

CAMBRIAN COLLEGE
of Applied Arts and Technology
Sauh Ste. Marie

COURSE OUTLINE

**PURCHASING & INVENTORY
CONTROL**

MKT 203-3

PURCHASING & INVENTORY CONTROL

MKT 203-3

Objective: To familiarize the student with the principles, practices and problems in modern methods of procuring proper quantities, quality, prices, and at the right time. Since the course covers not only Purchasing and Inventory Control but also such functions as materials supervision and management, traffic receiving, incoming inspection and salvage it may be **more** properly called Procurement,

Method & Procedure:

Although a survey or general course, as much practical work as possible will be undertaken based on case **studies** and assignment subjects both in the text and involving If possible local industry.

Text: Procurement: Principles and Cases (5th edition)
by Wilbur B. England (Richard D. Irwin/Dorsey)

Periodicals: Modern Purchasing

Topic No

Periods

Topic Description

1

Scope & Importance of Procurement

Definitions

Relationships to other business

Functions

Objectives & Responsibilities

Areas for Decision making

Organization for Modern Procurement

Fundamentals of Electrical Organization

Centralization vs Decentralization

Location of functions

Internal work organization

Organization & Functions for:

Purchasing - domestic & international

Inventory Control

Materials management

Purchasing Procedure

Principles

Ascertainment of the need

Accurate description

Purchase requisitions & other forms

Negotiation with suppliers

Bids & analysis

Order placement, and follow-up, checki

Invoices

Receipt & Inspection of goods

Record completion

Data processing uses

Determination & Description of Quality

Factors in "Quality"

"Best Buy" appraisal

Service as a part of Quality

Purchasing Dept. Responsibility for QL

Description & Specifications

Value Analysis

General Techniques of

Function of Staff

Inspection, realism in, methods of

Quality Control-general methods

<u>Topic No</u>	<u>Periods</u>	<u>Topic Description</u>
		<u>Determination & Control of Quantity:</u> <u>Inventory (Tontrol</u> Definition of Inventory Policy - obje.^t Standards of Inventory Control - frtct^ r Methods " " Maintenance of records - Perpetual Inv" Determination of Optimum Quantities <u>Selecting Sources of Supply</u> Qualifications of a good supplier Sources of Information re Suppliers One source vs Multiple Sources Receprocal buying Price Policies Importance of price, relation of price to costs - Types of Purchases Negotiation Guarantee of Prices, discounts Cancellations <u>Forward Buying & Speculation</u> Definitions - types, differences Objectives of each type of forward . Buying Hedging of Commodities Cycles & Price forecasting <u>Equipment Procurement</u> <u>New, Used, Leased, Self-made</u> Factors governing- which Is best fsc:luu"*i'in^": and Servl ce KLM:"Ino J ng Equipment Fui^cbases Steps In Buying Major Equipment with exan
11		<u>Salvage & Disposition of Used Equiprrer.r</u>
12		<u>Appraisal of Perform.ance of Procuremet^t</u> <u>Department</u>