

1000002107

**INVENTORY MANAGEMENT –
CONTROL AND REPLENISHMENT**

FOR THE DEPARTMENT OF
BUSINESS ADMINISTRATION

IMEE JUIANA BT HJ. TAJUDDIN

PROJEK
PENGESAN PELAJAR

BACHELOR OF BUSINESS ADMINISTRATION (TRANSPORT)

SCHOOL OF BUSINESS ADMINISTRATION

MARA INSTITUTE OF TECHNOLOGY (ITM)

SHAH ALAM

MARCH 29th 1999

CONTENT

		Page
LIST OF ABBREVIATIONS		
ACKNOWLEDGEMENT		
CHAPTER I	1.0 INTRODUCTION	
	1.1 BACKGROUND OF STUDY	1
	1.2 OBJECTIVES	9
	1.3 SCOPE AND LIMITATION	9
	1.4 PROBLEM STATEMENT	10
	1.5 METHODOLOGY	11
CHAPTER II	2.0 THEORETICAL FRAMEWORK	13
CHAPTER III	3.0 SAPURA MARKETING SDN. BHD.	
	AT A GLANCE	37
CHAPTER IV	4.0 FINDINGS AND ANALYSIS	50
CHAPTER V	5.0 CONCLUSIONS	
CHAPTER VI	6.0 RECOMMENDATIONS	

APPENDICES

BIBLIOGRAPHY

CONFIDENTIALITY

APPENDICES

ACKNOWLEDGEMENT

First of all, I would like to thank god for giving me the strength and blessings in completing my thesis. I would like to thank my parents, grandmother and siblings for giving me their love and support, from the start of my attachment to Sapura Marketing until the end of my thesis.

To my lecturer and advisor Dr. Tengku Jamaluddin Tengku Mahmud Shah for all his help and ideas. I extend my gratitude to Sapura Marketing Sdn. Bhd. In recruiting me for three an a half months in order to fulfill my final semester requirements. I am grateful to En. Rani, En. Mohd. Noor Abu Samah, En. Samad, Cik Sharifah, Cik Zainon, Cik Rashidah, Cik Mas and the rest of SMSB staff.

My personal thanks to En. Mokhtar in giving me ideas and informations and also to my close friends Kavitha and Shahidah for giving me help and support. Not forgetting my other friends, Yuna, Dahlia, Sai Adila and Murni for their love and support all through my education years in ITM.

- Thank You -

CHAPTER I

1.0 Introduction

1.1 Background of Study

Planning and controlling as well as replenishments of inventories are crucial decisions. There are unpredicted situations which, lead firms to make decisions so that overstock or stock-outs would not occur. Keeping inventories will costs the firms money. An effective planning and control of inventories is fundamental if distributors are to achieve their goals simultaneously. Selecting of inventory ordering policy is crucial to guide planners and purchasers to determining what items to be ordered, when orders should be released and the order quantity. An inventory created out of economical reason could act as a buffer and gives company time to replenish. Inventories which are stocked too long could age and this will cost the company financially and operationally because it is very difficult to sell old stocks.