

GRADUATION EXERCISE

A STUDY ON INVENTORY PLANNING AND CONTROL :
MEETING ORDER LEVEL AND AVOID SHORTAGES

A GRADUATION EXERCISE SUBMITTED TO THE SCHOOL OF
BUSINESS AND MANAGEMENT IN PARTIAL FULFILLMENT FOR
ADVANCED DIPLOMA IN BUSINESS ADMINISTRATION (TRANSPORT)

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SHAH ALAM, SELANGOR

APRIL, 1993

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ABSTRACT

The main purpose of this Graduation Exercise is to identify some of the main problems under the operational activities in a manufacturing company. HICOM-Yamaha Manufacturing (M) Sdn. Bhd. is considered as one of the company that practices dependent demand where their engines demand is directly depend on another company, i.e. Hong Leong Yamaha. Through observations, interviews and statistical analysis, there are several factors that influence on the overall performance of the company. This factors are discussed in further detail in Chapter 3 and 4. Even though the scope of the study only covers materials management that directly related to Operations Department, some of them also indirectly related to other department such as Quality Control Department and Engineering Department.

1.0 INTRODUCTION

It was more than twelve years ago when Malaysia finally decided to involve seriously in heavy industries that would gear further development to the country.

HICOM was set up by the Government to realise its vision of rapid growth especially to spearhead the nation's industrial drive. HICOM which stands for Heavy Industries Corporation of Malaysia Berhad was incorporated on December 27th. 1980 and within short space of a decade, it had pursued its mission with success. Continuously, HICOM is still acting as a catalyst to heavy industries. It has been at the forefront and has keep on participating in major heavy industries investment including engineering, manufacturing, project management and joint-ventures, and has spurred the growth of support and ancillary enterprises. The four broad activities that HICOM is involved are Transport Automotive, Engineering, Realty and Building Material.