

#Jenny



Finally I get this ebook, thanks for all these I can get now!

#Rio



Cool! I'am really happy

#Markus Jensen



I did not think that this would work, my best friend showed me this website, and it does! I get my most wanted eBook

#Hun Tsu



wtf this great ebook for free?!

#Che Salsa



My friends are so mad that they do not know how I have all the high quality ebook which they do not!

#Diego Butler



so many fake sites. this is the first one which worked! Many thanks

DISCUSSION QUESTIONS

1. The four types of inventory are:
  - Raw material—items that are to be converted into product
  - Work-in-process (WIP)—items that are in the process of being produced
  - Finished goods—completed items for which title has not been transferred
  - MRO—maintenance, repair, and operating supplies—items that are necessary to keep the manufacturing process going
2. The value of inventory carrying should not be seen as outweighing the need for the ABC inventory classification scheme. Although the cost of carrying has decreased considerably, the cost of stock obsolescence has not decreased to a similar fashion. Business organizations will have more items for which the cost of data acquisition for a "just-in-time" inventory system is still considerably higher than the cost of the item.
3. The purpose of the ABC system is to identify those items that require more attention than inventory volume.
4. Types of cross-holding cost: cost of capital invested and opportunity cost. Average cost: the cost of the capital or customer who were unable to use all the good will, and they cost the costs associated with ordering, transporting, and receiving the items are not the whole cost of the item.
5. An example of EOQ model: demand is known and constant over time, lead time is known and constant, receipt of inventory is instantaneous, quantity discounts are not possible, the only variable cost is the cost of placing an order or setting up production and the cost of holding or storing inventory over time and if orders are placed at the right time, no shortages or shortages can be completely avoided.
6. The EOQ assumes an annual inventory level as the usage rate increases, it decreases as the holding cost increases. The changes in the EOQ are proportional to the square root of the changes in the parameters.
7. Price-time quantity is not suitable in the EOQ model, but it is in the discount model. When quality discounts are available, the unit purchase price of the item depends on the order quantity.
8. Advantages of cycle counting:
  1. Eliminating the disturbance and interruption of production necessary for annual physical inventories
  2. Eliminating annual inventory adjustments
  3. Providing instant personnel to audit the accuracy of inventory
  4. Allowing the cause of errors to be identified and corrected before the cycle
  5. Maintaining accurate inventory records
9. A decrease in usage rate decreases the unit cost, which encourages more and smaller orders, and then decreases the EOQ.
10. The reorder point for the EOQ is the highest inventory cost, and the price are no lower than in the EOQ. Items above the EOQ have higher inventory cost than the corresponding price break point or EOQ at prices that are no lower than either of the price breaks in the EOQ, it depends on whether there exists a discount point above the EOQ.
11. Inventory level orders in the process of customers to whom the product or service is delivered when and as promised.
12. In the same time, hold items will be reduced using an economic production quantity, because the average inventory to describe the corresponding EOQ system.
13. In a fixed quantity inventory system, when the quantity on hand reaches the reorder point, an order is placed for the specified quantity. In a fixed period inventory system, an order is placed at the end of the period. The quantity ordered is the needed to bring on hand inventory up to a specified level.
14. The EOQ model gives you an order-to-order interval, a 10% error in actual demand alters the EOQ by less than 5%.
15. Safety stock is inventory beyond average demand during lead time, held to control the level of shortages when demand exceeds lead time or a constant inventory level to ensure that the demand service level is met.
16. The reorder point is a function of demand per unit of time, lead time, customer service level, and standard deviation of demand.
17. Most retail stores have a computerized cash register system of sales system. At the time of purchase, the computer system automatically rings up the bill and reduces the inventory level in its records for the product sold.
18. An example of a fixed period system: There is no physical count of inventory when items are withdrawn. Disadvantage: There is a possibility of counting during the time between orders.

[Download PDF version of :  
Operations Management Solutions Manuel](#)