Inventory Management Problems Pdf (1-5)

Problem # 1: From the following calculate **(i)** Re-ordering Level and **(ii)** Minimum Level

Minimum usage	100 units per week	Normal usage	200 units per week
Maximum usage	300 units per week	Re-order period	4 to 6 weeks

Solution:

(i) Re-ordering Level

(ii) Minimum Level

Problem # 2: Calculate Ordering Level, Minimum Level and Maximum Level from the following data:

Re-order quantity	1,500 units	Re-order period	4 to 6 weeks
Maximum consumption	400 units per week	Average consumption	300 units per week
Minimum consumption	250 units per week		

Solution:

(i) Ordering Level

(ii) Minimum Level

(iii) Maximum Level

Problem # 3: The following information is available in respect of component DP 5:

Maximum stock level	8,400 units
Budgeted consumption- maximum	1,500 units per month
Budgeted consumption- minimum	800 units per month
Estimated delivery period	maximum 4 months and minimum 2 months

You are required to calculate Re-order level

Solution:

Ordering Level

Problem # 4: From the following date for the last twelve months, compute the Average Stock Level for a component.

Maximum usage in a month	300 units	Minimum usage in a month	200 units
Average usage in a month	225 units	Re-ordering quantity	750 units
Time lag procurement of material	Maximum 6 months and Minimum 2 months		

Solution:

Average Stock Level

Problem # 5: Find out Minimum Stock Level, Maximum Stock Level and Ordering Level from the following particulars:

Minimum consumption	100 units per day	Maximum consumption	175 units per day
Normal consumption	125 units per day	Re-order quantity	1,500 units
Minimum period for receiving goods	7 days	Maximum period for receiving goods	15 days
Normal period for receiving goods	10 days		

Solution:

(i) Ordering Level

(ii) Minimum Level

(iii) Maximum Level