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THE MANAGEMENT AND STUDY OF INVENTORIES

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ABSTRACT:

In any company or organisation, all of the functions are interconnected and linked to one another, and they frequently overlap with one another. The management of the supply chain, supplying, and inventory are some of the essential components that serve as the backbone of the business delivery function. Therefore, both marketing managers and those in charge of the finances need to be able to perform these jobs effectively. The practice of managing and controlling the ordering, storage, and utilisation of the components that are used in the manufacturing of a company's products is referred to as inventory management. This practice is performed by a company. In addition, inventory management refers to the practice of keeping track of and maintaining control over the quantity of finished goods that are for sale.

Keywords: *Company, Manufacturing, Supplying, Inventory, Ordering.*

INTRODUCTION:

Businesses must use systems created specifically for the purpose of inventory management in order to manage and keep track of their inventories effectively. These mechanisms are crucial in the modern world. In order to keep the business running effectively, it is essential to be able to perform live inventory counts in a way that is both quick and precise. One of the key reasons why this is the case is because inventory is typically seen as one of the most crucial current assets on a company's accounts. This is because it's crucial to have the ability to quickly and accurately monitor live inventories in order to sustain uninterrupted business operations.

LITERATURE REVIEW:

By far and away, the one that jumps out as being the most significant in the great majority of economic subfields is the inventory share of total capital. This leads to a wide range of studies being done in an effort to identify the factors that affect inventory investment. The discussion that follows provides a concise review of the research on the variables affecting investments in inventories in India. The previous part is followed by this debate. Economic research is currently being conducted to find out what causes India's inventory buildup. Statistics and the aggregation of cross-sectional knowledge related to enterprise stocks are used to assist these researches. The extensive research conducted by Krishnamurthy (1964) concentrated on examining personal inventories in the Indian economy as a whole during the years 1948 and 1961. The relevance of the accelerator is emphasised by the study's authors, and its findings imply that sales are a reliable indicator of consumer demand for the product.

The interest rate on deposits made for a shorter length of time was also discovered to be a significant impact. For the purpose of his study project, "Materials Management in Public Undertakings," Hari R. Hindoo examined the effectiveness of materials management in a variety of various central public undertakings located in the Indian state of Rajasthan. The Instrumentation Restricted, the Kota Unit: HMT, the Ajmer Unit: Geographic Area, the Zink Restricted, and the Debari Unit: Geographic Area were these. Restrictions on the Sambhar Salts, the Khetri unit, and copper. This study, which covered the years 1977–1978 through 1981–1982, concentrated on several areas of materials management in these businesses during that time. This document combines a number of investigative techniques, such as fill-in-the-blank interviews, on-the-spot research, and deskwork procedures. It has come to our attention that in the most expensive units that were examined for the purposes of this study, the cost of the raw materials accounts for more than fifty percent of the total cost of production.

Unfortunately, public enterprises in Rajasthan did not fully comprehend the significance of proper materials management, and in reality, very little attention has been paid so far to the task of dominating investment in inventories through the application of a variety of scientific materials management techniques. Despite these realities, not much has changed. Despite the fact that a thorough explanation of the importance of efficient materials management has been given, this still occurs. A few well-known journals on materials management are printed in Asian nations. In addition to the research investigations that have been conducted at various institutions and organisations, as well as the textbooks that have been published on the subject, these magazines are also created.

PERPETUAL STOCK MANAGEMENT SYSTEM:

A permanent inventory account is utilised in the perpetual system in order to facilitate the

tracking of inventory purchases as well as the utilisation of these purchases. As soon as a corporation makes an additional purchase of stock during a period of volatility, the sum of money in their inventory account will immediately increase as a direct result of the transaction. This is because of the nature of the stock market. On the other hand, when a corporation sells a product that was already in its inventory, that transaction immediately brings down the total amount that is held in the inventory account. This is because the total amount that is kept in the inventory account is divided by the number of units in inventory. Businesses are able to preserve an everlasting record of changes made to their inventory when using the perpetual inventory system. As a consequence of this, the businesses always have the most recent information regarding their inventory holdings, regardless of the point in time. Because of this, the companies are able to improve the quality of their business decisions.

PERPETUAL STOCK MANAGEMENT SYSTEM APPLICATION:

In order to successfully execute the perpetual inventory system, it is important to make use of a collection of accounting records that are linked to related accounts. These accounting records should include information on inventories, money owed to the company or accounts receivable, sales, and the prices of things sold. Purchases of stock are deducted from the inventory account rather than the acquisition account when the perpetual inventory method is used; however, the amount of money due or accounts receivable is credited to the ledger in order to record the payment. This is done in order to maintain accurate financial records.

Businesses will document the transaction and recognise the value of the products that were sold separately after the purchasing process is complete. A debit is made to money or assets depending on the price used to record a procurement, and a credit is made to the sale. Despite this, the inventory account is debited for the value of sold goods at the price paid at the time of purchase. As a result, it is decided to change the inventory account to reflect the decreased inventory.

CONCLUSION

The management of materials, on the other hand, is typically mentioned as the area of an organisation that has the most room for improvement in terms of its ability to boost productivity and effectiveness. This is due to the fact that the management of materials is typically mentioned as the component with the greatest room for growth. This is because the component with the greatest potential for advancement is frequently identified as the management of materials. Despite this, there haven't been any sizable efforts to perform research in this field up until now. To a certain extent, the current investigation was successful in highlighting the importance of materials management as one of the key practical areas in nursing enterprises like construction.

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