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|--------------|---|----------------|----------|
| <b>Title</b> | <b>Demonstrate knowledge of and operate inventory systems</b> |                |          |
| <b>Level</b> | <b>3</b>  | <b>Credits</b> | <b>4</b> |

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| <b>Purpose</b> | People credited with this unit standard are able to demonstrate knowledge of inventory systems and operate an inventory system in accordance with organisational policies and procedures. |
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| <b>Classification</b> | Business Administration > Business Administration Services |
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| <b>Available grade</b> | Achieved |
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### Guidance Information

- 1 All activities associated with this unit standard must comply with the requirements of: Health and Safety in Employment Act 1992, Copyright Act 1994, Human Rights Act 1993, Privacy Act 1993, and their subsequent amendments.
- 2 Organisational policies and procedures include those related to confidentiality and security of information.
- 3 Inventory system may be manual or electronic.

### Outcomes and performance criteria

#### Outcome 1

Demonstrate knowledge of inventory systems.

#### Performance criteria

- 1.1 The term *inventory* is defined, and the purpose of inventories is explained in terms of requirements for different types of organisations.
- 1.2 Advantages and limitations of computer and manual inventory systems are described in relation to an organisation's operations.
- 1.3 An inventory system is explained in terms of its function and of the information requirements of an organisation.
- 1.4 Valuing inventory is explained in terms of potential impact on an organisation.

Range            impacts – positive, negative;  
                          arising from – over-valuing, under-valuing.

1.5 Methods of valuing inventory are explained in terms of their suitability for an organisation.

Range methods must be selected from – actual cost; first-in, first-out; last-in, first-out; weighted average cost; evidence is required for two methods.

## Outcome 2

Operate an inventory system in accordance with organisational policies and procedures.

### Performance criteria

2.1 Inventory is maintained at optimum levels.

Range maximum/minimum levels, inwards/outwards, storage, returns.

2.2 Inventory system records are maintained.

Range product types, price information, product location, re-order levels, preferred supplier.

2.3 Processes for reconciling, rectifying, and reporting discrepancies are identified.

**This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.**

### Status information and last date for assessment for superseded versions

| Process      | Version | Date              | Last Date for Assessment |
|--------------|---------|-------------------|--------------------------|
| Registration | 1       | 30 March 1993     | 31 December 2012         |
| Review       | 2       | 27 June 1996      | 31 December 2012         |
| Review       | 3       | 28 April 1997     | 31 December 2012         |
| Review       | 4       | 28 June 1999      | 31 December 2012         |
| Review       | 5       | 26 September 2005 | 31 December 2012         |
| Review       | 6       | 9 December 2010   | 31 December 2017         |
| Rollover     | 7       | 16 April 2015     | 31 December 2024         |
| Review       | 8       | 27 February 2020  | 31 December 2024         |
| Rollover     | 9       | 15 December 2022  | 31 December 2024         |

### Consent and Moderation Requirements (CMR) reference

0113

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.