

## Literature Survey:

Inventory management systems **control the process of managing all incoming and outgoing products in a retail store or online**. An inventory management system reduces time on stock management tasks such as cycle counts, physical inventory, and manual refill calculations.

An analytical study was conducted on "Inventory Management in Commercial Vehicle Industry In India". A sample of five companies' was selected for study. The study concluded that all the units in the commercial vehicle industry have significant relationship between Inventory and Sales. Proper management of inventory is important to maintain and improve the health of an organization. Efficient management of inventories will improve the profitability of the organization. High ratio of stocks to sales in the past suggests requirement of high levels of inventories in the past and promising high investment in inventories in the current period.

The study concluded that Gross profit margin is negatively correlated with the inventory conversion period, Increase in sales, which denotes the firm size enriches the firm's inventory levels, which pushes profits upwards due to optimal inventory levels. It is also noted that firms inventory systems must maintain an appropriate inventory levels to enhance profitability and reduce the inventory costs associated with holding excessive stock in warehouses.

Investigated the effects of raw materials inventory management on the profitability of brewery firms in Nigeria using a cross sectional data from 1989 to 2008 which was gathered for the analysis from the annual reports of the sampled brewery firms. Measures of profitability were examined and related to proxies for raw materials inventory management by brewers. The Ordinary Least Squares (OLS) stated in the form of a multiple regression model was applied in the analysis.

The study revealed that the local variable raw materials inventory management designed to capture the effect of efficient management of raw material inventory by a company on its profitability is significantly strong and positive and influences the profitability of the brewery firms in Nigeria. They concluded that efficient management of raw material inventory is a major factor to be contained with by Nigerian brewers in enhancing or boosting their profitability.

The inventory and working capital management of Indian Farmers Fertilizer Co-operative Limited (IFFCO) and National Fertilizer Limited (NFL). He concluded that the overall position of the working capital of IFFCO and NFL is satisfactory. But there is a need for improvement in inventory in case of IFFCO. However inventory was not properly utilized and maintained by IFFCO during study period. The management of NFL must try to properly utilize the inventory and try to maintain the inventory as per the requirements. So that liquidity will not interrupt.

Lal originated a model which involve price variable in inventory management; earlier price variable in inventory was not considered in that company. The analysis recommended solid policies, which would look after internal and external factors, ultimately it would help in bringing in efficient working capital management.

Statistically examined the inventory system with consumption, sales and other variables along with growth of these variables and inventory patterns. He concluded that an increase in components of inventory lead to an increase in the proportion of inventory in current assets. A special focus was made on stores and spares in order to calculate excess purchases resulting in loss of profit.

## References:

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