

**A STUDY OF INVENTORY MANAGEMENT  
AND  
IT'S IMPACT ON PROFITABILITY**  
(A Case Study of Udayapur Cement Industry Limited)

**A THESIS**

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# RECOMMENDATION

This is to certify that the thesis

Submitted By:  
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Entitled:  
**A Study of Inventory Management and it's Impact on Profitability (A Case Study of Udayapur Cement Industry Limited)**

has been prepared as approved by this Department in the prescribed format of Faculty of Management. This thesis is forwarded for examination.

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Thesis Supervisor

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# VIVA -VOCE SHEET

We have conducted the viva-voce examination of thesis

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**A Study of Inventory Management and it's Impact on Profitability (A Case Study of Udayapur Cement Industry Limited)**

and we found the thesis to be the original work of the student written according to the prescribed format. We recommended this thesis to be accepted as partial fulfillment of the requirements for Master of Business Studies (M.B.S).

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## **ACKNOWLEDGEMENTS**

This study has been prepared for partial fulfillment of the requirement for the Master Degree in Business Studies. I am highly privileged to have the opportunity to complete this thesis entitled **Inventory Management and its Impact on Profitability, (A Case Study of Udayapur Cement Industry Limited)**

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Prabin Shrestha

# **DECLARATION**

I hereby, declare that the work reported in this thesis entitled **Inventory Management and it's Impact on Profitability (A Case Study of Udayapur Cement Industry Limited)** submitted to Research Department of Nepal Commerce Campus, New Baneshwor, T.U., is my original work done in the form of partial fulfillment of the requirements for the Masters of Business Studies (MBS) under the guidance and supervision of Dr. Prakash Neupane of Nepal Commerce Campus.

February, 2009

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# ABBREVIATION

%	: Percent
	: Summation
AICPA	: American Institute of Certified Public Accountants
ABC	: Always Better Control
AD	: Anno Domino
AI	: Average Inventory
BS	: Bikram Sambat
BMSS	: Biratnagar Milk Supply Scheme
CV	: Coefficient of Variation
CA	: Current Assets
CL	: Current Liabilities
DIH	: Inventory Holding Days
EOQ	: Economic Order Quantity
Etc	: Etceteras
FIFO	: First in First Out
FY	: Fiscal Year
ITR	: Inventory to Turnover Ratio
JIT	: Just In Time
JCF	: Janakpur Cigarette Factory
KGs	: Kilograms
LIFO	: Last in First Out
Ltd.	: Limited
Mgmt.	: Management
MT	: Metric Ton
PE	: Probable Error
PEs	: Public Enterprises
Pvt.	: Private
r	: Correlation

ROL	: Re-order Level
ROP	: Re-order Point
SD	: Standard Deviation
TCC	: Total Carrying Cost
TU	: Tribhuban University
TQM	: Total Quality Management
UCIL	: Udayapur Cement Industry Limited