

FINAL YEAR PROJECT REPORT

DIPLOMA IN MECHANICAL ENGINEERING, SCHOOL OF ENGINEERING

SHAH ALAM

INVENTORY CONTROL

PRACTICES AND RECOMMENDATION.

BY :

DALAN B. KIDAN

MOHD HANIM B. IMAM MUSTAIN

RIDZUAN B. HUSSIN

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Dahlan Kidam
Mohd. Hamim Imam
Ridzuan Hussin

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I. INVENTORY CONTROL

1.1 Introduction.

The control of inventory has, over the years, become one of the main functions of the production manager an area of concern for the finance department and an area of vital importance to the salesman. As a production function, practitioners and academicians have applied a variety of analytical techniques to solve the multidimensional problem of inventory control and this paper will highlight some of these mathematical techniques after the project been completed.

1.2 Defination.

Inventory control is the means by which material of the correct quantity and quality is made available as and when required with due regard to economy in costs. It involves assessing the items to be held in stock, deciding the stock holding policies of items individually and collectively, regulating the input of stock into the store and regulating the issue of stock from the store.

Stock items include the following:

- i) Raw material
- ii) Piece parts or components.
- iii) Bought out parts.
- iv) tools and gauges.