Assignment-4

The due date for submitting this assignment has passed. Due on 2019-08-28, 23:59 IST. As per our records you have not submitted this assignment.

1) Both inventory levels and accounts receivables depend on sales with the difference that
   ○ Receivables build up ahead of sales whereas inventory is acquired after sales
   ○ Receivables build up ahead of sales whereas inventory is acquired before or after sales
   ○ Receivables build up after sales whereas inventory is acquired ahead of sales
   ○ None of the above

No, the answer is incorrect.
Score: 0
Accepted Answers: Receivables build up after sales whereas inventory is acquired ahead of sales

2) In a firm, lost sales and excessive carrying cost can arise due to errors in establishing of
   ○ Inventory levels
   ○ Receivables levels
   ○ Sales levels
   ○ Payable levels

No, the answer is incorrect.
Score: 0
Accepted Answers: Inventory levels
3) Efficient inventory management

- Ensures a continuous supply of raw materials
- Maintains sufficient stocks of raw materials
- Maintains sufficient finished goods inventory
- All of the above

No, the answer is incorrect.
Score: 0
Accepted Answers: All of the above

4) Precautionary motive of holding inventory is/are:

- to ensure smooth production during fluctuating sales
- to reduce delivery lag in case of sudden demand
- to deal with uncertainty in supply and demand
- both a and b
- both a and c

No, the answer is incorrect.
Score: 0
Accepted Answers: both a and c

5) Which of the following cost(s) may be associated with handling inventory:

- Carrying cost
- Handling costs
- Stock-out costs
- All of the above

No, the answer is incorrect.
Score: 0
Accepted Answers: All of the above

6) Carrying cost of inventory consist(s) of:

- Cost of physical holding of inventories
- Opportunity cost of alternate investments
- Cost of lost sales due to shortage of supplies
- Both a & b
- Both a & c

No, the answer is incorrect.
Score: 0
Accepted Answers: Both a & b

7) In any manufacturing firm, Inventory accumulates due to:

- Imperfect markets
- Inefficient production-distribution system
- Imperfections create fluctuations of various dimensions
- All of the above

No, the answer is incorrect.
Score: 0
Accepted Answers:
8) Which among the following is not an appropriate method of valuation of inventory:

- Average cost method
- Average price method
- FIFO
- LIFO

No, the answer is incorrect.
Score: 0
Accepted Answers: Average price method

9) Which of the followings explain the inventory behavior better?

- Low inventory → low prices → cut-back on production → low opening inventory
- High inventory → high prices → cut-back on production → low opening inventory
- High inventory → low prices → cut-back on production → low opening inventory
- High inventory → low prices → cut-back on production → high opening inventory

No, the answer is incorrect.
Score: 0
Accepted Answers: High inventory → low prices → cut-back on production → low opening inventory

10) Which of the following is not a method of inventory valuation:

- Base stock method
- Adjusted selling price method
- Standard sale price method
- Specific identification method

No, the answer is incorrect.
Score: 0
Accepted Answers: Standard sale price method

11) The choice of method of inventory valuation depends on:

- Tax regulations and implications
- Size and type of the organization
- Consistency
- All of the above

No, the answer is incorrect.
Score: 0
Accepted Answers: All of the above

12) Differentiation inventory strategy is:

- Mark to stock
- Make to stock
- Assemble to order
- Both a & b
Both b & c

No, the answer is incorrect.
Score: 0
Accepted Answers:
Both b & c