



Logistics & Supply Chain (850)

Unit: Inventory Control & Management	Guided Learning Hours: 220
Exam Paper No.: 2	
Prerequisites: Basic knowledge of business procedures.	Corequisites: A Pass or better in Certificate in Business Studies or equivalence.
<p>Aim: Inventory is material that businesses use for selling or as inputs to the production process. Inventory management is controlling inventory through a number of stages until it reaches customer. There is a lot of coordination in inventory planning. Learners will learn the importance of inventory management, its functions and goals/objectives; the role of inventory in the Supply Chain and specific reasons for maintaining certain inventory; the process of categorising expenses (Cost classification) by capital and revenue expenditure, management function and direct and indirect costs; the value of unsold inventory stock (Inventory/Stock valuation) and the need to know material, labour and overhead costs; and cost of materials used to manufacture a product (Materials Costs).</p> <p>Inventory can be classified as raw material, work-in-progress or finished goods. This course will analyse factors associated with inventory management decisions:</p> <ul style="list-style-type: none"> • Inventory costs • Inventory functions • Supply and demand • Objectives of inventory management and plan 	
Required Materials: Recommended Learning Resources.	Supplementary Materials: Lecture notes and tutor extra reading recommendations.
Special Requirements: None	
<p>Intended Learning Outcomes:</p> <ol style="list-style-type: none"> 1. Understand the broader strategic oversight, tracking and inventory optimisation to satisfy demand; minimising costs, and avoiding stockouts or holding too much stock. 2. Understand the purpose, factors affecting fill rate and service level; including calculations of each. 3. Understand the role of inventory in profitability; functions of inventory in fulfilling the mismatch between supply and demand; and how to calculate the right amount of inventory. 	<p>Assessment Criteria:</p> <ol style="list-style-type: none"> 1.1 Define inventory and categories of inventory. 1.2 Explore advantages and disadvantages of keeping inventories. 1.3 Analyse inventory objectives and associated costs. 1.4 Describe Just-in-Time (JIT) inventory systems. 1.5 Be able to explain the role of Vendor Managed Inventory (VMI) in supply chain. 2.1 Explain the importance of fill rate. 2.2 Identify types of fill rates. 2.3 Describe factors that can impact fill rate. 2.4 Differentiate fill rate vs service level. 2.5 Demonstrate calculating fill rate and service level. 3.1 Describe inventory types and inventory users in a manufacturing setting. 3.2 Elaborate how inventory is a source of cost but also a source of responsiveness in diffusing the mismatch between supply and demand. 3.3 Identify costs associated with holding too much or too little inventory. 3.4 Describe ABC analysis, cycle counting and record accuracy techniques in management and controlling inventory. 3.5 Be able to demonstrate terms associated with Economic Order Quantity (EOQ). 3.6 Be able to calculate Economic Order Quantity (EOQ).

