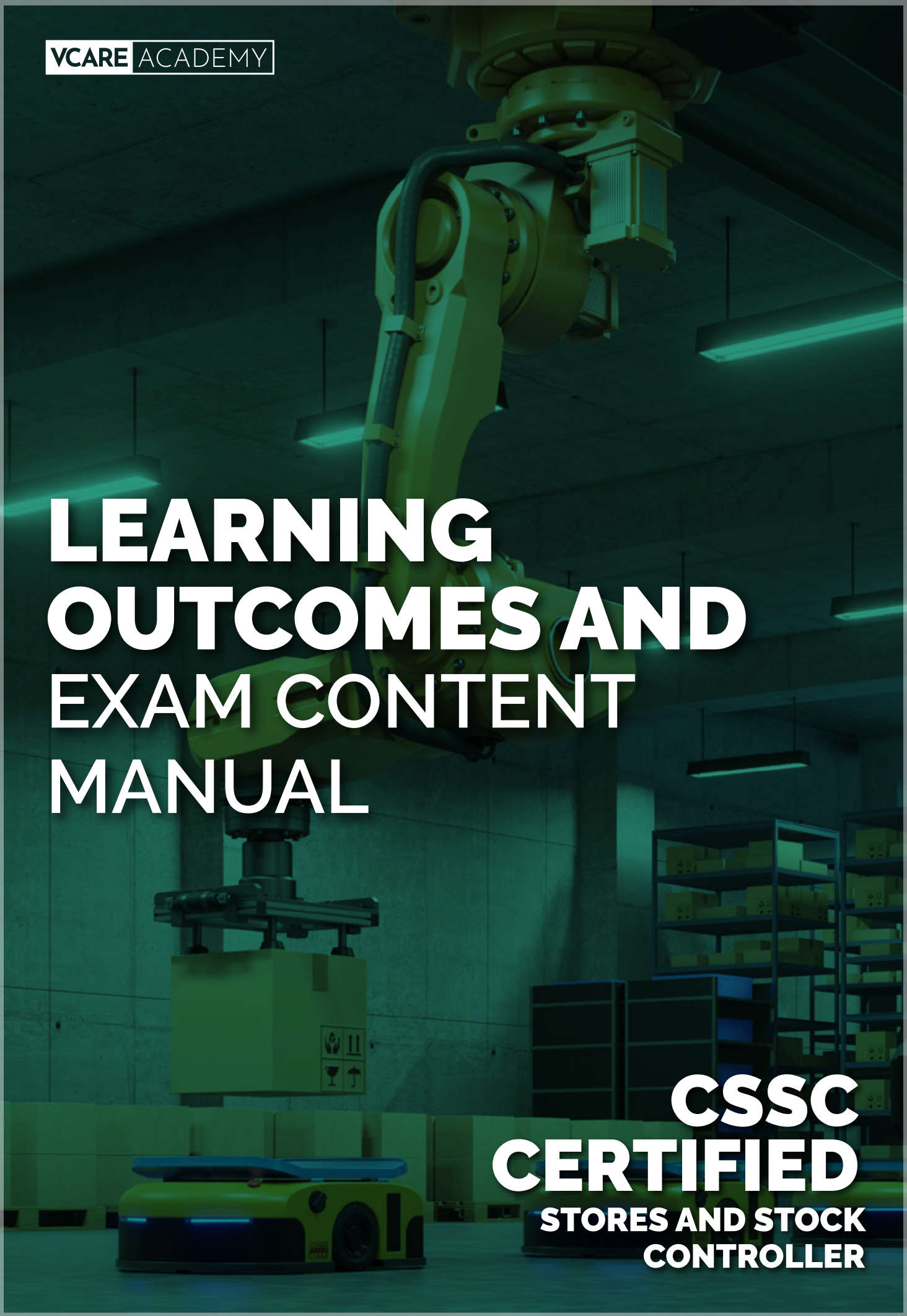
VCARE ACADEMY



# LEARNING OUTCOMES AND EXAM CONTENT MANUAL

## CSSC CERTIFIED

### STORES AND STOCK CONTROLLER

# About program

Operating within a store's environment and managing the large quantities and value of stock is a competitive advantage in today's dynamic economy. Gaining this competitive advantage requires being able to identify the various operations within the store and recognizing the need to implement continuous improvement initiatives to make a store more productive. Being able to identify different categories of stock and knowing how to best ensure the right material is in the right place at the time it is needed.

This program is designed to increase knowledge of the role of the store, the functions of the store personnel, how stock is managed and moved into through and out of the store either to an internal customer or an external customer.

The program covers the role of the store in the 21st Century, how the store fits into the greater supply chain, the roles and responsibilities of those that work in a stores environment, the need for safety and security of both personnel and stock, the receipt, storage and issuing of stock, as well as the proper management of a company's valuable assets. Each of which presents a challenge to those responsible.

# Program objective

The aim of (CSSC) Certified Stores and Stock Controller training is to provide the foundation skills and knowledge in warehouse operations and stock.

**Certified Stores and Stock Controller is designed to help you develop an understanding of :**

- Introduction to stores and stock control
- Stores safety and security
- Store operations
- Stock identification and stock control
- Stock movement

# Perfect program for:

- **Warehouse, distribution, logistics, stores and stock executives, supervisors, managers, and department heads, especially those at a supervisory level tasked with managing a supply chain, warehouse, stores and inventory, and procurement management activities.**
- Stock controllers, those entrusted with the management of a company's financial investment in stocks, and stock levels.
- **Individuals wishing to enhance their knowledge of warehouse, stores and stock methodologies. Employees who may interact with higher-level supply chain leaders and wish to feel on equal footing regarding knowledge.**
- Career starters wishing to make warehousing, stores and stock control a career within the supply chain. Bachelor's and master's level students who wish to supplement an advanced degree with an equally advanced supply chain certification to gain a competitive advantage in the job market.

# Learning outcomes and exam content

## Module 1
Introduction to stores and stock control

## Course outline

1.1 Warehousing and supply chain management
1.2 Roles, responsibilities, and relationships
1.3 Customer service

## Learning outcomes

- List and describe the objectives of store operations; name the different types of warehouses;
- Name and give an explanation of the areas of responsibility assigned to a store;
- Describe the components of a warehouse management system and the operation of a warehouse management system [WMS].
- Describe a range of leadership styles: identify applications for each;
- Name and describe the principle duties of each job function in the store;
- Distinguish between a policy and a procedure; give examples of each in a store;
- Discuss the importance of providing a satisfactory level of customer service to both internal and external customers;

## Exam content

This module examines the role of warehousing in the supply chain and outlines the objectives and aims of good stores practices. Each component of the supply chain is examined along with the importance of viewing the supply chain as a value chain. The concept of stock control and a comparison between centralized and decentralized operations is examined. A description of the operation of a warehouse management system is outlined reviewing the components of a warehouse management system; A number of stores' performance measures are explored.

The roles, responsibilities, and relationships that exist in a store are examined. Different leadership and leadership styles are compared and the role and duties of the team manager, team leader and team member examined. Particular emphasis is placed on the attributes and traits a store man must possess and exhibit. The purpose of policies and procedures is discussed and the relationships between the store and the other functional areas in a typical manufacturing company are outlined.

The importance of the customer and customer service is examined.

# Learning outcomes and exam content

## Module 2
Store safety and security

## Course outline

2.1 Risk and safety management
2.2 Warehouse safety and PPE
2.3 Emergency situations and precautions

## Learning outcomes

- Explain what a risk is; describe how risks can be identified and properly managed;
- Give a brief description of the occupational health and safety act as it applies to the operation of store activities;
- Identify areas in a warehouse where the potential for theft is evident; outline the actions to minimize those risks;
- Identify a number of potential accident situations; suggest ways to prevent their occurrence;
- Name the various categories of PPE [personal protective equipment]; give examples of the application of each.
- Discuss the roles and responsibilities of each role player in the event of an emergency;
- Explain the importance of maintaining discipline and clear-headedness during an emergency situation.

## Exam content

This module examines the purpose of risk and safety management and explains the importance of risk and safety management in a stores' environment. The module outlines the components of the Occupational Health and Safety legislation, describing a number of accident situations, stressing the importance of effective safety training.

The factors that contribute to employee theft are examined, suggesting a number of preventive measures, and the importance of store security in protecting a company's assets.

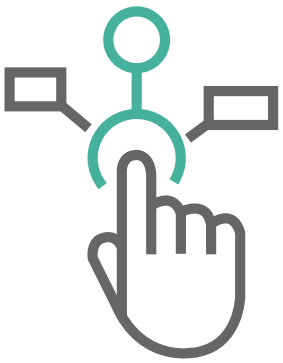
The role of safety and PPE is examined and the importance of acting safely and responsibly in a store environment explored.

The module examines the consequences of an accident; identifying a number of potential accident situations, suggesting ways to prevent their occurrence. The role and importance of personal protective equipment [PPE] in a store is explored

The module discusses emergency situations and precautions and explains the procedures to be adopted in the event of an emergency, whilst highlighting the roles and responsibilities of designated individuals during an emergency situation. A number of emergency situations that are likely to be encountered in the 21st Century are outlined, along with the precautions that need to be taken in the event of an emergency occurring.

# Learning outcomes and exam content

## Module 3
Store operations



## Course outline

3.1 Stores layout
3.2 Productivity and continuous improvement
3.3 Materials handling and storage equipment
3.4 Transportation

## Learning outcomes

- Explain the importance of allocating sufficient space for both the present and future needs to each warehousing activity;
- Explain the need to integrate the materials handling system into the store layout;
- Compare and contrast the various storage methods; give practical examples of the application of each;
- Define the term productivity; give examples of how productivity in the store can be increased;
- Describe the role of ergonomics in improving productivity;
- Name the classes of function-oriented materials handling systems; suggest an application for each;
- Compare and contrast the categories of materials transport systems; give an example from each category.

## Exam content

This module examines the purpose of store layout, productivity and continuous improvement examining the factors to be taken into account - including the integration of the materials handling system - when designing a store facility. A number of alternate storage methods are reviewed, highlighting the advantages and disadvantages of each. cross-docking as an alternative to a more conventional store is reviewed.

Productivity, ergonomics and the need for a continuous improvement initiative in enhancing store operations is discussed.

The role of materials handling and storage dquipment is examined, along with the principles and dimensions of materials handling.

A number of function-oriented transportation systems and the importance of safe operations is discussed. Storage equipment and order-picking systems are examined.

The role of transportation in stores and distribution is discussed with a distinction between for-hire and not-for-hire carriers. The advantages and disadvantages of the different modes of transport is described.

# Learning outcomes and exam content

## Module 4
Stock identification and stock control

## Course outline

4.1 Classifying and coding stock
4.2 Stock taking and stock audits

## Learning outcomes

- Name the primary purpose of classifying and coding stock in both a manufacturing and distribution environment;
- Compare and contrast bar-coding technology with the use of radio frequency [RFID] identification technology;
- Give the advantages and disadvantages of a range of automated data collection techniques;
- Give the primary purpose of taking stock and reconciling the actual count with the book count;
- Explain how the ABC principle can be utilized in determining the frequency by which an item is counted;
- List the key steps to a stock reduction program; highlight the significance of each step.

## Exam content

This module examines the purpose of classifying and coding stock explaining the process to be adopted. A distinction between manufacturing and non-manufacturing stock categories is made. The need to uniquely identify a stock item, and the process of stock identification is discussed. Meaningful codes and a non-meaningful codes are compared and a number of automated data collection techniques, outlining the benefits of using this technology is described.

The importance of stocktaking and stock audits is examined with the reasons why a stocktake is undertaken. The three most popular approaches to conducting a stocktake are outlined and the process of stocktaking and stock reconciliation is discussed.

Where and when a stocktake should be conducted is reviewed, outlining the roles and responsibilities of those responsible. A number of do's and don'ts of stocktaking and a number of golden rules are suggested. The process, purpose, and benefits of reducing stock levels is discussed, and a review of a number of stock pricing methods suggested.

# Learning outcomes and exam content

## Module 5
Stock movement

## Course outline

5.1 Inbound logistics
5.2 Stock issues
5.3 Stock returns
5.4 Reverse logistics
5.5 Distribution management

## Learning outcomes

- With the aid of a flow diagram, describe each step in the receiving process;
- Explain the need to identify all incoming goods prior to them being placed into storage.
- With the aid of a flow diagram, give an explanation of each step in the issuing process;
- Name the types of issues; give an explanation of where each would be appropriate;
- Give an explanation of the various ways in which picking can be carried out; give the advantages of each method;
- Explain the importance of reverse logistics both from an economic and an environmental perspective;
- With the use of examples, differentiate between the different types of recovery options.

## Exam content

This module examines Inbound logistics and explains the role of inbound logistics in the supply chain; highlight the importance of maintaining standard practices during the inbound logistics processes, and distinguishes between quality and correctness. The documentation used during inbound logistics is examined; and the role of labeling and packaging in the supply chain reviewed. Emphasis on the importance of clearly identifying incoming goods and materials at the time they are first received is highlighted; outlining the international symbols as specified in ISO 7000: 2019.

The purpose of stores Issues and the policies and procedures with respect to the issuing of material from the store is examined. The importance of correct authorization; the issuing process, and a description of the documents used is made. The concept of lead-time and the importance of timing-issues, along with the different types of issue is examined.

Stores returns and reverse logistics is examined along with the process of managing the returns from customers is described. An outline of the process of stores returns from both internal and external customers is given.

The role of 3rd party logistics and 4th party logistics providers in a distribution environment is explored. A description of the distribution process, outlining the various distribution channels is reviewed.

# Key terms

Learners wishing to achieve the certification in "stores and stock controller" should familiarize themselves with the following terms. The glossary of terms provides an explanation of each term.

## 1-10

Third partly logistics provider
Fourth party logistics provider
Arrangement, Organization, Cleanliness, Act of Cleaning
Manpower, machine, method, material and measurement - Sources of Variation
Seiri (sort), Seiton (straighten), Seiso (shine), Seiketsu (standardize) and Shitsuke (sustain)
Who, What, When, Where, Why & How and How Many
Basic seven tools of quality
Eight Discipline Problem Solving Method and Report

## A

Automated data collection
Average daily usage
Automated guided vehicle
Automated guided vehicle system
Artificial intelligence
Automatic identification and data capture
Automated information system
Automated materials handling
Analysis of variance
Acceptable outgoing quality
Acceptable outgoing quality level
Accounts payable
Acceptable quality level
Accounts receivable
Available stock
American Standard Code for Information Interchange
Approved supplier list
Advance shipping notice
Automated storage/retrieval system
Available to promise
Average costing method
Approved Vendor List

## B

Business to business
Business to customer
Best in class
Best manufacturing practices
Basic motion times
Bill of distribution
Balance on-hand
Body of knowledge
Bill of material
Best operating practice
Best practice
Build to forecast
Build to order
Build to stock

## C

Cause and effect
Cash to cash
Charge-coupled device
Chief executive officer
Chief financial officer
Continuous improvement
Complete knock down
Cumulative lead-time
Cellular manufacturing
Change management
Cost of conformance
Cash on delivery
Cost of goods sold
Cost of non-conformance
Chief operating officer
Cost of quality
Continuous process improvement
Central processing unit
Continuous replenishment
Customer relationship management
Capacity requirements planning
Customer response program
Collaborative supplier alliance
Critical success factors
Customer satisfaction index
Customer service level
Customer service ratio
Configure to order
Capable to promise
Critical-to-quality characteristics
Company-wide quality management
Hundredweight [unit of measure]

## D

Data base
Distribution centre
Demand during lead-time
Demand driven material requirements planning
Demand during replenishment period
Defective goods inventory
Damaged in plant
Define, Measure, Analyze, Improve, Control
Distribution requirements planning
Distribution resource planning
Decision support system
Demand time fence
Department of Trade and Industries
Digital video disc

## E

Electronic commerce
Engineering change
Engineering change control
Early customer involvement
Engineering change note
Engineering change order
Efficient customer response
Engineering change request
Earliest due date
Electronic data interchange
Equipment damage report
Electronic data transfer
Energy efficient
Electronic funds transfer
Employee involvement
Early manufacturing involvement
Economical order quantity
Environmental Protection Agency
Electronic point of sale
Enterprise resource planning
Early supplier involvement
Engineer-to-order
Executive committee

## F

Frequently asked questions
Final assembly schedule
Flow, accessibility, space, throughput
First-come - first-served
First-expires - first-out
Finished goods

Finished goods inventory
Finished goods receipt
First-in - first-out
Find, inform, restrict, extinguish
First-in - still-here
Fast moving consumer goods
Free on board
Follow one course until successful
Fixed order quantity
Finite planning
Firm planned order
Full time equivalent
Fiscal year end
For your information

## G

Generally accepted accounting principles
Generally accepted manufacturing practices
Global information technology
General Manager
Gross National Product
Global positioning system
Goods' received note
Goods' received voucher
Global system for mobile communications
Group technology

## H

Hazard Analysis and Critical Control Points
Heavy goods vehicle
Handheld
Human machine interface
Human resources
Human resource development
Human resource management
Health, safety, security and the environment
Heads-up display

## I

Invitation for bid
Injury frequency rate
Injury incidence rate
Integrated manufacturing system
Inventory management system
Input/output
Injured on duty
Intellectual property
Internet protocol
Industrial relations
Industrial relations management
Integrated resource management
International Standard Book Number
International Standards Organization
Internet service provider
Injury severity rate
Information technology
I Wish I Knew

## J

Just-in-case
Just-in-sequence
Just-in-time
Joint replenishment program
Just-too-late

## K

Knowledge-based engineering
Keep it simple and straightforward
Keep it simple "stupid"
Knowledge management
Key performance areas
Key performance indicators
Key results areas

## L

Lot-for-lot
Local area network
Life cycle cost
Last-come - first-served
Less than carload
Less than container load
Life cycle management
Last-in - first-out
Lost in plant
Low level code
Last on - first off
Lift on - lift off
Lead-time
Less than truckload
Lead-time management

## M

Management by exception
Management by fear
Management by objectives
Management by wandering around
Mass customization
Managing director
Materials handling equipment
Management information systems
Manufacturing lead-time
Materials management system
Memorandum of association
Moment of truth
Memorandum of understanding
Manufacturing planning system
Master production schedule
Material review board
Material recovery facility
Maintenance, repair and operating supplies
Material requirements planning
Manufacturing resource planning
Motion time analysis
Manufacturing time fence
Methods-time measurement
Make-to-order
Make-to-stock
Mean time to failure
Mean time to repair
Mean time to restore

## N

[Seven] new quality tools
Next best rule
Non-conformance report
National distribution centre
Non-Governmental Organization
Next-in - first-out
New product development
National Productivity Institute
New product introduction
Nice round numbers
Non-value-adding
Non-value adding-activity

## O

Open buying on the Internet
Optical character recognition
Original equipment manufacturer
On-the-job training
Order point
Over, short and damaged
Occupational Safety and Health Act
On-time - in-full
On time, on track, on target

## P

Projected available balance
Production activity control
Pull, aim, squeeze, sweep
Product breakdown structure
Personal computer
Personal digital assistant
Plan, do, check, act
Portable document format
Product data management
Person in charge
Product information management

Product life cycle
Product life cycle management
Preventive maintenance
Predetermined motion time systems
Purchase order
Projected on-hand
Planning, organizing, leading and controlling
Price of non-quality conformance
Point of purchase
Period order quantity
Periods of supply
Point of sale
Production planning and control
Purchase planning and control
Personal protective equipment
Principles of Production and Inventory Management
Parts per million
Product, quantity, route, support, time
Product recovery management
Planning time fence

## Q

Quality assurance
Quality control
Quality control circles
Quality control plan
Quality improvement teams
Quality management system
Quick response
Quick response program
Quality of work life

## R

Research and development
Responsible, accountable, consulted, informed
Random access memory
Responsibility assignment matrix
Root cause analysis
Regional distribution centre
Radio frequency
Request for information
Radio frequency identification
Request for proposal
Request for quotation
Return material authorization
Return on assets
Return on capital employed
Return on investment
Random operating memory
Reorder point
Roll on - roll off
Revolutions per minute
Resistance to change
Real-time locator system

## S

Standard batch quantity
Strategic business unit
Supply chain
Supply Chain Council
Supply chain execution
Supply chain event management
Supply chain management
Supply chain planning
Standard deviation
Self-directed work teams
Shop floor control
Special interest group
Stolen in plant
Supplier-input-process-output-customer
Stock keeping unit
Specific, measurable, agreed to, realistic and time constrained
Small and medium sized enterprises
Subject matter expert
Supplier managed inventory
Self-motivated work team
Supplier owned inventory
Sales and operations planning
Standard operating procedure
Statement of work
Statistical process control
Stop producing crap
Schedule of planned factory order releases
Schedule of planned purchase order releases
[Safety is more important than Production, Quantity, Quality and Efficiency].
Supplier relationship management
Safety stock
Strengths, weaknesses, opportunities, threats

## T

Total average cycle time
Time-based competition
Total cost of ownership
Total employee involvement
Target inventory
Truck load
Total loving care
Transport management system
Theory of constraints
Trailer on a flatcar
Team-oriented problem solving
Total productive maintenance
Toyota Production System
Total quality control
Total quality improvement
Total quality involvement
Total quality management
Transport requirements planning
Technical specification

## U

Unit cost
Unit of issue
Unit of measure
Universal product code

## V

Value analysis
Value-added activities
Value added distribution
Value-added network
Voice activated technology
Value-based management
Video display terminal
Video display unit
Value engineering
Vendor managed inventories
Voice of the customer
Vendor owned inventories
Voice recognition
Voice recognition device
Value stream mapping
Volatile, uncertain, complex, ambiguous

## W

Wide area network
Work cell
Work centre
Workman's Compensation Act
Workman's Compensation Commissioner
World class manufacturing
What's in it for me
Work-in-process
Warehouse management system
Warehouse movement tag
Work movement tag
Work order
Work planning and control
With respect to
What you see is what you get

## XYZ

Cross-functional team
Extended graphics adapter
Extensible mark-up language
Yard management system
Zero emissions vehicle

# Sample questions

The sample questions included here are similar in format to the questions contained in the final exam.

These questions are included to enable you to become familiar with the approach to questions that you will encounter when you take the exam. Remember these are only sample questions and your score in this sample should not be interpreted as your potential for successfully achieving a pass in the final exam.

Select the most correct answer for each of the following multiple choice questions.

When answering multiple choice questions do the following: Read the question, read the question again underlining the key words and eliminating any definite wrong answers. Read the question again. Remember there is no negative marking, so if in doubt at least take your best shot.

Indicate your answer by circling the appropriate letter, a, b, c, or d.

## Question No. 1

Which warehouse management system [WMS] module reserves dock time for incoming goods?

a. The scheduler.
b. Materials-handling supervisor.
c. Inventory locator.
d. Shelf-life supervisor.

## Question No. 2

Which **BEST** describes a person's ability to "tell when something is wrong?"

a. Information ordering.
b. Problem sensitivity.
c. Deductive reasoning.
d. Inductive reasoning.

## Question No. 3

The **FIRST** step to take to ensure a high level of warehouse security is:

a. Hire the right people.
b. Harden the target.
c. Practice management by walking around.
d. Take the appropriate disciplinary action.

## Question No. 4

The areas of warehouse activity that are the **MOST** prone to accident situations are:

a. The rest room and storage area.
b. The shipping area and storage area.
c. The storage area and data collection area.
d. The receiving area and shipping area.

## Question No. 5

The primary reason for assigning a code to an item is to:

a. Uniquely identify that item.
b. Avoid ambiguity between supplier and customer.
c. Determine the bin size to be used for storing the item.
d. Totally eliminate the need for a description of the item.

## Question No. 6

Which type of picking mixes the order-picking and preparation area with the storage area?

a. Separated picking.
b. Integrated picking.
c. Reserve/active picking.
d. Each of the above.

## Question No. 7

Which function-oriented materials handling systems are used to move goods from one location to another?

a. Conveyor systems and transportation systems.
b. Transportation systems and elevating systems.
c. Elevating systems and conveyor systems.
d. Conveyor systems, elevating systems, and transportation systems.

## Question No. 8

Which of the following is a purpose of cycle counting?

a. To verify the accuracy of the stock records.
b. To verify the physical location of a stock item.
c. Both a and b above.
d. Neither a nor b above.

## Question No. 9

Which would be taken into consideration when creating a priority picking system?

a. Type of order and size of order.
b. Order size and customer value.
c. Customer value and type of order.
d. Type of order, order size, and customer value.

## Question No. 10

The transportation network that requires the LEAST amount of organizational effort is:

a. Direct shipment network.
b. Cross-docking operations.
c. Shipment through a centralized distribution network.
d. Direct shipment with milk runs.

# Answers to sample questions

## Question No. 1

Which warehouse management system [WMS] module reserves dock time for incoming goods?

a. **The scheduler.**
b. Materials-handling supervisor.
c. Inventory locator.
d. Shelf-life supervisor.

## Explanation

The scheduler is a warehouse management system that is capable of reserving dock time for a trailer based upon four metrics: When the trailer will be available; When the trailer must arrive at its destination; When goods will be available for shipment; The amount of time required for the goods to be packaged, tagged [labeled], staged, and loaded.

The material-handling supervisor is another service operating within the warehouse management system that keeps track of the availability and location of the equipment required to move goods from one location in the warehouse to another.

The inventory locator is a module that allows the warehouseman to find stock items at various locations within the warehouse.

The shelf-life supervisor automatically routes goods from the appropriate staging areas, and forces bulk moves between staging areas depending upon the "use by date" of the goods.

## Question No. 2

Which **BEST** describes a person's ability to "tell when something is wrong?"

a. Information ordering.
b. **Problem sensitivity.**
c. Deductive reasoning.
d. Inductive reasoning.

## Explanation

Information ordering is the ability to arrange things or actions in a certain order or pattern according to a specific rule or set of rules. For example, patterns of numbers, letters, words, pictures, mathematical operators, and stock item placement.

Problem sensitivity is the ability to tell when something is wrong or is likely to go wrong in the near future. This attribute does not involve solving the problem, only recognizing that a problem does exist, and could develop into a situation if left unattended.

Deductive reasoning is the ability to apply general rules to specific problems to produce answers that make sense, and which eventually lead to the resolution of a situation.

Inductive reasoning is the ability to combine pieces of information to form general rules or conclusions - this includes finding a relationship among seemingly unrelated events such as warehouse theft and open windows; cycle counting mistakes and non-calibrated weighing equipment.

## Question No. 3

The **FIRST** step to take to ensure a high level of warehouse security is:

a. **Hire the right people.**
b. Harden the target.
c. Practice management by walking around.
d. Take the appropriate disciplinary action.

## Explanation

Warehouse security begins by ensuring the right caliber of person is chosen to work in the warehouse where large volumes of valuable stocks are being held. Hardening the target will act as a deterrent, and although this action may not totally protect the stock from theft, it will go a long way toward deterring the would-be thief.

When management pay surprise visits to the warehouse, and nobody is quite sure when this will happen, this has the effect of putting people on their guard. Nobody is likely to want to steal if they believe there is a chance of getting caught.

## Question No. 4

The areas of warehouse activity that are the **MOST** prone to accident situations are:

a. The rest room and storage area.
b. The shipping area and storage area.
c. The storage area and data collection area.
d. **The receiving area and shipping area.**

## Explanation

There is usually a great deal of materials handling equipment being used in these areas, and accidents involving a fork truck are certainly not uncommon in the warehouse.

However, accidents can happen anywhere in the warehouse, this includes the storage area, rest rooms, and the data capture areas. In the case of data capture, cut fingers from sharp paper edges is known to be a constant potential safety hazard.

The receiving area and shipping area are the most likely areas in the warehouse where an accident can occur. This is primarily due to the amount of activity that takes place in these areas - particularly in the field of lifting and carrying.

## Question No. 5

The primary reason for assigning a code to an item is to:

a. **Uniquely identify that item.**
b. Avoid ambiguity between supplier and customer.
c. Determine the bin size to be used for storing the item.
d. Totally eliminate the need for a description of the item.

## Explanation

The item code can contain information on the physical location in the warehouse for an item; this would assist in determining the best storage location for that item.

Suppliers and customers often use their own codes when supplying and selling items; care needs to be taken to ensure there is no confusion between a supplier or customer code and the code used by the company.

The primary reason for allocating a code to an item is to be able to uniquely identify that item from any other item - similar or dissimilar.

At times it is preferable to have a short description accompany the code to aid with the identification of the item. This is particularly useful when a non-significant code is being used.

## Question No. 6

Which type of picking mixes the order-picking and preparation area with the storage area?

a. Separated picking.
**b. Integrated picking.**
c. Reserve/active picking.
d. Each of the above.

## Explanation

Separated picking makes provision for "separate" storage and order preparation areas. This configuration allows better access to the goods that have to be picked.

Integrated picking makes use of the general area approach, which mixes the order-picking and order preparation area with the storage area.

Reserve/active picking creates a "reserve/active" area where the warehouse is subdivided into two distinct areas: one is used for "reserve" storage, and the other for "active" or forward storage.

## Question No. 7

Which function-oriented materials handling systems are used to move goods from one location to another?

a. Conveyor systems and transportation systems.
b. Transportation systems and elevating systems.
c. Elevating systems and conveyor systems.
**d. Conveyor systems, elevating systems, and transportation systems.**

## Explanation

Materials handling equipment can be classified by the "function" it performs. Automated storage and retrieval systems, conveyor systems, elevating systems, self-loading and unloading systems, transferring systems, and transportation systems, are each an example of a function-oriented materials handling system.

## Question No. 8

Which of the following is a purpose of cycle counting?

a. To verify the accuracy of the stock records.
b. To verify the physical location of a stock item.
**c. Both a and b above.**
d. Neither a nor b above.

## Explanation

The purpose of carrying out a cycle count is to verify that what is in stock is the same as what is on the item record - and where it is being held.

Where discrepancies between the actual count and the book count are identified these need to be fully investigated, the root cause identified, with the necessary corrective actions initiated to ensure that the same [or similar] problems do not reoccur.

At times items are misallocated, and the second objective of a cycle count program is to confirm the physical location of each item held in inventory. Items found in the incorrect location can be relocated, with the records updated to reflect this stock movement.

## Question No. 9

Which would be taken into consideration when creating a priority picking system?

a. Type of order and size of order.
b. Order size and customer value.
c. Customer value and type of order.
**d. Type of order, order size, and customer value.**

## Explanation

**Type of order:** This relates to the purpose of the order and the customer. Normally external sales and materials requisitions from internal customers would take preference over inter-company transfers and other orders not requiring the same degree of urgency. These orders could be dealt with at a later time.

**Order size:** Small orders are easier and quicker to deal with. Applying this rule would enable the warehouse to complete more orders in a specific period of time. Apart from the psychological effect this may have, it is difficult to justify why this method should be used. But if it works, then use it.

**Customer value:** This method is based on current business, past loyalty, and expected future-spend from customers. Valued and trusted customers should - and do - expect their orders to be treated promptly.

Other factors that would be taken into consideration would include method of shipment requested, method of payment, status of the order, total extended Rand value, the date that the order was called in.

In addition each supply company would most likely have its own criteria for determining how each order should be treated. The aim would be to provide the best overall level of customer service to each of its customers. A company's reputation is built on customer service.

## Question No. 10

The transportation network that requires the **LEAST** amount of organizational effort is:

**a. Direct shipment network.**
b. Cross-docking operations.
c. Shipment through a centralized distribution network.
d. Direct shipment with milk runs.

## Explanation

Using the direct shipment network suppliers supply directly into the marketplace, mainly to the retailer, but sometimes directly to the customer or end user.

Cross-docking operations make use of a special type of warehouse. One where goods are delivered and collected with little, if any, goods actually being held at the warehouse itself. Organization of this type of facility revolves principally around the timing of receipts and the timing of the dispatch of vehicles.

When shipping through a central distribution network, goods are routed via distribution centres, warehouses, and retail outlets positioned vertically in the supply chain, before eventually being delivered to customers.

A distribution network is by far the most complex to design and economically operate.
Using direct shipment with milk runs, a truck is able to deliver goods from a single manufacturer, [supplier] to multiple retailers [customers].

With direct shipment with milk runs a fair degree of organization will be required in determining the most economic routes to follow, as well as the timing of the dispatch and choice of transport.

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