

JOB ROLE –STORE KEEPER

Sector – Apparel, Made-Ups and Home Furnishing

(Qualification Pack Code: AMH/Q0501)

Class XI

PSS Central Institute of Vocational Education
Shyamla Hills, Bhopal – 462013 , Madhya Pradesh, India



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UNIT 1: ORGANIZATION / ARRANGEMENT OF STORE ITEMS

Session 3: Stock checking of material periodically

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Session Objectives

The students will be able to:

- Gain knowledge of inventory management.
- Explain about guidelines for working of system for inventory control.
- Gain knowledge of importance of periodical checking of stock.

STOCK MANAGEMENT AS A FUNCTION OF STORE KEEPER

- Stock management also known as inventory management is an important function of a store keeper.
- This function aims at keeping periodic check on how much stock we have at any given time, and how much quantity we need to maintain for smooth flow of production process.

Bin Card

- Also known as stock card, a bin card is the record maintained under the stock management/inventory control system by the store department.
- It reflects the quantities of materials received, issued and balance left after every receipt and issue.

BIN CARD

Material Code-.....
Material Description-.....
Location-.....
Unit of Measurement-.....

Maximum Level-.....
Minimum Level-.....
Recorder Level-.....

Date	Doc NO.	Received from/Issued to	Receipt	Issue	Balance	Verification with SI Date & Verified by	

Functions of a Bin Card

It helps the organization in the following ways –

Periodic
Follow-up of
Stock

- Helps avoid stock outs
- Reduces downtime in production
- Increases profit

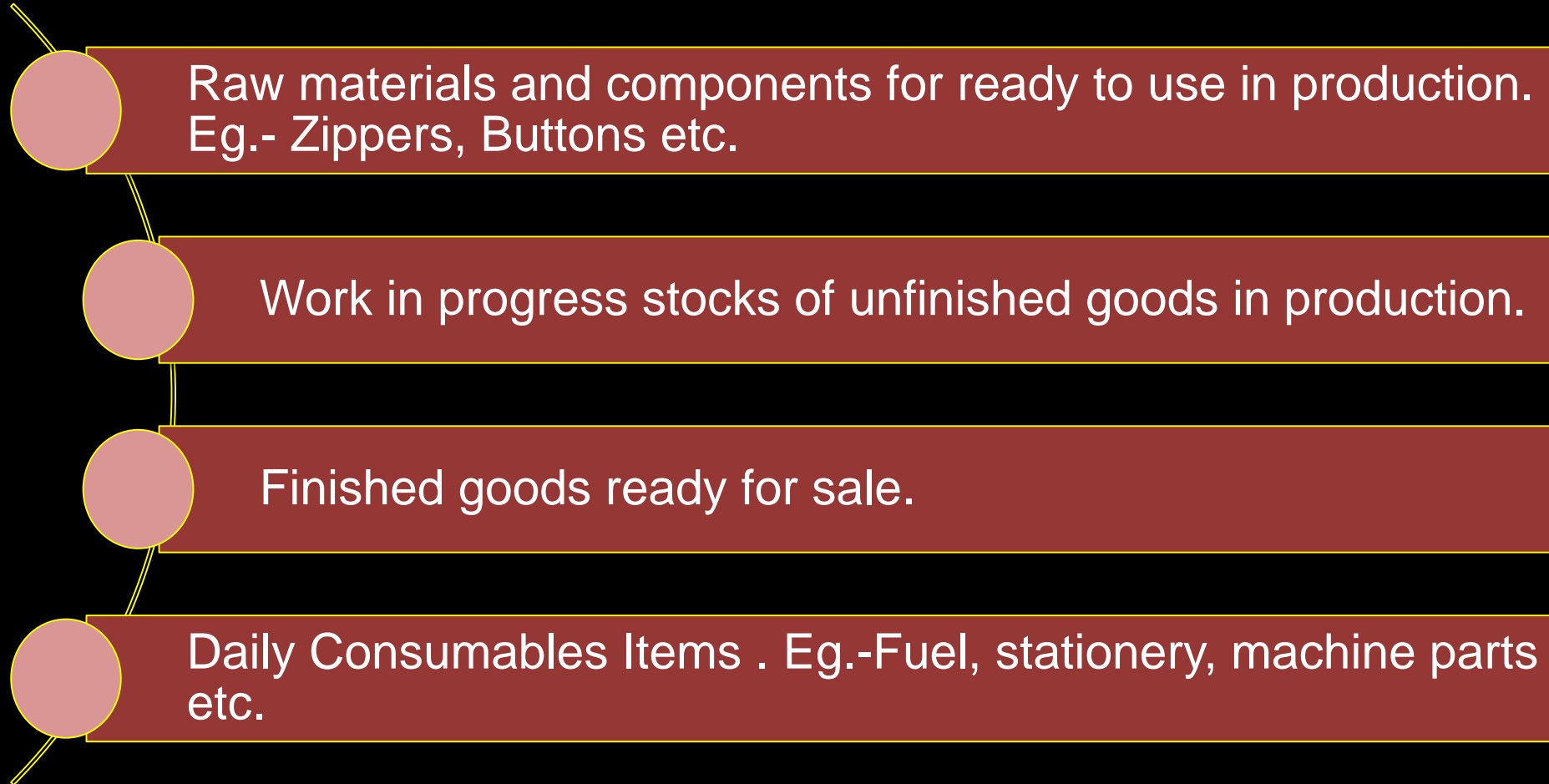
Periodic
Reviews

- Detect obsolete and non-moving items
- Get rid of accumulated /unproductive inventory

GUIDELINES STOCK/ INVENTORY CONTROL

- Types of stock
- How much stock should be kept?
- Stock control methods
- Stock control systems - keeping track manually
- Stock control systems - keeping track using computer software
- Using RFID for inventory control, security and quality management
- Control the quality of your stock
- Stock control administration

Types of Stock



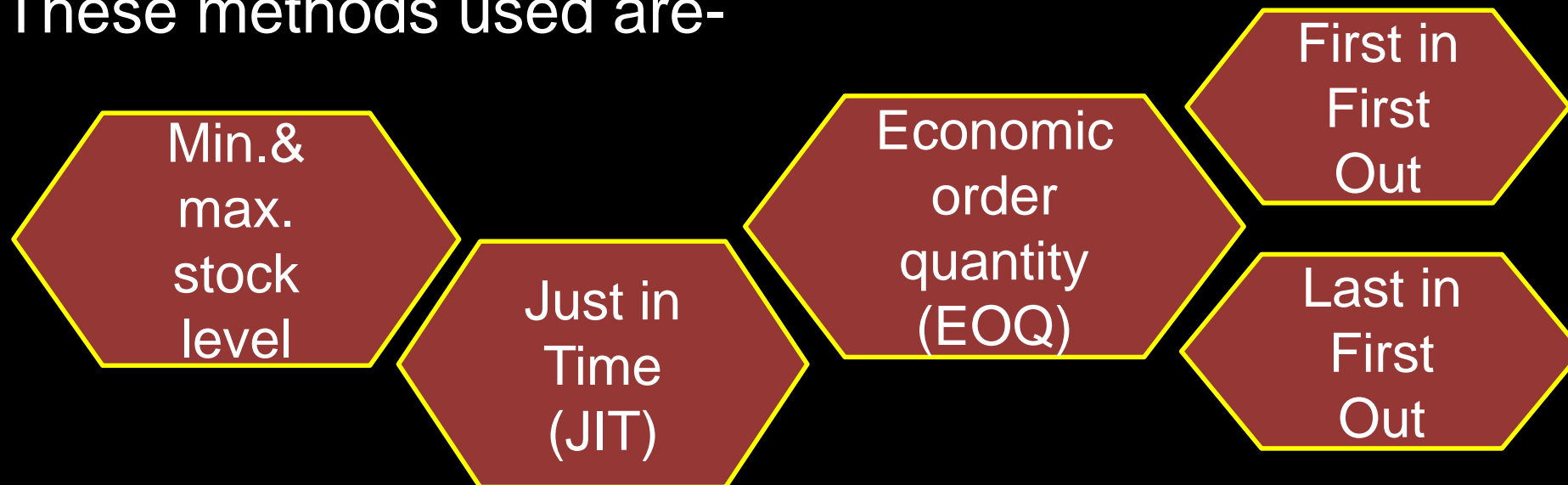
If stock levels are limited, stock can be further categorized, on the basis of its value (low, medium, high) called ABC analysis.

HOW MUCH STOCK SHOULD BE KEPT?

- The level of inventory/stock that should be maintained depends on the size and nature of the business and the type of stock involved.
- A balanced quantity of stock has to be maintained for smooth working and to avoid any losses.
- The quantity in stock depends upon the reliability of supplier, alternate source of supply and prediction of demand and fluctuations in its price.

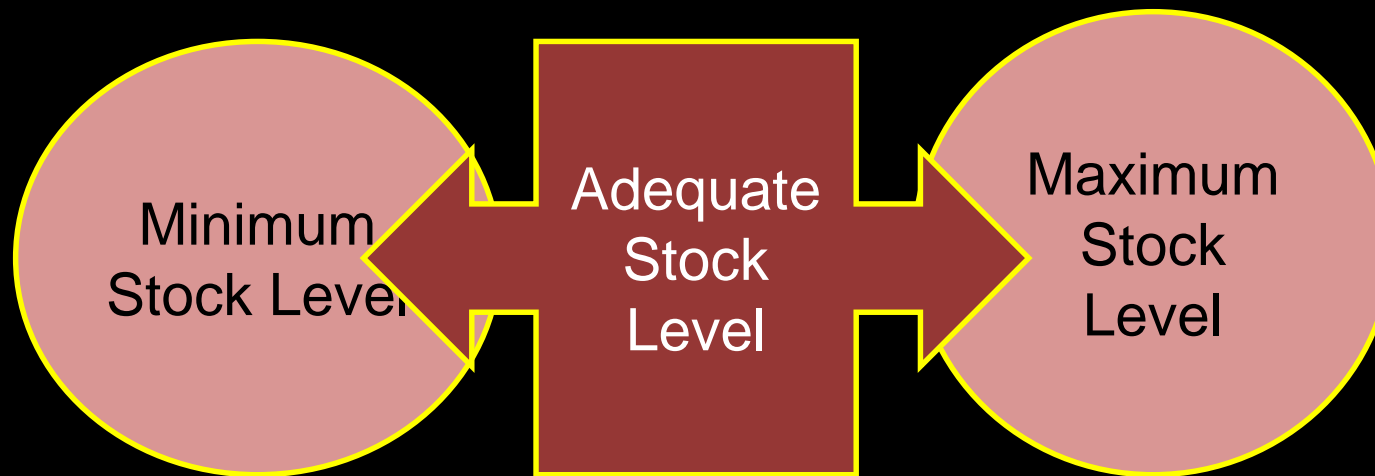
Stock Control Methods

- There are various methods for controlling stock, which are all designed to provide an efficient system for taking decision about the inventory levels.
- Mostly one method or a mix of two methods is used.
- These methods used are-



Minimum & Maximum Stock Levels:

- The stock keeper has to identify a minimum stock level, on reaching that level stock needs to be reordered.
- Similarly, a maximum stock level has to be decided on reaching that level, further purchases should be stopped.



Stock Review:

- The store keeper should regularly review stock levels.
- At every review an order should be placed to maintain stocks to a predetermined level.



Just in Time (JIT):

- This method aims to reduce costs by cutting stock to a minimum level.
- Items are delivered when they are needed and used immediately.
- There is a risk of running out of stock; we need to be confident that our suppliers can deliver on demand.

Economic Order Quantity (EOQ):

- It is a standard formula used to arrive at a balance between holding too much or too little stock.
- The EOQ is used as part of a continuous review inventory system.
- In this the level of inventory is monitored at all times and a fixed quantity is ordered each time the inventory level reaches a specific reorder point.

First In, First Out:

- It is a system which ensures that perishable stock is used efficiently so that it doesn't deteriorate.
- In this system stocks are identified by date on which the stock is received and moves on through each stage of production in strict order.
- The stock which is bought first is moved to the production stage first.

Last In , First Out:

- In this system the cost of the most recent products purchased are the first to be expensed as cost of goods sold (COGS)—which means the lower cost of older products will be reported as inventory.
- In this system also stocks are identified by date on which the stock is received and moves on through each stage of production in strict order.
- The stock which is bought last is moved to the production stage first.

Stock control systems – Tracking manually or using computer software

The stores functions deals with three major activities:

- Receipt.
- Stocking.
- Issues.

At each of the stages the store keeper need to maintain records (manual or computerized).

Radio Frequency Identification (RFID)

- RFID allows a business to identify and track individual products.
- It is a tiny microchip which contains a range of digital information about the particular item.
- Advantages of RFID-

- Tags can be read remotely
- Tags can have unique identification codes to identify each item.
- This system prevents over-stocking or under-stocking of product

Quality Control

- It is a vital aspect of stock control - especially as it may affect the safety of operator and the quality of the finished product.
- Items in stock should be checked systematically for its quality.
- In case of any faults identified proper action should be taken in the shape of rejection or replacement.

Stock Control Administration

- There are many administrative steps associated with stock control.
- Typical paperwork which is adopted includes:



Delivery and supplier notes for incoming goods



Purchase orders, receipts and credit notes, returns notes, requisitions and issue notes for outgoing goods

Summary

In this session you have learnt about inventory management, guidelines for working of system for inventory control and importance of periodical checking of stock.

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