

Section Answer Keys

Chapter 22 Physical Distribution

Section 22.2 Inventory Storage

Review Key Concepts

1. Students should list any four of these reasons for storing merchandise: facilitate delivery to purchaser, production has outpaced demand, products require seasonal storage, to take advantage of quantity purchases, and to be located close to purchasers.
2. Students should list any three of these services that might be offered at a public warehouse: shipment consolidation, receiving, unloading, inspecting, reshipping, order filling, and truck terminal operation services.
3. A bonded warehouse can be either a public or private warehouse that stores products that require the payment of a federal tax. Products cannot be removed until the required tax is paid.

Practice Academics

English Language Arts

4. Students should write a one-page report summarizing a current issue that is impacting the transportation industry. For example, in November of 2008, the TSA issued rules codifying the scope of TSA's inspection program and specifying extensive chain of custody and control requirements for hazardous materials security. The industry reacted, stating that they were unable to comply with these rules in the allotted time frame. In response to this complaint, the effective date for the new regulations was extended.

Mathematics

5. \$8.95 per item per year (850,000/95,000)