

# [Discuss the meaning of mrp terms, such as planned order release and schedule orde...](https://assignbuster.com/discuss-the-meaning-of-mrp-terms-such-as-planned-order-release-and-schedule-order-receipts/)

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Meaning of MRP Terms Meaning of MRP Terms Q1 Materials Requirement Planning (MRP) Materials requirement planning (MRP) entails information system of sales that forecast on the concrete structure used in scheduling raw materials quantities and deliveries. However, assumptions about labor and machine are required to fulfill sales forecast (Vrat, 2014). MRP development has terms such as planned order release and schedule order receipts which are used in the planning of required materials within a business.
Planned Order Release
Planned order release is the order quantity of an item ordered within a planned period. Ordering ensures that the item is received when needed. Moreover, the proposed order is determined by balancing the expected order receipt in the procurement lead-time of the item. Therefore, a planned order release transaction incorporates within a particular time, for it to schedule within a companies or organizations procedure. Confirmation of the order is determined by balancing the amount of the order in the receipts of procurement over a particular period (Coyle et al., 2012).
Scheduled Order Release
It is a scheduled order designed to meet the customers’ demand in a market within the firms planned orders and forecasted demand. Planned order within the materials requirement planning of a company meets the customers’ demand the time speculated to reach a customer.
Q 2
Demand in MRP systems originates from finished goods within forecast design or components of products. Moreover, the sources of MRP system fall under independent and dependent requirements. An Independent order affects the demand for finished goods while dependent demand refers to demand items, which are subassemblies or component parts used in the production of finished goods.
References
Coyle, J., Langley, C., Novack., R & Gibson., B. (2012). Supply Chain Management: A Logistics Perspective. Mason, OH: South-Western Cengage Learning.
Vrat, P. (2014). Materials Management: An Integrated Systems Approach. Springer.