

CHAPTER 8

Managing Office Supplies

REVIEW

Vocabulary Review

True or False

Decide whether each statement is true or false. In the space at the left, write T for true or F for false. On the lines provided, rewrite the false statements to make them true.

- _____ 1. A medical assistant should avoid storing boxes or supplies near a water heater, air-conditioning unit, heater, or stove.

- _____ 2. Paper cups are considered an administrative supply expense.

- _____ 3. The list of supplies the office uses regularly and the quantity in storage constitute the office inventory.

- _____ 4. The average medical practice spends between 10% and 15% of its annual gross income on administrative, clinical, and general supplies.

- _____ 5. A durable item is an item that is used indefinitely.

- _____ 6. When you receive a shipment or an order, it is important to check the invoice carefully against the original order and the packing slip.

- _____ 7. If an invoice says "Net 30," you have 30 days in which to pay the total amount of the invoice without penalty charges.

- _____ 8. When ordering by fax, it is always best to use the form provided by the vendor.

- _____ 9. A purchase order does not require an authorizing signature.

- _____ 10. A disbursement is a payment of funds.

- _____ 11. Purchasing groups get the same prices as an individual ordering because the law requires equal pricing.

- _____ 12. The unit price of an item is the price per item.

- _____ 13. With most vendors, "rush orders" cost the same as orders delivered by standard shipping.

- _____ 14. It is a good idea to take advantage of phone solicitations to help control costs of supplies.

- _____ 15. The word "supplies" refers to expendable items or items that are used up and restocked.

Passage Completion

Study the key terms in the box. Use your textbook to find definitions of terms you do not understand.

unit price	vital	disbursement
rush order	invoice	reorder reminder cards
clinical	Material Safety Data Sheet (MSDS)	inventory card or record page
administrative	computerized inventory system	

In the space provided, complete the following passage, using some of the terms from the box. You may change the form of a term to fit the meaning of the sentence.

In a medical office, a(n) (16) _____ for each item or category of items may be a 4 × 6 inch index card or a page in a loose-leaf binder. (17) _____ are usually brightly colored cards inserted directly into stock on the supply shelf to indicate when it is time to reorder. A(n) (18) _____ is the best choice for a large medical practice. To calculate an item's (19) _____, divide the total price of the package by the quantity, or the number of items. (20) _____ usually cost more than regularly scheduled orders and should be avoided when possible. The information supplied by the manufacturer describing the chemical breakdown of a product is called a(n) (21) _____. A payment of funds to a vendor is called a(n) (22) _____. Another name for a bill is a(n) (23) _____. Alcohol swabs are an example of a(n) (24) _____ supply. Insurance materials are an example of (25) _____ supplies. (26) _____ is a category of supplies that are essential to ensure the smooth running of the practice.

16. _____
17. _____
18. _____
19. _____
20. _____
21. _____
22. _____
23. _____
24. _____
25. _____
26. _____

Content Review

Multiple Choice

In the space provided, write the letter of the choice that best completes each statement or answers each question.

- _____ 1. The best place to store the office's Christmas tree is
 - A. in a storage area away from heat and water.
 - B. as close to the ceiling as possible because this item is used only once a year.
 - C. by the furnace.
 - D. near the water heater.
 - E. in the patient bathroom.

- _____ 2. Which group of items is considered general supplies?
 - A. Lancets, tongue depressors, and sutures
 - B. Lubricating jelly, alcohol swabs, and needles
 - C. Paper cups, toilet paper, and liquid soap
 - D. Copy paper, stamps, and pens
 - E. File folders, insurance manuals, and forms

- _____ 3. Paper administrative supplies should be stored
 - A. in an upright position in the original shipping box to save space.
 - B. lying flat in the original shipping box.
 - C. lying flat after being taken out of the original shipping box.
 - D. in an upright position after being taken out of the original shipping box.
 - E. in a desk drawer only, after being removed from the original shipping box.

- _____ 4. Unit prices are usually lower at larger quantities. Therefore, it makes sense to
 - A. buy more items than you need and can store.
 - B. buy items in bulk when the purchase can be stored and used within a reasonable amount of time.
 - C. never buy items except in large quantities.
 - D. not worry about comparative pricing because a small difference in price really doesn't matter.

- _____ 5. You should order by "rush order"
 - A. only as absolutely required.
 - B. on Fridays to avoid the weekend.
 - C. routinely.
 - D. on Mondays to compensate for the weekend.

- _____ 6. The Federal Trade Commission (FTC) requires supply companies to provide merchandise within how many days or to give you the option of canceling with a full refund?
 - A. 90
 - B. 60
 - C. 180
 - D. 30

- _____ 7. A purchase requisition is
 - A. a form that can only be used when faxing an order.
 - B. another name for an invoice.
 - C. another name for an MSDS sheet.
 - D. only used when purchasing through a buying pool.
 - E. a formal request from a staff member or doctor.

- _____ 8. Most durable items
- A. have a short shelf life.
 - B. must be restocked often.
 - C. are pieces of equipment that are used indefinitely.
 - D. are made of paper for easy disposal.
- _____ 9. Holiday cards are an example of
- A. administrative supplies.
 - B. general supplies.
 - C. periodic supplies.
 - D. noninventoried supplies.
- _____ 10. Which items must be stored separately from other products?
- A. Liquid soaps
 - B. Poisons and acids
 - C. Durable items
 - D. Bulky items that require a lot of space

Sentence Completion

In the space provided, write the word or phrase that best completes each sentence.

- | | |
|---|-----------|
| 11. Ordering online requires the use of _____ and _____. | 11. _____ |
| 12. OSHA stands for _____. | 12. _____ |
| 13. The oldest products should be stored on the _____ of the shelf. | 13. _____ |
| 14. New calendars and appointment books are examples of _____ supplies. | 14. _____ |
| 15. _____ must be stored out of site and in a locked cabinet. | 15. _____ |
| 16. If you make a cash disbursement, you should always obtain a _____. | 16. _____ |
| 17. The best way to deal with telephone solicitation is _____. | 17. _____ |
| 18. Another name for an invoice is a(n) _____. | 18. _____ |
| 19. The rules of good housekeeping and _____ apply to storage areas for clinical supplies. | 19. _____ |
| 20. _____ are groups of physicians who order supplies together to obtain a quantity discount. | 20. _____ |

Short Answer

Write the answer to each question on the lines provided.

21. Describe how to establish an online account for ordering supplies.

22. What tasks are likely to be included in the medical assistant's responsibilities for maintaining supplies?

23. List items that are important to include on an inventory card.

24. Explain how inventory cards and colored adhesive flags can be used to track supplies that must be reordered.

25. Explain the function of reorder reminder cards.

26. Explain how to calculate a unit price.

27. Briefly describe four categories of information you should obtain when investigating a vendor.

28. What procedure should you follow when receiving a supply shipment?

29. Who is inconvenienced when the supply of an important item runs out?

30. Why is it wiser to order in bulk? Give an example.

31. You notice that some items are always running out. What might you do to handle this situation?

32. When preparing a check for a vendor, what information should be included on the front of the check?

33. Why is it important to check an order carefully when it arrives?

Critical Thinking

Write the answer to each question on the lines provided.

1. You have been put in charge of managing supplies for a large practice. You find that this responsibility takes most of your time. You would prefer to have more diverse duties. What might you do?

2. The practice at which you work has been growing quickly. You think you may need to increase the quantity of certain items in the inventory, but you are not sure what quantity would be correct. What should you do?

3. You have heard that ordering medical office supplies through a purchasing group may be less expensive than direct ordering from one office. How might you investigate purchasing groups in your area?

4. A new vendor offers you prices that are far below what you are now paying. You can save the office a great deal of money, but the brands are unknown to you. How should you handle the situation?

5. As you check a shipment of supplies, you discover that there is a greater quantity of one item than was ordered and that one ordered item is missing altogether. What should you do?

APPLICATION

Follow the directions for each application.

1. Inventory Card or Page

You are setting up an inventory system for the office. Your first task is to design inventory pages to place in a binder. What information should you include for each item? List each category of needed information on the lines provided. Use a sheet of paper to design the inventory page.

2. Unit Pricing

You are ordering 2-liter plastic bottles of saline solution for the office. Apex Medical Supply sells a ten-bottle package for \$12.50. Acme Medical Supply sells the same brand and size in an eight-bottle package for \$11.20. Which package is the better buy?

CASE STUDIES

Write your response to each case study on the lines provided.

Case 1

As the person at your office in charge of ordering supplies, you take a call from an unknown vendor. He tells you that he has an overstock of your brand of photocopier toner. He wants to get rid of it, so he will let you have it for half the regular price. He instructs you to send a check to a box number he gives you; then he will ship the toner to you. What should you do? Why?

Case 2

You have delegated the ordering of all supplies to another employee. Since this assignment, you have noticed that the cost of supplies has steadily increased. What factors could be causing this? What can you do to control the costs?
