University of Mumbai
NAAC ACCREDITED
SYLLABUS FOR SEM-V
Program - B.Com
Course- Purchasing and Storekeeping (APPLIED COMPONENT) - I
Credit Based Semester and Grading System
w.e.f. the Academic year 2013 - 2014
Purchasing and Storekeeping (Applied Component) - I
w.e.f. the academic year 2013-2014
T.Y.B.Com. Semester - V

Module – I  Materials Management - Classes & Types  (15 lectures)
- Definition, Meaning
- Importance
- Essentials of Materials Management
- Scope
- Objectives
- Functions of Materials management
- Benefits of Materials Management
- Materials requirement planning (MRP) - meaning, needs, factors affecting MRP
- Materials Budget – factors and procedure
- ‘E’ materials management - Computer application and operation, uses and advantages
- Classes of Materials / Types of materials
- Raw materials, parts, WIP, inventories, finished goods, tools, equipments, etc.

Module – II  Scientific Purchasing  (15 lectures)
- Types of Buyers, Consumers
- Personality traits for purchase executives (qualities on qualification)
- Organization of purchase department – functions of purchase department
- Objectives of Scientific Purchasing
- Purchasing Principles
- Importance of Purchasing
- Co-ordination of purchase department with other department
- Purchasing Policy
- Speculative buying v/s Conservative buying
- Concentrated buying v/s Diversified buying
- Reciprocal buying policy
  - Purchase methods and Classification – advantages, limitation & distinguish
  - Market purchasing
  - Contract purchasing
  - Centralized and decentralized purchasing
  - Speculation and Hedging
• Forward purchasing
• Group purchasing
• Job lot purchasing through commission agent
• Purchase through quotations

Module – III  Purchase Procedure  
(15 lectures)
- Make or buy or import decision
- Ethics in buying
- Buyer and Seller relationship
- Purchase Cycle
- Sources and supplier’s development – methods
- Selection of suppliers – factors
- Vendor rating and vendor development
• Home trade purchasing
  Purchase requisition, Quotation – types, invoice to final settlement and payment
- Legal aspects of contract – contents – clauses
- Records maintained by Purchase Department
- Documentation
• Import trade procedure
- Indent house / firm
- Functions and services offered by indent house
- Procedure of Importing
- Documentation
Suggested Reading Material: (Sem – V &VI)

11. Dr. P. K. Bangar and Dr. B. S. Rupnawar
    Purchasing and Storekeeping – Himalaya Publication House.
27. Roy Chowdhury, B. K. : Management of Materials (Sultan Chand and Sons, New Delhi).
N.B.  (i) All questions are compulsory.  
      (ii) All questions carry equal marks.

Q.1 Answer any one from the following - (15 marks)
     a.  
     b.  
     (from module no. I)

Q.2 Answer any two from the following - (15 marks)
     a.  
     b.  
     c.  
     d.  
     (from module no. II)

Q.3 Answer any two from the following - (15 marks)
     a.  
     b.  
     c.  
     d.  
     (from module no. III)

Q.4 Answer the following (objective type question)
     (Covering entire syllabus)
     a. Match the following  (5 marks)
     b. True or False (not reason)  (5 marks)
c. Multiple Choice (5 marks) OR
   Fill in the blanks (5 marks)
Module – I  Store Department & Inspection of Materials  (15 lectures)
- Definition and Meaning
- Objectives
- Functions
- Duties and responsibilities of Storekeeper / Store Controller / Stock Controller

1. Types of Organization of stores
2. Storage Section / Department – Stages in Storekeeping
3. Objectives of storekeeping
4. Functions of Store-keeper
5. Layout of stores - factors affecting, importance

- Preservation of materials / Care taken by store department
- Store Records – objectives, needs
- Store recording and documents used
- Store Ledger and Bin Card - meaning, advantages
- Documentation
- Inspection of materials – meaning, importance, methods
- Physical verification of stores – meaning, methods

Module – II  Store Accounting  (15 lectures)
- Importance of Store Accounting & Issue Section
- Advantages of Stores Accounting System
- Documents maintained
Issue Section – Methods of valuation of materials
- Control of material cost
- Valuation of purchases
- Material handling section – objectives, principles and advantages
- Codification – features, methods and advantages
- Goods received note material, return note, material transfer note

Materials control activities and functions
Identifiable cost method – uses and applicability
- Methods of valuation of materials – meaning, advantages, disadvantages
- FIFO method
- LIFO method
- Simple average method
- Weighted average method
- Deficiencies and surplus at stock materials
- Stock taking and stock audit
- Documentation
- Lead time – meaning and classification

Module – III Inventory Control (13 lectures)
- Inventory levels – various stock levels - Maximum level, Average Stock level, Re-order level, Minimum level
- Meaning of Inventory control, objectives of Inventory control
- Essentials of successful inventory - control system
- Activities of Inventory of control techniques
- Perpetual Inventory control system
- Importance and advantages
- Selective in techniques of Inventory control
- Value analysis / Cost reduction techniques – steps
- ABC analysis
- Zero inventory culture
- Economics order quantity – methods and importance
Suggested Reading Material: (Sem – V &VI)

32. Baily, Peter : Purchasing Principles and Management.
40. Dr. P. K. Bangar and Dr. B. S. Rupnawar
   Purchasing and Storekeeping – Himalaya Publication House.
47. Heinritz, Stuart F. : Purchasing Principles and Applications (Prentice Hall–U.S.A.)
50. Magee, John F. : Production Planning and Inventory Control (McGrow Hill, U.S.A.).
51. Materials Management, Inventory Control and Logistics – Texts and Cases.
56. Roy Chowdhury, B. K. : Management of Materials (Sultan Chand and Sons, New Delhi).
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Q.4 Answer the following (objective type question) (Covering entire syllabus)
   a. Match the following (5 marks)
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   c. Multiple Choice (5 marks)
   OR
   Fill in the blanks (5 marks)