

## Chapter 18 – Warehousing and Distributing

### I-Summary

This chapter helped you learn about warehousing and distributing. It is important to have adequate merchandise on hand to run a successful business. You must have enough inventory to meet your sales needs. However, the size and value of the inventory on hand affects your insurance, taxes, and the worth of your business, so you need to carefully weigh these factors

### I-Quiz

1. Which of the following products would definitely be inventoried using the *first-in, first-out* method?
  - A. bed frames
  - B. milk
  - C. gravel
2. What does an *inventory* show?
  - A. the number of items your business has in stock
  - B. the number of items your business sold this month
  - C. the profit your business made last month
3. What is the type of shipping where your products are given the exclusive use of a driver and truck called?
  - A. drop shipping
  - B. expedited shipping
  - C. Freight on Board shipping
4. What is the name for a place to keep products or materials until you are ready to use them?
  - A. an inventory room
  - B. a show room
  - C. a warehouse
5. The cost of shipping depends on the weight of the item, the distance it will be shipped, and:
  - A. the speed of delivery
  - B. the size of the item
  - C. who will be receiving it

## **Answer Key**

- 1. B**
- 2. A**
- 3. B**
- 4. C**
- 5. A**