

# CSSC

**CERTIFIED STORES AND  
STOCK CONTROLLER  
LEARNING OUTCOMES &  
EXAM CONTENT MANUAL**



## SCOPE OF SUBJECT MATTER

The aim of **Certified Stores and Stock Controller** training is to provide the foundation skills and knowledge in stores operations and stock control.

**Certified Stores and Stock Controller** is designed to help you develop an understanding of:

- Introduction to Stores and Stock Control
- Stores Safety and Security
- Store Operations
- Stock Identification and Stock Control
- Stock Movement

### Exam Diagnostics

1 Introduction to Stores and Stock Control	10%
2 Stores Safety and Security	15%
3 Store Operations	25%
4 Stock Identification and Stock Control	20%
5 Stock Movement	30%

### Program Outline

The following paragraphs provide an outline of the subject matter covered in the program. The learner should read through this material, keeping in mind the exam diagnostics in relation to the emphasis placed on each section.





# LEARNING OUTCOMES AND EXAM CONTENT

## MODULE 1 INTRODUCTION TO STORES AND STOCK CONTROL

### Course Outline

- 1.1 Warehousing and Supply Chain Management
- 1.2 Roles, Responsibilities, and Relationships
- 1.3 Customer Service



### Learning Outcomes

- List and describe the objectives of store operations; name the different types of warehouses;
- Name and give an explanation of the areas of responsibility assigned to a store;
- Describe the components of a warehouse management system and the operation of a warehouse management system [WMS].
- Describe a range of leadership styles: identify applications for each;
- Name and describe the principle duties of each job function in the store;
- Distinguish between a policy and a procedure; give examples of each in a store;
- Discuss the importance of providing a satisfactory level of customer service to both internal and external customers;

### Exam Content

This module examines the role of warehousing in the supply chain and outlines the objectives and aims of good stores practices. Each component of the supply chain is examined along with the importance of viewing the supply chain as a value chain. The concept of stock control and a comparison between centralized and decentralized operations is examined. A description of the operation of a warehouse management system is outlined reviewing the components of a warehouse management system; A number of stores' performance measures are explored.

The Roles, Responsibilities, and Relationships that exist in a store are examined. Different leadership and leadership styles are compared and the role and duties of the team manager, team leader and team member examined. Particular emphasis is placed on the attributes and traits a store man must possess and exhibit. The purpose of policies and procedures is discussed and the relationships between the store and the other functional areas in a typical manufacturing company are outlined.

The importance of the customer and customer service is examined.



# LEARNING OUTCOMES AND EXAM CONTENT

## MODULE 2 STORE SAFETY AND SECURITY

### Course Outline

- 2.1 Risk and Safety Management
- 2.2 Warehouse Safety and PPE
- 2.3 Emergency Situations and Precautions



### Learning Outcomes

- Explain what a risk is; describe how risks can be identified and properly managed;
- Give a brief description of the Occupational Health and Safety Act as it applies to the operation of store activities;
- Identify areas in a warehouse where the potential for theft is evident; outline the actions to minimize those risks;
- Identify a number of potential accident situations; suggest ways to prevent their occurrence;
- Name the various categories of PPE [personal protective equipment]; give examples of the application of each.
- Discuss the roles and responsibilities of each role player in the event of an emergency;
- Explain the importance of maintaining discipline and clear-headedness during an emergency situation.

### Exam Content

This module examines the purpose of Risk and Safety Management and explains the importance of risk and safety management in a stores' environment. The module outlines the components of the Occupational Health and Safety legislation, describing a number of accident situations, stressing the importance of effective safety training.

The factors that contribute to employee theft are examined, suggesting a number of preventive measures, and the importance of store security in protecting a company's assets.

The role of Safety and PPE is examined and the importance of acting safely and responsibly in a store environment explored.

The module examines the consequences of an accident; identifying a number of potential accident situations, suggesting ways to prevent their occurrence. The role and importance of personal protective equipment [PPE] in a store is explored

The module discusses Emergency Situations and Precautions and explains the procedures to be adopted in the event of an emergency, whilst highlighting the roles and responsibilities of designated individuals during an emergency situation. A number of emergency situations that are likely to be encountered in the 21st Century are outlined, along with the precautions that need to be taken in the event of an emergency occurring.



# LEARNING OUTCOMES AND EXAM CONTENT

## MODULE 3 STORE OPERATIONS

### Course Outline

- 3.1 Stores Layout
- 3.2 Stores Productivity and Continuous Improvement
- 3.3 Materials Handling and Storage Equipment
- 3.4 Transportation



### Learning Outcomes

- Explain the importance of allocating sufficient space for both the present and future needs to each warehousing activity;
- Explain the need to integrate the materials handling system into the store layout;
- Compare and contrast the various storage methods; give practical examples of the application of each;
- Define the term productivity; give examples of how productivity in the store can be increased;
- Describe the role of ergonomics in improving productivity;
- Name the classes of function-oriented materials handling systems; suggest an application for each;
- Compare and contrast the categories of materials transport systems; give an example from each category.

### Exam Content

This module examines the purpose of Store Layout, Productivity and Continuous Improvement examining the factors to be taken into account - including the integration of the materials handling system - when designing a store facility. A number of alternate storage methods are reviewed, highlighting the advantages and disadvantages of each. Cross-docking as an alternative to a more conventional store is reviewed.

Productivity, ergonomics and the need for a continuous improvement initiative in enhancing store operations is discussed.

The role of Materials Handling and Storage Equipment is examined, along with the principles and dimensions of materials handling.

A number of function-oriented transportation systems and the importance of safe operations is discussed. Storage equipment and order-picking systems are examined.

The role of transportation in stores and distribution is discussed with a distinction between for-hire and not-for-hire carriers. The advantages and disadvantages of the different modes of transport is described.



# LEARNING OUTCOMES AND EXAM CONTENT

## MODULE 4 STOCK IDENTIFICATION & STOCK CONTROL

### Course Outline

- 4.1 Classifying and Coding Stock
- 4.2 Stock taking and Stock Audits



### Learning Outcomes

- Name the primary purpose of classifying and coding stock in both a manufacturing and distribution environment;
- Compare and contrast bar-coding technology with the use of radio frequency [RFID] identification technology;
- Give the advantages and disadvantages of a range of automated data collection techniques;
- Give the primary purpose of taking stock and reconciling the actual count with the book count;
- Explain how the ABC principle can be utilized in determining the frequency by which an item is counted;
- List the key steps to a stock reduction program; highlight the significance of each step.

### Exam Content

This module examines the purpose of Classifying and Coding Stock explaining the process to be adopted. A distinction between manufacturing and non-manufacturing stock categories is made. The need to uniquely identify a stock item, and the process of stock identification is discussed. Meaningful codes and a non-meaningful codes are compared and a number of automated data collection techniques, outlining the benefits of using this technology is described.

The importance of Stocktaking and Stock Audits is examined with the reasons why a stocktake is undertaken. The three most popular approaches to conducting a stocktake are outlined and the process of stocktaking and stock reconciliation is discussed.

Where and when a stocktake should be conducted is reviewed, outlining the roles and responsibilities of those responsible. A number of do's and don'ts of stocktaking and a number of golden rules are suggested. The process, purpose, and benefits of reducing stock levels is discussed, and a review of a number of stock pricing methods suggested.



# LEARNING OUTCOMES AND EXAM CONTENT

## MODULE 5 STOCK MOVEMENT

### Course Outline

- 5.1 Inbound Logistics
- 5.2 Stock Issues
- 5.3 Stock Returns
- 5.4 Reverse Logistics
- 5.5 Distribution Management



### Learning Outcomes

- With the aid of a flow diagram, describe each step in the receiving process;
- Explain the need to identify all incoming goods prior to them being placed into storage.
- With the aid of a flow diagram, give an explanation of each step in the issuing process;
- Name the types of issues; give an explanation of where each would be appropriate;
- Give an explanation of the various ways in which picking can be carried out; give the advantages of each method;
- Explain the importance of reverse logistics both from an economic and an environmental perspective;
- With the use of examples, differentiate between the different types of recovery options.

### Exam Content

This module examines Inbound Logistics and explains the role of inbound logistics in the supply chain; highlight the importance of maintaining standard practices during the inbound logistics processes, and distinguishes between quality and correctness. The documentation used during inbound logistics is examined; and the role of labeling and packaging in the supply chain reviewed. Emphasis on the importance of clearly identifying incoming goods and materials at the time they are first received is highlighted; outlining the international symbols as specified in ISO 7000: 2012.

The purpose of Stores Issues and the policies and procedures with respect to the issuing of material from the store is examined. The importance of correct authorization; the issuing process, and a description of

the documents used is made. The concept of lead-time and the importance of timing-issues, along with the different types of issue is examined.

Stores Returns and Reverse Logistics is examined along with the process of managing the returns from customers is described. An outline of the process of stores returns from both internal and external customers is given.

The role of 3rd party logistics and 4th party logistics providers in a distribution environment is explored. A description of the distribution process, outlining the various distribution channels is reviewed.



# KEY TERMS

Learners wishing to achieve the certification in “Stores and Stock Controller” should familiarize themselves with the following terms. The Glossary of Terms provides an explanation of each term.

## 1-10

1D Barcodes  
2D Barcodes  
3PL Logistics  
4PL Logistics

## A

ABC Classification  
Abilities  
Access control  
Accident prevention  
Accidents  
Accident situations  
Accident statistics  
Accounts  
Accounts department  
Accuracy target  
Activity  
Airborne release  
Air transportation  
Allocations  
Ancillary functions  
Assemblies and kits  
Attributes  
Authorization  
Authority  
Autocratic leaders  
Autodiscrimination  
Automated data collection  
Automated guided vehicle [AGV]  
Automated sortation  
Automated storage and retrieval system  
Average cost

## B

Backflushing  
Barcodes  
Barcode symbology  
Batch picking  
Best practices  
Bin shelving  
Body protection  
Bomb threat  
Building envelope  
Bulk issues

Burns  
Business environment

## C

Carousels  
Centralized distribution network  
Centralized warehousing  
Charge-coupled device  
Chemical spill  
Civil disturbances  
Classification  
Code  
Code characteristics  
Code distinctiveness  
Code structure  
Coding  
Coding system  
Collect-a-Can  
Communications  
Complete knock-down [CKD]  
Consignment note  
Consignment stock  
Consumables/floor stock  
Containers  
Contaminated water  
Contract carriers  
Controlled issues  
Control group method  
Controlling  
Conveyors  
Conveyor safety  
Core competencies  
Correctness  
Cost allocation  
Courier services  
Cranes  
Crane safety  
Criminal behaviour  
Crisis  
Cross-docking  
Cross-docking operations  
Customer  
Customer needs  
Customer relationship management [CRM]  
Customer returns  
Customer service  
Cycle counting

Environmental disposal  
Environmental policy  
Equipment productivity  
Ergonomics  
Excesses  
Excess inventories  
Expansion productivity models  
Explosions  
External returns  
External security services  
Eye protection

## F

Face protection  
Factory nurse [or fist-aider]  
Finished goods  
Fire  
Fire drill  
Fire protection  
First-in - first-out  
First aid  
First-aid treatment  
Fixed-position scanners  
Flooding  
Floor space  
Floor stock  
Flow of material  
Flow racks  
Followers  
Foot protection  
For-hire carriers  
Fork lift trucks  
Free-reign leaders  
Freight broker  
Freight forwarders  
Function-oriented systems  
Future requirements

## G

Gas leaks  
General manager  
Goods' received note



Goods' receiving process  
 Goods returns  
 Green logistics  
 Guidelines

**H**

Hand-held devices  
 Handling goods and materials  
 Hand protection  
 Hand tools  
 Hand trolleys  
 Hazard assessment  
 Hazardous  
 Hazardous goods  
 Health and safety policy  
 Head protection  
 Hearing protection  
 High visibility clothing  
 Hoists  
 Holding requirements  
 Housekeeping

**I**

Inactive stock  
 Inbound logistics  
 Identity theft  
 Incident  
 Incoming goods  
 Incoming inspection  
 Industrial trucks  
 Information systems  
 Injured on duty (IOD)  
 Injured person  
 Injury  
 Injury frequency rate (IFR)  
 Injury incident rate (IIR)  
 Internal packing note  
 Internal returns  
 Internal transfers  
 International standard  
 Inspection  
 Interdepartmental relationships  
 Internal controls  
 Inventory  
 Inventory integrity  
 Inventory management system [IMS]  
 ISO: 14001  
 Issue note  
 Issues  
 Issues on request  
 Issuing documents  
 Issuing of goods  
 Item  
 Item classification system  
 Item description  
 Item number  
 Item record  
 Inventory

**J**

Just-in-time [JIT]

**K**

Kanban

**L**

Label  
 Labeling  
 Labour productivity  
 Layout and design phase  
 Leaders  
 Leadership  
 Leadership styles  
 Lead-time discrepancies  
 Lift malfunction  
 Loading dock safety  
 Loan issues  
 Logistics  
 Logistics network  
 Loss  
 Lost in plant [LIP]

**M**

Maintenance  
 Major emergency  
 Manual materials handling equipment  
 Manual lifting  
 Manufacturer  
 Manufacturing company  
 Manufacturing environment  
 Manufacturing excellence  
 Manufacturing facilities  
 Manufacturing process  
 Manufacturing stock  
 Marketing  
 Marshalling area  
 Materials  
 Materials handling  
 Materials handling equipment  
 Materials management  
 Materials planning  
 Materials requisition  
 Materials recycling  
 Materials transport equipment  
 Mezzanine  
 Milk runs  
 Miniload [AS/RS] storage and retrieval system  
 Minor emergency  
 Mishandling of materials  
 Mobile storage drawers  
 Mobile storage system  
 Modes of transportation  
 Monorails  
 MRO

**N**

Narrow aisle trucks  
 Non-disabling accidents

**O**

Obsolescence  
 Obsolete stock  
 Occupational Health and Safety  
 Occupational Health and Safety Act  
 Open-access warehouse  
 Open order status  
 Operations  
 Optical character recognition  
 Order confirmation  
 Order cycle  
 Order picking  
 Order picking bays  
 Order picking systems  
 Order picking vehicles  
 Order qualifier  
 Orders billed correctly  
 Orders filled accurately  
 Orders received complete  
 Orders received damage free  
 Orders received on time  
 Order winner  
 Organizing  
 Outbound logistics  
 Outbound shipment  
 Outsourcing

**P**

Packaging  
 Packaging material  
 Packing areas  
 Pallet jack  
 Pallets  
 Pallet stackers  
 Part-to-picker systems  
 Periodic stocktaking  
 Personal protective equipment [PPE]  
 Physical security  
 Picker-to-part systems  
 Picking list  
 Pick-to-light technology  
 Pilferage  
 Pipelines  
 Pipeline stock  
 Planning

Plant engineer  
 Point-of-use storage  
 Point-of-use warehouse  
 Policies  
 Policy manual  
 Position statement  
 Power outages  
 PQRST mnemonic  
 Private [not-for-hire] carriers  
 Procedures  
 Procurement  
 Product recovery management [PRM]  
 Production  
 Production materials  
 Production planning  
 Productivity  
 Productivity decreases  
 Productivity increases  
 Products  
 Protective packaging  
 Purchase order  
 Purchase requisition  
 Purchasing

**Q**

Quality  
 Quality control  
 Quality control and inspection

**R**

Radiation spills  
 Radio frequency identification [RFID]  
 Raw materials  
 Real-time locator system  
 Receipts  
 Receiving  
 Receiving area  
 Receiving documents  
 Recycling  
 Reduction productivity models  
 Refurbishing  
 Relationships  
 Re-manufacturing  
 Repairs  
 Replacement issues  
 Rescue breathing  
 Responsibilities  
 Responsible person  
 Retrieval equipment  
 Returned goods  
 Returns process  
 Returns processing  
 Reverse/active storage  
 Reverse logistics  
 Risk management  
 Risk control  
 Road transportation  
 Robbing  
 Roles  
 Routes  
 Rules of safety

**S**

Safety  
 Safety checklist  
 Safety committee  
 Safety education  
 Safety policy  
 Safety programs  
 Safety rules  
 Safety stock  
 Safety training [risk] officer  
 Sales orders  
 Scheduled issues  
 Scheduled service routes  
 Schedule of charges  
 Sectional picking  
 Scissor lifts  
 Security  
 Security measures  
 Security system  
 Separated picking  
 Service provider  
 Services  
 Severe weather  
 Shipment  
 Shipping  
 Shipping area  
 Shortages  
 Skills-mix  
 Source control  
 Source inspection  
 Space requirements  
 Speech-based technology  
 Staff sales  
 Stakeholders  
 Standard costing  
 Standard operating procedures  
 Static productivity models  
 Stock control  
 Stock controller  
 Stock counts  
 Stock discrepancies  
 Stocking point  
 Stock item  
 Stock keeping unit [SKU]  
 Stockouts  
 Stock reconciliation  
 Stock reduction program  
 Stock rotation  
 Stocks  
 Stock traceability  
 Stock valuation methods  
 Storage  
 Storage facility  
 Storage location  
 Storage methods  
 Storage space  
 Store  
 Storekeeping  
 Surplus stock  
 Surplus to requirements  
 Suppliers  
 Supply chain  
 Supply chain management  
 Symbology  
 Symbols

**T**

Target  
 Team  
 Team leader  
 Team manager  
 Team members  
 Theft  
 Theft and pilferage  
 Theft deterrent  
 Tornados  
 Transportation  
 Transportation decisions  
 Transportation goods  
 Traveling picking

**U**

Unique code  
 Unitizing equipment  
 Unit load access  
 Unplanned issues  
 Unplanned receipts  
 Unsafe act  
 Unsafe condition  
 User groups

**V**

Vehicle accidents  
 Vehicle-mounted devices  
 Vehicle tracking system  
 Vendor managed inventory  
 Vendor owned inventory  
 Video surveillance  
 Violence  
 Violent behaviour  
 Voice activated device

**W**

Warehouse  
 Warehouseman  
 Warehouse management  
 Warehouse management system [WMS]  
 Warehouse performance measures  
 Warehouse productivity  
 Warehouse safety  
 Warehouse team  
 Warehouse security program  
 Warehouse tidiness  
 Warehousing  
 Warning signs  
 Waste  
 Waste management  
 Water transportation  
 Wearable systems  
 Workflow requirements  
 Workplace  
 Work styles

**XYZ**

Zero inventories  
 Zone storage method  
 Zone storage



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# SAMPLE QUESTIONS

The sample questions included here are similar in format to the questions contained in the final exam.

These questions are included to enable you to become familiar with the approach to questions that you will encounter when you take the exam. Remember these are only sample questions and your score in this sample should not be interpreted as your potential for successfully achieving a pass in the final exam.

Select the most correct answer for each of the following multiple choice questions.

When answering multiple choice questions do the following: Read the question, read the question again underlining the key words and eliminating any definite wrong answers. Read the question again. Remember there is no negative marking, so if in doubt at least take your best shot.

Indicate your answer by circling the appropriate letter, a, b, c, or d.

## Question No. 1

Which warehouse management system [WMS] module reserves dock time for incoming goods?

- a. The scheduler.
- b. Materials-handling supervisor.
- c. Inventory locator.
- d. Shelf-life supervisor.

## Question No. 2

Which **BEST** describes a person's ability to "tell when something is wrong?"

- a. Information ordering.
- b. Problem sensitivity.
- c. Deductive reasoning.
- d. Inductive reasoning.

## Question No. 3

The **FIRST** step to take to ensure a high level of warehouse security is:

- a. Hire the right people.
- b. Harden the target.
- c. Practice management by walking around.
- d. Take the appropriate disciplinary action.

## Question No. 4

The areas of warehouse activity that are the **MOST** prone to accident situations are:

- a. The rest room and storage area.
- b. The shipping area and storage area.
- c. The storage area and data collection area.
- d. The receiving area and shipping area.

**Question No. 5**

The primary reason for assigning a code to an item is to:

- a. Uniquely identify that item.
- b. Avoid ambiguity between supplier and customer.
- c. Determine the bin size to be used for storing the item.
- d. Totally eliminate the need for a description of the item.

**Question No. 6**

Which type of picking mixes the order-picking and preparation area with the storage area?

- a. Separated picking.
- b. Integrated picking.
- c. Reserve/active picking.
- d. Each of the above.

**Question No. 7**

Which function-oriented materials handling systems are used to move goods from one location to another?

- a. Conveyor systems and transportation systems.
- b. Transportation systems and elevating systems.
- c. Elevating systems and conveyor systems.
- d. Conveyor systems, elevating systems, and transportation systems.

**Question No. 8**

Which of the following is a purpose of cycle counting?

- a. To verify the accuracy of the stock records.
- b. To verify the physical location of a stock item.
- c. Both a and b above.
- d. Neither a nor b above.

**Question No. 9**

Which would be taken into consideration when creating a priority picking system?

- a. Type of order and size of order.
- b. Order size and customer value.
- c. Customer value and type of order.
- d. Type of order, order size, and customer value.

**Question No. 10**

The transportation network that requires the LEAST amount of organizational effort is:

- a. Direct shipment network.
- b. Cross-docking operations.
- c. Shipment through a centralized distribution network.
- d. Direct shipment with milk runs.



# ANSWERS TO SAMPLE QUESTIONS

## Question No. 1

Which warehouse management system [WMS] module reserves dock time for incoming goods?

- a. **The scheduler.**
- b. Materials-handling supervisor.
- c. Inventory locator.
- d. Shelf-life supervisor.

## Explanation

The scheduler is a warehouse management system that is capable of reserving dock time for a trailer based upon four metrics: When the trailer will be available; When the trailer must arrive at its destination; When goods will be available for shipment; The amount of time required for the goods to be packaged, tagged [labeled], staged, and loaded.

The material-handling supervisor is another service operating within the warehouse management system that keeps track of the availability and location of the

equipment required to move goods from one location in the warehouse to another.

The inventory locator is a module that allows the warehouseman to find stock items at various locations within the warehouse.

The shelf-life supervisor automatically routes goods from the appropriate staging areas, and forces bulk moves between staging areas depending upon the "use by date" of the goods.

## Question No. 2

Which **BEST** describes a person's ability to "tell when something is wrong?"

- a. Information ordering.
- b. **Problem sensitivity.**
- c. Deductive reasoning.
- d. Inductive reasoning.

## Explanation

Information ordering is the ability to arrange things or actions in a certain order or pattern according to a specific rule or set of rules. For example, patterns of numbers, letters, words, pictures, mathematical operators, and stock item placement.

Problem sensitivity is the ability to tell when something is wrong or is likely to go wrong in the near future. This attribute does not involve solving the problem, only recognizing that a problem does exist, and could develop into a situation if left unattended.

Deductive reasoning is the ability to apply general rules to specific problems to produce answers that make sense, and which eventually lead to the resolution of a situation.

Inductive reasoning is the ability to combine pieces of information to form general rules or conclusions - this includes finding a relationship among seemingly unrelated events such as warehouse theft and open windows; cycle counting mistakes and non-calibrated weighing equipment.

**Question No. 3**

The **FIRST** step to take to ensure a high level of warehouse security is:

- a. **Hire the right people.**
- b. Harden the target.
- c. Practice management by walking around.
- d. Take the appropriate disciplinary action.

**Explanation**

Warehouse security begins by ensuring the right caliber of person is chosen to work in the warehouse where large volumes of valuable stocks are being held. Hardening the target will act as a deterrent, and although this action may not totally protect the stock from theft, it will go a long way toward deterring the would-be thief.

When management pay surprise visits to the warehouse, and nobody is quite sure when this will happen, this has the effect of putting people on their guard. Nobody is likely to want to steal if they believe there is a chance of getting caught.

**Question No. 4**

The areas of warehouse activity that are the **MOST** prone to accident situations are:

- a. The rest room and storage area.
- b. The shipping area and storage area.
- c. The storage area and data collection area.
- d. **The receiving area and shipping area.**

**Explanation**

There is usually a great deal of materials handling equipment being used in these areas, and accidents involving a fork truck are certainly not uncommon in the warehouse.

However, accidents can happen anywhere in the warehouse, this includes the storage area, rest rooms, and the data capture areas. In the case of data capture, cut fingers from sharp paper edges is known to be a constant potential safety hazard.

The receiving area and shipping area are the most likely areas in the warehouse where an accident can occur. This is primarily due to the amount of activity that takes place in these areas - particularly in the field of lifting and carrying.

**Question No. 5**

The primary reason for assigning a code to an item is to:

- a. **Uniquely identify that item.**
- b. Avoid ambiguity between supplier and customer.
- c. Determine the bin size to be used for storing the item.
- d. Totally eliminate the need for a description of the item.

**Explanation**

The item code can contain information on the physical location in the warehouse for an item; this would assist in determining the best storage location for that item.

Suppliers and customers often use their own codes when supplying and selling items; care needs to be taken to ensure there is no confusion between a supplier or customer code and the code used by the company.

The primary reason for allocating a code to an item is to be able to uniquely identify that item from any other item - similar or dissimilar.

At times it is preferable to have a short description accompany the code to aid with the identification of the item. This is particularly useful when a non-significant code is being used.

**Question No. 6**

Which type of picking mixes the order-picking and preparation area with the storage area?

- a. Separated picking.
- b. Integrated picking.**
- c. Reserve/active picking.
- d. Each of the above.

**Explanation**

Separated picking makes provision for "separate" storage and order preparation areas. This configuration allows better access to the goods that have to be picked.

Integrated picking makes use of the general area approach, which mixes the order-picking and order preparation area with the storage area.

Reserve/active picking creates a "reserve/active" area where the warehouse is subdivided into two distinct areas: one is used for "reserve" storage, and the other for "active" or forward storage.

**Question No. 7**

Which function-oriented materials handling systems are used to move goods from one location to another?

- a. Conveyor systems and transportation systems.
- b. Transportation systems and elevating systems.
- c. Elevating systems and conveyor systems.
- d. Conveyor systems, elevating systems, and transportation systems.**

**Explanation**

Materials handling equipment can be classified by the "function" it performs. Automated storage and retrieval systems, conveyor systems, elevating systems, self-loading and unloading systems, transferring

systems, and transportation systems, are each an example of a function-oriented materials handling system.

**Question No. 8**

Which of the following is a purpose of cycle counting?

- a. To verify the accuracy of the stock records.
- b. To verify the physical location of a stock item.
- c. Both a and b above.**
- d. Neither a nor b above.

**Explanation**

The purpose of carrying out a cycle count is to verify that what is in stock is the same as what is on the item record - and where it is being held.

Where discrepancies between the actual count and the book count are identified these need to be fully investigated, the root cause identified, with the necessary corrective actions initiated to ensure that the same [or similar] problems do not reoccur.

At times items are misallocated, and the second objective of a cycle count program is to confirm the physical location of each item held in inventory. Items found in the incorrect location can be relocated, with the records updated to reflect this stock movement.



## Question No. 9

Which would be taken into consideration when creating a priority picking system?

- a. Type of order and size of order.
- b. Order size and customer value.
- c. Customer value and type of order.
- d. **Type of order, order size, and customer value.**

## Explanation

**Type of order:** This relates to the purpose of the order and the customer. Normally external sales and materials requisitions from internal customers would take preference over inter-company transfers and other orders not requiring the same degree of urgency. These orders could be dealt with at a later time.

**Order size:** Small orders are easier and quicker to deal with. Applying this rule would enable the warehouse to complete more orders in a specific period of time. Apart from the psychological effect this may have, it is difficult to justify why this method should be used. But if it works, then use it.

**Customer value:** This method is based on current business, past loyalty, and expected future-spend from

customers. Valued and trusted customers should - and do - expect their orders to be treated promptly.

Other factors that would be taken into consideration would include method of shipment requested, method of payment, status of the order, total extended Rand value, the date that the order was called in.

In addition each supply company would most likely have its own criteria for determining how each order should be treated. The aim would be to provide the best overall level of customer service to each of its customers. A company's reputation is built on customer service.

## Question No. 10

The transportation network that requires the **LEAST** amount of organizational effort is:

- a. **Direct shipment network.**
- b. Cross-docking operations.
- c. Shipment through a centralized distribution network.
- d. Direct shipment with milk runs.

## Explanation

Using the direct shipment network suppliers supply directly into the marketplace, mainly to the retailer, but sometimes directly to the customer or end user.

Cross-docking operations make use of a special type of warehouse. One where goods are delivered and collected with little, if any, goods actually being held at the warehouse itself. Organization of this type of facility revolves principally around the timing of receipts and the timing of the dispatch of vehicles.

When shipping through a central distribution network, goods are routed via distribution centres, warehouses, and retail outlets positioned vertically in the supply chain, before eventually being delivered to customers.

A distribution network is by far the most complex to design and economically operate.

Using direct shipment with milk runs, a truck is able to deliver goods from a single manufacturer, [supplier] to multiple retailers [customers].

With direct shipment with milk runs a fair degree of organization will be required in determining the most economic routes to follow, as well as the timing of the dispatch and choice of transport.



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