**Exam-style questions**

1. Define the terms ‘stock’ and ‘assets’ in the context of inventory management. (2 marks)

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2. Explain two disadvantages of holding excess stock in a manufacturing business. (4 marks)

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3. Kanban is a visual management tool used in just-in-time (JIT) manufacturing to improve workflow and efficiency.

Explain how Kanban supports JIT production, including its key principles. Provide an example of Kanban in action. (6 marks)

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4. Evaluate the impact of poor stock management on a manufacturing company’s efficiency and profitability. Provide examples to support your answer. (6 marks)

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5. A manufacturing company is considering switching from a made-to-stock (MTS) production system to a just-in-time (JIT) system to improve efficiency and reduce costs.

(a) Evaluate the benefits and risks of this transition. (6 marks)

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(b) Provide recommendations on how the company can successfully implement JIT while minimising risks. (6 marks)

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