

in the manual is the prevalence of a good degree of openness and trust in the organisation. It might be useful for the authors to add another booklet to the three to outline various steps for creating openness and trust in the organisation, particularly in relation to the performance appraisal system. This is such a vital pre-requisite that, unless certain climate building exercises are undertaken prior to development, design and implementation of the system, the entire performance appraisal may be frozen and put in cold storage even before it starts operating.

It is refreshing that both in terms of quality of print as well as of presentation, a new publisher like Learning System has left a lasting mark. More than that, I think it is high time publishers like Macmillan insist on quality of contents, and for aspiring writers one would like to add a word of caution—it is not necessary to publish a book in order to do good work or to be known.

S R Ganesh,
ASCI, Bellavista,
Hyderabad-500 475.

Inventory Management — Text and Cases. P Gopalakrishnan, M S Sandilya. New Delhi, Macmillan, 1978, 344p.

At the outset it must be stated that the authors have done an excellent job of writing this text and cases on inventory management. They have covered most of the necessary aspects of inventory management. However, one of the major drawbacks of this book is that it provides less number of references. The authors would have consulted a number of books in this area while writing this book. Hence, bibliography would have enriched the book.

The first two Chapters dealing with introducing inventory and working capital inventory have been done very well, with analysis based on the survey of Indian companies. The third Chapter on Indian inventory problems, provides the salient features of the Tandon Committee. In the fourth Chapter factors affecting inventory have been dealt with. The fifth Chapter is devoted to the various classifications like ABC, VED. The sixth Chapter is

concerned with codification, standardisation and variety reduction, though coverage of the subjects of Kodak System and Brisch System is perfunctory. The Chapter on Statistics for Inventory Control has been well written with worked out examples.

The Chapter on Production Planning and Inventory Control seems to have a large number of inaccuracies. For example, the author has said: "LOB is an extension of the Gantt Chart which collects, measures, and present information relating to time and accomplishment of the production process." (p. 95) Comparing LOB to the Gantt Chart is an injustice done to both. LOB is a control tool, whereas Gantt Chart is for shop loading, scheduling and control. LOB can be used not only for batch production but also with one time jobs along with PERT. In the diagram given in this chapter the numbering of events is missing. The sub-heading scheduling production has also been over

simplified. A host of other considerations which have a bearing on scheduling do not find a place. Similar is the case with the treatment of Line Balancing and Inventory.

In the Chapter Material Planning and Inventory Control, (Chap. 9) under the heading methodology, service levels of V and E items have been mentioned. This has not been linked up with the analytical framework given in the Chapter on Practical Inventory Models, under the head Safety Stock. The author's contention of 95 per cent service level for regular items, 98-99 per cent for V items, 93-95 per cent for E items, contradict each other. No rationale for these figures also has been given. The authors do not seem to be aware that BOM for jobbing industries is normally made by the engineering department itself. They also seem to be unaware of the concepts of MRP which could have been given in this chapter.

The Chapter on EOQ has been well written with detailed derivation of the EOQ given at the end as an exhibit. The Chapter on Practical Inventory Models (Chap11) leaves a lot to be desired. The main omission is the assumption based on which these models have been developed. The conclusions arrived at for the use of models in our country is not based on the conditions available in our country. The fixed order quantity system, the authors conclude is usually applied to A items. This is true in the US, and other developed countries where the cost of manpower is high and virtual stock has greater meaning as the Lead Time is usually fixed. But in our country with lower cost of manpower this is just the reverse. The same holds good for the fixed period system also. In India, the fixed period

system is better used for A items as the cost of managerial manpower is relatively higher. The Chapter Specialities in Inventory is a cursory glance of two techniques like simulation and dynamic programming.

In the Chapter on Management of Project Inventory, PERT has been explained and the responsibility for co-ordination and supplies has been looked into. The Chapter on Information System for Inventory gives a general idea of systems requirement, inventory information, collection of data, information accounting and reporting, application of computers for inventory and computerised system.

The Chapter on Inventory Valuation and Stores Audit brings out the need for valuation, methods of valuation and auditing, while the Chapter on Organisation and Evaluation of Inventory Management looks at organisation and manpower planning, management of human resources, evaluation, methods of evaluation, inventory turnover, setting up norms and reporting. An innovative chapter is the Issues for Discussion, where a large number of questions have been raised, though some of them look like questions to a graduate student.

In Part 2, eleven cases have been given. It would have been useful had the authors identified these cases with specific focus. It would have enabled selective reading of cases by executives.

P V Ganesan,
Chairman,
Production & Management,
Indian Institute of Management,
33, Lengford Road,
Bangalore 560 027.