Assignment 7

Cases

1. Safety stock is the additional amount of stock kept on hand to safeguard against two situations: a) lead-time or demand for both these variables is the same point in time
   A. TRUE
   B. FALSE

2. All new customers are not required to meet a certain service level:
   A. TRUE
   B. FALSE

3. In finding out the service level when demand is variable and lead-time is constant, what are the first steps?
   A. The inventory system is reviewed as a continuous basis.
   B. The inventory system is reviewed as a fixed time basis.
   C. As Regular Only
   D. C & D
   E. None of the above

4. The daily demand for a product is normally distributed with a mean of 100 units and a standard deviation of 10 units. The procurement lead time is 10 days. Average demand for each day is independent. Compute the standard deviation of lead-time demand?
   A. 100
   B. 10
   C. 20
   D. None of the above

5. A “continuous service” system is also called “fixed-interval service system.”
   A. TRUE
   B. FALSE

6. Inventory Position (IP) is calculated as below:
   A. On-hand inventory (OH) + Safety Stock (SS) + Backorders (BO)
   B. On-hand inventory (OH) - On-hand Precision (OP) - Backorders (BO)
   C. On-hand inventory (OH) + Safety Stock (SS) - Backorders (BO)
   D. None of the above

7. Supermarkets and large retail stores generally adopt Q-system practice.
   A. TRUE
   B. FALSE

8. In periodic review-based inventory control systems, inventory position of items is reviewed at predetermined, fixed points in time?
   A. TRUE
   B. FALSE

9. In News Vendor Model, optimal point is determined as:
   A. Derive of C(x) + E(x)
   B. Derive of C(x) - E(x)
   C. None of the above

10. Process results in the following properties:
    A. Continuous distribution functions
    B. Defined only by its name
    C. Applicable for low demand
    D. Uniformly normal
    E. None of the above