U4.16 - Print & Cut Flashcards

Cut along the card edges. Each card shows the key term on top and the answer underneath.

CARD 1

What is inventory control?

The process of ensuring the appropriate amount of raw materials, components, work in progress and finished goods is available to meet production and customer demand.

CARD 2

What does JIT require to work effectively?

Reliable suppliers, accurate demand forecasts, strong information systems, flexible production and consistent quality.

CARD 3

What are major benefits of JIT?

Lower storage costs, less finance tied up in stock, less waste and obsolescence, and greater responsiveness to demand.

CARD 4

What are major limitations of JIT?

Greater exposure to supply disruption, dependence on reliable suppliers, frequent delivery costs and reduced bulk discounts.

CARD 5

What types of businesses are suited to JIT?

Businesses with predictable demand, fast-moving or perishable stock, high holding costs, limited storage, many components or high obsolescence risk.

CARD 6

What is just-in-case inventory control?

A technique in which the business holds buffer or safety stock in advance of demand and possible supply problems.

CARD 7

What are major benefits of JIC?

Production continuity, fewer stockouts, protection from supply disruption, immediate response to demand and possible bulk purchasing discounts.

CARD 8

What are major limitations of JIC?

Higher storage costs, more finance tied up in inventory, greater damage or obsolescence risk, and forecasting risk.

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CARD 9

What types of businesses are suited to JIC?

Businesses with unpredictable demand, high supply risk, long lead times, essential products, low storage costs, seasonal demand or high stockout costs.

CARD 10

When is a hybrid inventory approach useful?

When some items are reliable and suitable for JIT but critical or high-risk items require JIC safety stock.

CARD 11

What is the central trade-off between JIT and JIC?

JIT lowers inventory holding costs but increases exposure to disruption, while JIC provides greater protection but increases holding costs and finance tied up in stock.