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Inventory Management: A Tool of Optimizing Resources in a Manufacturing Industry A Case Study of Coca-Cola Bottling Company, Ilorin Plant

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ABSTRACT Inventory constitutes the most significant part of current assets of larger majority of Nigerian manufacturing industries. Because of the relative largeness of inventories maintained by most firms, a considerable sum of an organization's fund is being committed to them. It thus becomes absolutely imperative to manage inventories efficiently so as to avoid the costs of changing production rates, overtime, sub-contracting, unnecessary cost of sales and back order penalties during periods of peak demand. The main objective of this study is to determine whether or not inventories in the Nigeria Bottling Company, Ilorin Plant can be evaluated and understood using the various existing tools of optimization in inventory management. The study methods employed include the variance analysis, Economic Order Quantity (EOQ) Model and the Chi-square method. The answer to the fundamental question of how best an organization which handles inventory can be efficiently run is provided for in the analysis and findings of the study. Consequently, recommendations on the right quantity, quality and timing of material, at the most favourable price conclude the research study.