## **INVENTORY MANAGEMENT 1: INVENTORY FUNDAMENTALS**

## **DESCRIPTION:**

This module covers definitions and types of inventory, the role of inventory, cycle and safety stock, inventory costs, and ABC analysis.

**Tutorial:** 20 slides

**Problem Sets:** 4 problem sets; 30 questions

**Average Time:** 78 minutes

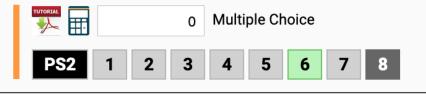
## Sample question from problem set:

Course: Faculty Access (All Modules in Alphabetical Order)
Module: Inventory Management I / Problem Set ID: 111

DigitalDocs makes specialized computer tablets for use in cancer care centers. The tablets are highly customized so they are assembled individually at the time of purchase. They have 3 different tablet models, the DD1, DD2, and DD3, that had sales last year of 250, 400, and **880** units respectively. All 3 tablets use a single SuperDriveXE for permanent storage of transaction records and the SuperDrive costs **\$33** per unit. The company orders **80** SuperDrives at a time. The lead time for the Superdrives is **5** weeks and the standard deviation for demand during the lead time is **13** units.

If the manager decided to reduce the quantity of SuperdriveXEs purchased per order, which of the following would be true:

- 1. The cost of capital would increase
- 2. Ordering costs would be lower
- 3. Cycle stock would be lower
- 4. All of the Above





## **CALCULATED VARIABLES:**

safety99 = 11 cycle = 40 pipeline = 147 wdemand = 29.4 adv = \$50,490 demand = 1,530

**SUBMIT ANSWER** 

**EXIT**