



# SNS College of Technology

Coimbatore - 35



**19BAE711 – Working Capital Management**

**Unit III - Inventory Management**

**Presented by**

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# Guest the topic

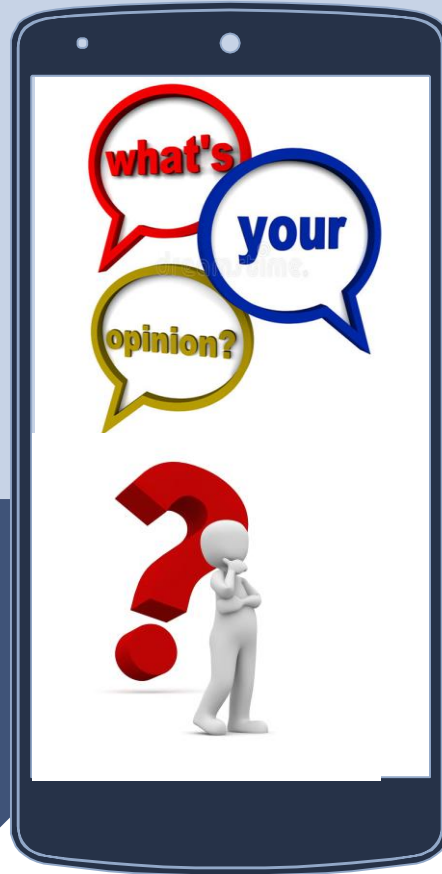




# Recall

- Purpose of Estimation
- Methods of Estimation
  - *Cash Flow Method*
  - *Historical Data Method*
  - *Industry and Trade Standards Method*
  - *Ratio Analysis Method*
  - *Management Judgment Method*





# What is Inventory?



# Inventory Control

- Inventory control, also called stock control, is the process of ensuring the right amount of supply is available in an organization.
- With the appropriate internal and production controls, the practice ensures the company can meet customer demand and delivers financial elasticity.





## Cont...

- Successful inventory control requires data from purchases, reorders, shipping, warehousing, storage, receiving, customer satisfaction, loss prevention and turnover.
- Inventory control enables the maximum amount of profit from the least amount of investment in stock without affecting customer satisfaction.



# Objectives





# Why Inventory Control?

- Cost control
- Money Management
- Optimize the warehouse, stock room, supply room, or storefront







# Ways to Control Inventory

- Manual
- Stock cards
- Simple Spreadsheets
- Basic Inventory Software





# Techniques

- FIFO and LIFO
- Min-Max Inventory Control
- JIT Inventory
- Two- or Three-Bin System
- Fixed Order Quantity
- Fixed Period Ordering
- Vendor-Managed Inventory
- Set Par Levels





# Inventory Control Best Practices



- Choose a Management Improvement Methodology
- Optimize Purchasing Procedures
- Manage Supplier Relationships
- Create Automated Reports
- Conduct a Risk Assessment
- Regularly Audit
- Selective Inventory Control





# Assessment

Regularly Audit is one of the best practices in inventory control

True / False

**Ans: True**





# Summary

- Inventory Control
- Objectives
- Need and Importance
- Ways to Control Inventory
- Techniques of Inventory Control

SUMMARY





# Reference

- [https://www.brightpearl.com/inventory-management-system/inventory-control#:~:text=Inventory%20control%2C%20also%20called%20stock,or%20disposal%20\(not%20ideal\).](https://www.brightpearl.com/inventory-management-system/inventory-control#:~:text=Inventory%20control%2C%20also%20called%20stock,or%20disposal%20(not%20ideal).)
- <https://www.netsuite.com/portal/resource/articles/inventory-management/what-are-inventory-management-controls.shtml>
- <https://www.wallstreetmojo.com/inventory-control/>



# Reach Us



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*Thank  
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