

INVENTORY MANAGEMENT 3: DECISION MAKING

DESCRIPTION:

This module discusses ordering costs, time between orders, inventory holding costs, economic order quantity (EOQ), quantity discounts, and production order quantity.

Tutorial: 25 slides
Problem Sets: 4 problem sets; 26 questions
Average Time: 188 minutes

Sample question from problem set:

Course: Faculty Access (All Modules in Alphabetical Order)

Module: Inventory Management III / Problem Set ID: 101

Justin Time, the new materials manager for Kappatronics Medical Devices, is reviewing the purchase history for their DeltaKappaGamma semiconductor chips. These chips are custom made products for their reclining chair medical scanner. Historical demand for this component is **320** chips per year. Kappatronics estimates a carrying cost on inventory of **17%**. Justin calculates ordering costs at **\$500** per order due to the specialized nature of the product. According to purchasing records, Kappatronics buys 100 at a time because they receive a quantity discount of 5% on orders greater than 100 units. At 100 units, the price to Kappatronics is **\$2,900** per unit.

Based on the current demand and quantity ordered, how many orders of the DeltaKappaGamma are placed each year?



0.00 orders / year (2 decimal places)

PS1

1

2

3

4

5

6

7

8

SUBMIT ANSWER

EXIT

Problem Sets

0

4

Total Questions

0

26

