



**The Chartered  
Institute of Logistics  
and Transport**

**INTRODUCTORY CERTIFICATE IN LOGISTICS AND TRANSPORT**

**INTRODUCTION TO INVENTORY AND WAREHOUSING**

**INTRO-03**

**November 2023**

**Note to Candidates**

Candidates are advised to spend NOT more than 60 minutes in Section A and not more than 40 minutes on each question in Section B.

**Instructions to Candidates**

- Duration of examination: **2.30 hours**
  - **Answer ALL Questions in Section A and any THREE questions in Section B**
  - Questions may be answered in any order.
  - Allocation of marks is indicated along each question.
  - Credit will be given for citing relevant examples.
  - Write legibly.
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**SECTION A**

**COMPLUSORY**

- a) Describe the three main benefits to be obtained from a well maintained MHE fleet  
**(6 marks)**
- b) List and explain any four costs incurred by inventory. **(12 marks)**
- c) Describe any three products that require special storage in a warehouse. **(9 marks)**
- d) What size is the area of a warehouse that is 85 metres long and 40 metres wide.  
**(2 marks)**
- e) With reference to (d) above, if grain covers 20% of the warehouse space, how many square metres are not covered by grain. **(3 marks)**
- f) Explain why stock rotation is important. **(8 marks)**

## **SECTION B**

**Answer any THREE questions.**

### **QUESTION 1**

Explain your understanding of reverse logistics and its importance in a warehousing operation. **(20 marks)**

### **QUESTION 2**

Describe the fixed and variable costs that are related to a warehousing operation. **(20 marks)**

### **QUESTION 3**

Describe ways a company might use ICT to manage its inventory and reduce its inventory costs. **(20 marks)**

### **QUESTION 4**

Explain any five reasons for keeping inventory. **(20 marks)**

### **QUESTION 5**

Define KPIs and explain any 5 KPIs and their importance in a warehouse. **(20 marks)**