of the marketplace. It does so by using plants, machinery, equipment, labor, and materials as efficiently as possible
 - a) Marketing
 - b) Finance
 - c) Production
 - d) Engineering
- (5) The _____ is a plan for the production of individual end items
 - a) MPS
 - b) JIT
 - c) MRP II
 - d) MRP
- (6) Purchasing and _____ represent the implementation and control phase of the production planning and control system
 - a) production activity control (PAC)
 - b) material requirements planning (MRP)
 - c) just-in-time (JIT)
 - d) marketing

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- (7) A _____ strategy means producing the amounts demanded at any given time
- a) production leveling
 - b) chase
 - c) subcontracting
 - d) TQM
- (8) _____ is the first step in a manufacturing planning and control system
- a) production plan
 - b) backlog
 - c) resource plan
 - d) capacity plan
- (9) _____ is responsible for analyzing the marketplace and deciding the firm's response, the markets to be served, the products supplied, and desired levels of customer service.
- a) Marketing
 - b) Finance
 - c) Production
 - d) Engineering
- (10) The information needed to develop an MPR does not include:
- a) The production plan
 - b) Forecasts for individual end items
 - c) Actual orders received from customers and forecasts or stock replenishments.
 - d) The project plan
- (11) Re-ordering level = Maximum consumption x
- a) Average re-order period
 - b) Maximum usage
 - c) Maximum re-order period
 - d) Normal usage
- (12) Which of the following is not a part of Working Capital
- a) Raw Materials
 - b) Buildings
 - c) Operating Expenses
 - d) Work-in-Progress
- (13) Working Capital is an example of
- a) Operating costing
 - b) Cost recovery
 - c) Cost control
 - d) Cost reduction
- (14) Which of the following is part of current assets
- a) Materials
 - b) Cash
 - c) Bank
 - d) All of these
- (15) Which of the following is not a part of current liabilities
- a) Creditors
 - b) Bills Payable
 - c) Overdraft
 - d) Bills Receivable
- (16) What is not a part of Working Capital
- a) Plant Machinery
 - b) Bills Receivable
 - c) Bills Payable
 - d) none of these
- (17) Which of the following is not a Operating costing
- a) Wages
 - b) Tools
 - c) Electricity bill
 - d) Investment
- (18) A-B-C analysis
- a) Is a basic technique of materials management
 - b) Is meant for relative inventory control
 - c) Does not depend upon the unit cost of the item but on its annual consumption
 - d) Is meant for extensive inventory control
- (19) In A-B-C analysis, which class of items are generally large in number
- a) A
 - b) B

- c) C
d) None of these
- (20) Costing system which omits some of journal entries in accounting system is known as
a) main-time costing
b) trigger costing
c) back flush costing
d) lead time costing
- (21) Which of the following is the opposite of just in time
a) Stock control
b) TQM
c) Just in case stock management
d) Kaizen
- (22)is a technique of material cost control which leads to low carrying cost as a result of low investment in inventory
a) ABC Analysis
b) JIT Inventory System
c) VED Analysis
d) Perpetual Inventory System
- (23)is a technique of stock control which leads to saving of time of the management because attention is required to be paid only to some of the items rather than on all the items
a) ABC Analysis
b) JIT Inventory System
c) VED Analysis
d) Perpetual Inventory System
- (24)obviates the necessity for the physical checking of all items of stores at the end of the year and thereby avoids dislocation of production
a) ABC Analysis
b) JIT Inventory System
c) VED Analysis
d) Perpetual Inventory System
- (25) Activities related to coordinating, controlling and planning activities of flow of inventory are classified as
a) decisional management
b) throughput management
c) inventory management
d) manufacturing management
- (26) EMD is
a) Deposited on submit of tender
b) Bill
c) Cheque
d) ROI
- (27) A tender notice is
a) Notice to invite tenders
b) Bills
c) List
d) Actions
- (28) The LOI is
a) Letter of Credit
b) Letter of intent
c) Life of Induction
d) All the above
- (29) The electronic integration and management of all procurement activities including purchase request, authorization, ordering, delivery and payment between a purchaser and supplier is known as:
a) E-procurement process
b) E-procurement system
c) E-procurement
d) All of these
- (30) Generally, which sequence is most typical of the procurement process
a) Originator to buyer to approver to supplier
b) Supplier to originator to approver to buyer
c) Approver to originator to buyer to supplier
d) Originator to approver to buyer to supplier
- (31) A recent simple classification of different types or applications of e-procurement was proposed by Smart. Which of the following is NOT one of these
a) E-sourcing
b) E-tendering

c) E-transparency

d) E-informing

(32) In future, some suggest that the task of searching for suppliers and products may be taken over by a programme which automatically gathers information from the Internet

a) Metamediaries

b) Electronic B2B marketplaces

c) Spider search engines

d) Software intelligent agents

(33) Which of the following describes the stock control system element of an e-procurement system

a) Staff in the buying department to enter an order which can then be used by accounting staff to make payment when the invoice arrives

b) Re-ordering is automated when the number in stock falls below re-order thresholds

c) Integrates the entry of the order by the originator, approval by manager and placement by buyer

d) Possible to integrate all e-procurement functionality and may also include integration with suppliers' systems

(34) Production related procurement refers to the purchasing of

a) Information systems

b) Raw materials

c) Furniture

d) Office supplies

(35) Fulfillment of an immediate need, typically of a commoditized item for which it is less important to know the credibility of the supplier is an example of:

a) E-procurement

b) Spot sourcing

c) MRO sourcing

d) Systematic sourcing

(36) For B2B transactions involved with e-procurement, the merchant site should facilitate

a) Partially complete orders

b) Initial purchases

c) Modified rebuys

d) All of these

(37) Lax and Sebenius made in 1986 a classification of interests. Which of the following represents their view

a) Substantive, process, relationship and 'in principle' interests

b) Personal interests and common interests

c) Nominal, real and effective interests

d) Fixed and variable interests

(38) In income measurement & reorganization of assets & liabilities which of the following concepts goes together

a) Periodicity, accrual, matching

b) Cost, accrual, matching

c) Going concern, cost, Realization

d) Going concern, periodicity, reliability

(39) The proprietor of the business is treated as creditor for the capital introduced by him due to _____ concept

a) Money measurement

b) Cost

c) Entity

d) Dual aspect

(40) _____ states that assets equal liabilities plus capital.

a) accounting equation

b) financial equation

c) statements

d) none of these

(41) Exercising a degree of caution in the case of judgments needed under the condition of uncertainty is assumption of which of the following accounting concepts

a) Matching

b) Accrual

c) Timeliness

d) Prudence

(42) Which one of the following concepts states that the publication or presentation of financial statements should not be delayed

- a) Objectivity
- c) Timing

- b) Timeliness
- d) Reliability

(43) Which of the following is time span into which the total life of a business is divided for the purpose of preparing financial statements

- a) Fiscal year
- c) Accounting period
- b) Calendar year
- d) Accrual period

(44) Showing purchased office equipments in financial statements is the application of which accounting concept

- a) Historical cost
- c) Prudence
- b) Materiality
- d) Matching

(45) Information about an item is _____ if its omission or misstatement might influence the financial decision of the users taken on the basis of that information

- a) Concrete
- c) Immaterial
- b) Complete
- d) Material

(46) "Financial information should be neutral and bias free" is the dictation of which one of the following

- a) Completeness concept
- c) Objectivity Concept
- b) Faithful representation Concept
- d) Duality Concept

(47) Which of the following is not a type of voucher

- a) Debit
- c) Transaction
- b) Credit
- d) Running

(48) A voucher does not contain

- a) Transaction details
- c) Details of payment
- b) Reason of payment
- d) Currency note serial no

(49) Which of the following account will be credited in the books of ABC Co. Ltd., if furniture is purchased on cash

- a) Furniture
- c) Business
- b) Cash
- d) Bank

(50) Discount received means:

- a) Deduction during cash receive
- c) Deduction allowed during sales
- b) deduction allowed by creditors during the time of payment
- d) Both Deduction during cash receive and deduction allowed by creditors during the time of payment

(51) When the owner withdraws goods for his own use it will be considered as the:

- a) drawing
- c) capital
- b) loss
- d) bonus

(52) Debit the receiver and credit the giver is the rule for _____.

- a) nominal
- c) real
- b) accounting
- d) liability

(53) Cash discount allowed will appear on which side of the buyer's account in the books of the seller.

- a) debit
- c) cost
- b) credit
- d) none of these

- (54) Any written evidence in support of business transaction is called
- a) Cash memo
 - b) Invoice
 - c) Voucher
 - d) None of these
- (55) The discount allowed by the wholesaler to the retailer on the immediate payment of cash
- a) Trade Discount
 - b) Cash Discount
 - c) Discount Allowed
 - d) Discount Received
- (56) The supply of goods or services in exchange of money between two parties is known as
- a) Goods transactions
 - b) Service transactions
 - c) Business transactions
 - d) Credit transactions
- (57) Assets, which does not have physical existence, are called
- a) Tangible Assets
 - b) Intangible Assets
 - c) Quick Assets
 - d) Current Assets
- (58) What is accumulated depreciation
- a) Sum of all depreciation expenses of a fixed asset
 - b) Depletion cost of asset
 - c) Depreciation expenses
 - d) None of these
- (59) Kanban is a visual indicator that triggers replenishment of items like _____
- a) Rack
 - b) Store
 - c) Bin
 - d) Card
- (60) In inventory control, the economic order quantity is the
- a) Optimum lot size
 - b) Highest level of inventory
 - c) Lot corresponding to break-even point
 - d) Capability of a plant to produce