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Unit 5 - Week 4

Course outline

How to access the portal

Week 1

Week 2

Week 3

Week 4

- Working Capital Leverage (unit? unit=26&lesson=27)
- Risk and Cost of Holding Inventory (unit? unit=26&lesson=28)
- Inventory Costs (unit? unit=26&lesson=29)
- Inventory Behaviour (unit? unit=26&lesson=30)
- Inventory Management- Methods and

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 **1 point**

- 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 **1 point**

- Inventory levels
- Receivables levels
- Sales levels
- Payable levels

No, the answer is incorrect.
Score: 0

Accepted Answers:

Inventory levels

Strategies (unit?
unit=26&lesson=31)

Quiz :
Assignment-4
(assessment?
name=104)

Solution for
Assignment 4
(unit?
unit=26&lesson=119)

Week 5

Week 6

Week 7

Week 8

Week 9

Week 10

Week 11

Week 12

**WEEKLY
FEEDBACK**

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3) Efficient inventory management

1 point

- 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:

1 point

- 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:

0 points

- 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:

1 point

- 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:

1 point

- 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:

All of the above

8) Which among the following is not an appropriate method of valuation of inventory: **1 point**

- 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? **1 point**

- 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: **1 point**

- 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: **1 point**

- 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: **1 point**

- 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