

Title	Demonstrate knowledge of and operate inventory systems		
Level	3	Credits	4

Purpose	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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Classification	Business Administration > Business Administration Services
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Available grade	Achieved
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Explanatory notes

- 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 evidence requirements

Outcome 1

Demonstrate knowledge of inventory systems.

Evidence requirements

- 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.

Evidence requirements

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.

Planned review date	31 December 2019
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Status information and last date for assessment for superseded versions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	N/A

Consent and Moderation Requirements (CMR) reference	0113
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Please note

Providers must be granted consent to assess against standards (accredited) by NZQA, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be granted consent to assess against standards by NZQA before they can register credits from assessment against unit standards.

Providers and Industry Training Organisations, which have been granted consent and which are assessing against unit standards must engage with the moderation system that applies to those standards.

Requirements for consent to assess and an outline of the moderation system that applies to this standard are outlined in the Consent and Moderation Requirements (CMR). The CMR also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.