4 Analyse **one** reason why a business might hold low levels of inventory. [5]

Section B

Answer **one** question only.

EITHER

3 **(a)** Define the term *inventory re-order level*. [2]

(b) Explain **one** advantage to a business of holding buffer inventory. [3]

3 **(a)** Define the term *Just in Time (JIT)*. [2]

(b) Explain **one** disadvantage to a business of using Just in Time (JIT). [3]