Assignment 8

The due date for submitting the assignment is passed. 
Please note that you may not submit an assignment after the due date.

**Week 9 Assignment 8**

1. For a given annual demand coming cost will increases with the increase in the number of orders placed per annum.
   
   Reorder level is a constant.
   
2. The reorder point inventory levels the following:
   
   1. Quantity to be ordered
   
   2. Cost of the item
   
   3. Stock level of inventory when the order is to be placed
   
   4. All of the above
   
   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   1. Stock level of inventory when the order is to be placed
   
   2. Quantity to be ordered
   
   3. Cost of item
   
   4. Reorder level

3. The monetary value of items used annually.

   Economic order quantity
   
   Inventory carrying cost
   
   Quantity of material used
   
   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   1. Inventory carrying cost
   
   2. Economic order quantity
   
   3. Monetary value of items used annually
   
   4. Quantity of material used

4. The monetary value of items used annually.

   Economic order quantity
   
   Inventory carrying cost
   
   Quantity of material used
   
   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   1. Inventory carrying cost
   
   2. Economic order quantity
   
   3. Monetary value of items used annually
   
   4. Quantity of material used

5. The inventory carrying cost increases if:

   1. Purchases increase
   
   2. Order quantity increases
   
   3. Order quantity decreases
   
   Purchases increase.

   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   1. Purchases increase
   
   2. Order quantity increases
   
   3. Order quantity decreases

6. Annual demand of a product per year: Rs. 1,000. Cost of carrying one unit in inventory for one year: Rs. 1. Cost of placing an order: Rs. 1. The optimal lot size will be:

   1. 720 units
   
   2. 840 units
   
   3. 1440 units
   
   4. 1200 units

   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   1. 720 units
   
   2. 840 units
   
   3. 1440 units
   
   4. 1200 units

7. A manufacturer is able to produce 1,000 units per day. The manufacturer receives an order of 500 units per day. The skill of keeping a buffer is 1.0. The inventory in stock at Rs. 20 per year set up cost per production run is Rs. 1500. Assume 300 working days in a year, the economic order quantity of a product replacement model will be:

   1. 500 units
   
   2. 750 units
   
   3. 100 units
   
   4. 250 units

   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   1. 500 units
   
   2. 750 units
   
   3. 100 units
   
   4. 250 units

8. In a manufacturing firm, the average demand for the product is 1000 units, and the unit price of the product is Rs. 15. Inventory carrying cost per unit per annum is 1. The ordering cost per order is Rs. 30. Number of orders to be placed for DoC in a year will be:

   1. 300 order
   
   2. 500 order
   
   3. 100 order
   
   4. 5 order

   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   Do not answer

9. For a product replacement inventory model, true statement is:

   1. Maximum inventory level is equal to the reorder quantity
   
   2. Maximum inventory level is more than the reorder quantity
   
   3. Maximum inventory level is less than the reorder quantity
   
   4. Demand rate is more than the production rate

   Maximum inventory level is less than the reorder quantity.

   No, the answer is incorrect. Score: 1

   Accepted Answers: 
   
   1. Maximum inventory level is equal to the reorder quantity
   
   2. Maximum inventory level is more than the reorder quantity
   
   3. Maximum inventory level is less than the reorder quantity
   
   4. Demand rate is more than the production rate