






Level 5 Diploma in Logistics & Supply Chain (850) 145 Credits



Unit: Inventory Control & Management	Guided Learning Hours: 220
Exam Paper No.: 2	Number of Credits: 22
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.</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> <p>1. Understand the importance of inventory management, its functions and goals/objectives.</p> <p>2. Understand the role of inventory in the Supply Chain and specific reasons for maintaining certain inventory.</p> <p>3. Understand the process of categorising expenses (Cost classification) by capital and revenue expenditure, management function and direct and indirect costs.</p>	<p>Assessment Criteria:</p> <p>1.1 Describe inventory 1.2 Explore the different types of inventory 1.3 Analyse benefits and drawbacks of inventories 1.4 Explain purpose of distribution centres 1.5 Describe the goals/objectives of inventory management 1.6 Describe Just-In-Time (JIT)</p> <p>2.1 Describe direct material, direct labour and overheads. 2.2 Describe why businesses keep inventory 2.3 Outline costs associated to inventory management 2.4 Demonstrate calculating inventory performance measures 2.5 Explore techniques for managing and controlling inventory 2.6 Demonstrate calculating Economic Order Quantity (EOQ) 2.7 Define safety stock</p> <p>3.1 Describe capital and revenue expenditure 3.2 Describe management function/department costs 3.3 Describe fixed, variable, semi-variable and stepped fixed costs 3.4 Be able to demonstrate direct vs indirect costs</p>

4. Understand the value of unsold inventory stock (Inventory/Stock valuation) and the need to know material, labour and overhead costs.	3.5	Describe production and non-production cost examples
	3.6	Demonstrate importance of cost classification in inventory management
5. Understand cost of materials used to manufacture a product (Materials Costs)	4.1	Describe purpose of inventory valuation.
	4.2	Be able to calculate total product costs.
	4.3	Describe First-In-First-Out (FIFO).
	4.4	Describe Last-In-First-Out (LIFO).
	4.5	Describe Average Cost.
	4.6	Explain implications of stock/inventory valuations
	5.1	Describe various cost classifications.
	5.2	Explain how material costs form part of the total production cost.
	5.3	Describe the process of controlling and recording costs of materials.
	5.4	Demonstrate calculating FIFO, LIFO and AVCO.
	5.5	Demonstrate calculating EOQ and reorder levels
Methods of Evaluation: A 2½-hour essay written examination paper with 5 questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework Inventory Control & Management with a weighting of 100%.		

Recommended Learning Resources: Inventory Control & Management

Text Books	<ul style="list-style-type: none"> Inventory Control by Sven Axsäter. ISBN-13 : 978-1475756074 Inventory Control and Management by Donald Waters. ISBN-13 : 978-0470858769 Warehouse Management and Inventory Control by Philip Price, N. Harrison. ISBN-13 : 978-1934231043
Study Manuals 	BCE produced study packs
CD ROM 	Power-point slides
Software 	None