



IE 472
Operations of Manufacturing Systems
Spring 2011
Dr Ateekh-Ur-Rehman



Date: 6-3-2011

Quiz # 1

Section: 13185

Time: 2 to 3

Name:

Student ID:

Question 1: Fill in the blank

- Time between placing an order and the availability of those items for use is defined as _____.
- According to EOQ modeling assumption demand is _____ and _____ over time.
- Reorder point specifies the timing for placing _____.

Question 2: State true or false

- Role of inventory originates with shipment of raw material and ends with delivery of products to the customer (_____)
- Backorders are items promised to customers but not yet delivered (_____)
- Work-in-process is the number of semi finished products currently in production (_____)

Question 3

- Determine the economic order quantity and the annual inventory cost for a purchased item if the annual demand is 10000 pieces. Inventory carrying costs are 20 % per year, purchased price for item is 100SR per piece without discounts and ordering cost is 30 SR for each order.
- Suppose in the above case the supplier allows 1% of discount on purchased price for the order quantity corresponds to 1000 pieces per order. What will be the total inventory cost?