

A Study on Stock Management by Dairy Product Retailers at Mannargud

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Abstract: This paper presents a study on stock management by dairy product retailers at Mannargud.

Keywords: stock management

1. Introduction

Raw Materials Substances in a natural state before they go through manufacturing or their processing. Components that require assembly. Purchased from outside suppliers. Work in progress Items which, at a given time, are going through the production process. Some products have a long production process. so the value of work in progress is often substantial. Finished Goods that are complete. May be stocked awaiting delivery to customer. May be produced some time in advance ahead of seasonal increases in demand.

A. Hold Stocks

To meet demand Acts as a “buffer” in times of high demand Protect against uncertain/unreliable delivery from suppliers Encourage customers to buy (crucial in businesses like retailers) To lower production costs Take advantage of quantity or “bulk” discounts by ordering more at a time Can buy stocks ahead of a shortage or a supplier price rise Reduce ordering costs Ensure continuity of production (avoid costs of production shortages).

B. Role of the purchasing department

An important service function in any business that needs to acquire inputs (e.g. raw materials) and transform them into outputs E.g. manufacturing business E.g. retailer Objectives of the purchasing department Stocks are sufficient for the business needs at any one time Avoid “over-stocking” Obtain stocks of the right quality Obtain stocks at the best available price Develop strong working relationships with key suppliers Operate the purchasing function effectively and efficiently.

C. Costs of holding stocks

Purchase price (i.e. the cost of the stock itself stock “Holding Costs” Opportunity cost of the cash tied up by buying stocks the cost of not having that case invested elsewhere Cost of storing and handling stocks ware house, stock control systems; employees Cost of insurance important many businesses have gone bust because their stocks were not insured Cost / risk of

deterioration or “obsolescence the stock becomes unusable after a period of time) Stock losses damage theft Stock Ordering Costs Clerical and administrative costs (e.g. purchasing department) Stock Shortage Costs Production stoppages caused by lack of raw materials Lost sales due to stock-outs or delayed deliveries.

2. Research methodology

It is a systematic & scientific process of conducting research. It gives the researcher a framework within which the research has to be carried out.

A. Research design

A Research design is purely and simply the framework or plan for a study that guides the collection and analysis of data. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

1. Type of Research
2. Title of research
3. Area of research
4. Period of research
5. Sampling techniques
6. Data collection methods
7. Tools used for analysis
8. Problem Statement
9. Limitations on the study

1) Type of research

The research is descriptive in nature. It includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

2) Title of the research

A study on stock management by dairy product retailers at Mannargudi.

3) Area of research

The study is conducted in Mannargudi Taluk.

4) Period of research

The study is conducted from Dec 2018 to Apr 2019. the total duration of the study is 5 months.

5) Sampling techniques

Sample size for the study was selected on the basis of simple random sampling method, 100 customers are randomly selected as sample from different places of MANNARGUDI.

6) Data collection methods

Data are collected from both primary & secondary sources. Primary data are collected through structured questionnaire and secondary data are collected from official website of the company, journals, articles, textbooks, etc.

7) Questionnaire design

Questionnaire contains Demographic and socio-economic profile of the respondents, various attributes & factors related to product awareness is used in the Questionnaire, some open ended, close ended & rating questions were used to know awareness level of consumers.

8) Tools used for analysis

The following statistical tools are used for data analysis

- Percentage
- Chi Square
- Anova
- Correlation

B. Objectives

- To determine whether the present system of inventory management and control meet the requirement of the organization.
- To suggest and recommend a new system which could meet most of the inventory requirement of the organization.

C. Scope of study

- Dairying is an important source of subsidiary income to small/marginal farmers and agricultural laborers.
- The manure from animals provides a good source of organic matter for improving soil fertility and crop yields.
- The Gobar gas from the dung is used as fuel for domestic purposes as also for running engines for drawing water from well.

D. Limitations of the study

- The primary and major limitation of the study was the time period allotted for the study which was only 21 days for any research it would have been insufficient, but still the study has been done to the best of the available time.
- The findings and suggestions cannot be generalized due to the presence of trade union and other things.
- The study covered a wide concept hence wide collection and coverage of information was not easily possible.

E. Chi square

Calculated value $\chi^2 = 25.73166$

Degree of freedom = $(R-1)(C-1) = (4-1)(5-1) = 12$

The table value of χ^2 for 12 degree of freedom at 5 per cent level of significance is 21.03

Conclusion: Calculated value of chi square is less than the table value, so the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between Wholesale dealer provided cooler for their dairy product and litre of milk is sold in seasonal months 5.

F. Anova

Conclusion: Calculated F value 17.21 and F critical value is 3.88 so calculated value is more than a table value, so the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between Occupation and feeling about dairy product.

G. Correlation

Conclusion:

Calculated value is 0.64, so I concluded it with Income level and brand preferable positively correlated.

3. Findings and suggestions

A. Findings

Every organization faces problems with regards to the storage of inventory, due to which certain problems like missed deliveries and lack of adequate materials etc. arises. When discussion was held with concerned authority due to lack of a scientific method of inventory controlling technique, the proper maintenance of inventory of assembly parts are difficult. So the study was conducted with respect to inventory management technique which can be implemented in maintaining the assembly parts of manufacturing machinery.

B. Suggestion

The aggregate dairy industry simulation is best suited for questions at the national level, for example the aggregate u.s. milk production and commercial use. The simulation model of livestock and poultry is also an aggregate national model. The CGE model provides a method for examining the linkages between the agricultural and nonagricultural sectors within the economy. Finally, the I-O model allows one to focus on impacts at the local level.

The link among the models is the approach for analyzing impacts-each model is "shocked" through key variables. The shock applied to each model is the same, that is, the change generated by the aggregate dairy industry simulation model is applied to each of the other models as was described. There is no simultaneity implied or in actuality by following this approach. There is no need to dwell on the strengths and weaknesses of each model, we recognize them and may argue their merits at great length.

Finally, I would like to offer some personal observations. We

have gathered to consider what direction modeling (and in a more fundamental sense, research efforts) for dairy industry and policy analysis might take in the future. I would suggest that there are plenty of dairy industry and policy models available; we are going to hear about several of them today. Focusing on how we might link models, as was done in the milk inventory management study could be fruitful.

4. Conclusion

The company has to implement a scientific method of inventory classification so that efficiency in operations can be improved. The company can make use of FSN or ABC analysis for better inventory controlling and management. There is a need to develop a system of inventory monitoring and controlling the inventory management system and that can be carrying out on a regular basis like keeping a log book. The entire process of inventory management can be made better by allotting the supervisory authority to a specific class of people. The arrival and departure of materials into and out of the store needs to be properly recorded and the same can be revised at regular intervals. Remove unqualified employees in charge of inventory. The changes in market need to be analysed so that over reaction to demand and there by overstock of materials which leads the company to be a victim to the "Bull Whip effect" can be avoided.

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