

Too much, too little, or just in time? Inventory management

AS Level 4.2 Inventory management

Dr Moaz Tariq · Cambridge International AS & A Level Business 9609

Running case: Holloway Ceramics · 60 minutes

How this topic is examined

Paper 1 • Business concepts • 40 marks

Define the term buffer inventory / JIT [2]

Explain two advantages of buffer inventory [3]

Analyse one reason to hold low inventory [5]

Essay: Analyse [8] • Evaluate the importance of... [12]

Paper 2 • Business decision-making • 60 marks

Explain the term supply chain management [3]

Calculate re-order level or waste [3]

Analyse two costs of holding inventory [8]

Evaluate whether [business] should introduce JIT [12]

Typical questions on this topic

Define the term lead time. [2]

Explain one disadvantage to a business of using JIT. [3]

Analyse two disadvantages of holding a high level of inventory. [8]

Evaluate the importance of improved supply chain management to... [12]

Evaluate the benefits of buffer inventory rather than JIT for... [12]

By the end of this lecture you can...

- 1 Explain the purpose of raw materials, work in progress and finished products.
- 2 Analyse the costs and benefits of holding inventory.
- 3 Calculate re-order levels using usage, lead time and buffer inventory.
- 4 Interpret a simple inventory control chart.
- 5 Explain the importance of supply chain management.
- 6 Evaluate JIT and JIC approaches for a business.

END OF PREVIEW

Get the full lecture, notes and exam resources

Full slides, notes handout, revision sheet, practice paper, mark scheme, model answers and answer templates are included with the Exam Masterclass.

Join the Exam Masterclass

gceeducation.com