



MGT613 POMA

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A Mega File for Final Term Exams and Quizzes

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Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ **Strategic decision**
- ▶ Tactical decision

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

- ▶ **Capital**
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 3 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ **Multifactor**
- ▶ Partial

▶ Single

▶ Total

Question No: 4 (Marks: 1) - Please choose one

The major business function consisting of research and development, product design, manufacturing, marketing, distribution, and customer service is refers to:

- ▶ Value chain
- ▶ The transformation process
- ▶ Quality control
- ▶ **Life cycle**

Question No: 5 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

- ▶ Are specific to the operations function

- ▶ Are specific to the marketing function
- ▶ **Are interdependent with other processes**
- ▶ Have exactly the same performance measures for any process

Reference

Question No: 6 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$
- ▶ **$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$**
- ▶ $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

for more contents visit

<http://www.vustudents.net>

Question No: 7 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

- ▶ Flexibility + profit+ operations
- ▶ Work + profit + value
- ▶ **Quality + speed + flexibility**
- ▶ Profit + Incentives + standards

Question No: 8 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?

- ▶ A factor which may be significant in other parts of the organization
- ▶ **A factor which gives an organization a competitive edge**
- ▶ A factor which serves as a minimum standard for purchase
- ▶ A factor which increases the profitability of the organization

Question No: 9 (Marks: 1) - Please choose one

As a manager, you have defined the purpose of the forecasts. What should be the **next** step in forecasting process?

- ▶ Choose a forecasting technique.
- ▶ Determine the purpose of the forecast.
- ▶ **Set up a time horizon or a time limit.**

▶ Collect and analyze the appropriate data.

Question No: 10 (Marks: 1) - Please choose one

Which one of the following forecasting technique is based on historical data?

- ▶ Judgmental
- ▶ Associative
- ▶ **Time series**
- ▶ Qualitative

Ref: · **Time series** - uses historical data assuming the future will be like the past and depend on developing relationships between variables that can be expressed to predict future values.

for more contents visit

Question No: 11 (Marks: 1) - Please choose one

Which one of the following forecasting techniques use subjective inputs su from consumer surveys, sales staff, managers and experts?

- ▶ Time series
- ▶ Quantitative
- ▶ **Judgmental**
- ▶ Associative

Ref: · **Judgmental** - uses subjective inputs meaning that a judgmental forecast rely on analysis of subjective inputs obtained from various sources, such as consumer surveys, the sales staff, managers and executives, and panels of experts. These insights are not available publicly.

Question No: 12 (Marks: 1) - Please choose one

Which of the following approaches favors adopting a "go for it" strategy?

- ▶ Maximin
- ▶ **Maximax**
- ▶ Minimax regret
- ▶ Laplace

Question No: 13 (Marks: 1) - Please choose one

Possible future demand	
Low (Rs.)	High (Rs.)
10,000	8,000
12,000	20,000
18,000	15,000

Given the table:

Alternatives

Small facility Medium facility Large facility

Which one of the following is the correct payoff under MAXIMAX approach?

- ▶ Rs. 10,000
- ▶ Rs. 18,000
- ▶ Rs. 20,000
- ▶ Rs. 32,000

Question No: 14 (Marks: 1) - Please choose one

Which one of the following is NOT a step of decision making process?

- ▶ Develop alternatives
- ▶ Monitor results

► **Consider risk averseness strategies**

► Specify criteria for decision

Ref: 1. Specify Objectives and the Criteria for decision making

2. Develop Alternatives

3. Analyze and compare alternatives.

4. Select the best alternative.

5. Implement the chosen Alternative

6. Monitor the results to ensure the desired results are achieved.

Question No: 15 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

► Introduction

► Growth

► **Maturity**

► Decline

Plateau phase: In the plateau or market maturity phase the size of market starts to become constant with no considerable growth. Once this phase is reached, organisations tend to have a stable market share, all things kept constant. At this stage, organisations increase profitability by reducing costs and utilising available manufacturing capacity to the maximum. However, there is the possibility of some organisations trying to increase profitability by increasing manufacturing capacity! The strategy is to increase manufacturing capacity, which results in reducing costs resulting in lower pricing which in turn helps gain market share. The increase in manufacturing capacity in the plateau or maturity phase however, is most often in small amounts than in large degrees

Question No: 16 (Marks: 1) - Please choose one

Which one of the following statement is TRUE about cost-volume relationship?

► **It represents the relationship between cost, revenue and volume of output.** <http://www.vustudents.net>

► It represents the relationship between cost and volume of output.

► It represents the relationship between cost and revenue.

► It represents the relationship between inputs, cost and volume of output.

Ref: Cost Volume Relationship focuses on relationships between costs, revenue and volume of output. The primary purpose of cost volume analysis is to estimate the income of an organization.

Question No: 17 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute break even point?

► $Q = VC / (R - VC)$

► **$Q = FC / (R - VC)$**

► $Q = VC / (R + FC)$

► $Q = FC / (R + VC)$

Question No: 18 (Marks: 1) - Please choose one

ABC Corporation has planned to purchase a new machine. Total annual fixed cost is Rs. 10,000, variable cost is Rs. 5 per unit and revenue is Rs. 7 per unit. What would be the break even point?

- ▶ 833 units
- ▶ 2000 units
- ▶ **5000 units**
- ▶ 1012 units

Question No: 19 (Marks: 1) - Please choose one

Which of the following terms of financial analysis are important for the organization to proceed with a capacity alternative decision?

- ▶ Cash flow and fixed cost
- ▶ Present value and fixed cost
- ▶ **Cash flow and present value**
- ▶ Cash flow and profit

Ref: Operations manager along with managerial accountant often work to calculate what cash flow or present value in terms of rupees is available for the organization to proceed with a capacity alternative decision.

Question No: 20 (Marks: 1) - Please choose one

Which of the following is a system designed to coordinate all activities and information needed to complete business processes?

- ▶ **Enterprise resource planning**
- ▶ Supply chain management
- ▶ New product development
- ▶ Customer relationship management

Ref: It is an enterprise-wide information system designed to coordinate all the resources, information, and activities needed to complete business processes such as order fulfillment or billing .

Question No: 21 (Marks: 1) - Please choose one

Which of the following is **NOT** a characteristic of product layouts?

- ▶ **High material handling costs**
- ▶ Sequential arrangement of machines
- ▶ Standardized output
- ▶ Continuous production system

Ref: Lecture slide no.19.

1. High rate of output.
2. Low unit cost.
3. Labor specialization.
4. Low material handling cost.
5. High utilization of labor and equipment.
6. Established routing and scheduling.

7. Routing accounting and purchasing.

Question No: 22 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ **Product layout**
- ▶ Hybrid layout

Ref: In a product layout, resources are arranged sequentially, based on the routing of the products. In theory, this sequential layout allows the entire process to be laid out in a straight line, which at times may be totally dedicated to the production of only one product or product version. The flow of the line can then be subdivided so that labor and equipment are utilized smoothly throughout the operation.

For longer operating times, the worker may have to walk alongside the work as it moves until he or she is finished and can walk back to the workstation to begin working on another part (this essentially is how automobile manufacturing works).

Question No: 23 (Marks: 1) - Please choose one

In exponential smoothing model, α denotes:

- ▶ **Smoothing constant**
- ▶ Actual forecast
- ▶ Forecast error
- ▶ Previous forecast

Question No: 24 (Marks: 1) - Please choose one

Which one of the following designs resists modifications?

- ▶ **Frozen design**
- ▶ Product design
- ▶ Service design
- ▶ Robust design

Question No: 25 (Marks: 1) - Please choose one

- ▶ **To test the robustness of a design**
- ▶ To articulate the "voice of the customer"
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Question No: 26 (Marks: 1) - Please choose one

Which one of the following refers to using some of the components of old products in the manufacturing of new products?

- ▶ Manufacturability
- ▶ **Remanufacturing**
- ▶ Robust design
- ▶ Automation

Question No: 27 (Marks: 1) - Please choose one

Which one of the following is a curve showing failure rate over time?

- ▶ Cost curve
- ▶ **Bath tub curve**
- ▶ Fish bone diagram
- ▶ Reliability curve

Question No: 28 (Marks: 1) - Please choose one
 ble to operate for 250

What would be the availability if a carpehours between repairs, and the mean rep

- ▶ 1.01
- ▶ 5.03
- ▶ 3.0
- ▶ 0.98

Question No: 29 (Marks: 1) - Please choose one

Which one of the following is the goal of method analysis?

- ▶ Dividing and analyzing a job
- ▶ Check individual human motions used to perform an operation
- ▶ Determining the length of time it will take to undertake a particular task
- ▶ Determining the amount of time a worker spends on various activities

Question No: 30 (Marks: 1) - Please choose one

Which one of the following is an example of regional factors that affect location decisions?

- ▶ Transportation
- ▶ Quality of life
- ▶ Development support
- ▶ **Location of new markets**

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Question No: 31 (Marks: 1) - Please choose one

Which one of the following is an example of site related factors that affect location decision?

- ▶ **Transportation**
- ▶ Quality of life
- ▶ Location of new markets
- ▶ Location of raw materials

Question No: 32 (Marks: 1) - Please choose one

Which one of the following statements is **true** about Occupational Safety Hygiene Administration (OSHA)?

- ▶ **To safeguard against potential hazards (Doubted)**
- ▶ To develop cost effective processes
- ▶ To implement legal standards
- ▶ To carry out implication of manufacturability and fitness

Question No: 33 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- ▶ Job shop
- ▶ Batch processing
- ▶ Assembly line
- ▶ **Continuous processing**

Ref: job shop produces low standardized products, batch produces multiple products and assembly line produces fewer major products. Project, on the other hand, is not a processing structure.

Question No: 34 (Marks: 1)

- Please choose one

The type of processing structure that is used for producing discrete products at higher volume is:

- ▶ Continuous Flow
- ▶ **Assembly Line**
- ▶ Batch
- ▶ Job shop

Ref: http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

Question No: 35 (Marks: 1) - Please choose one

An example of a business/industry that uses batch flow process structure is:

- ▶ Commercial printer
- ▶ **Heavy equipment**
- ▶ Automobile assembly
- ▶ Sugar refinery

Ref: <http://highered.mcgraw-hill.com/novella/QuizProcessingServlet>

Question No: 36 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

- ▶ Customers typically interact directly with the service delivery process.
- ▶ Consumption and production take place simultaneously.
- ▶ Services are intangible.
- ▶ **Services can be stored.**

Question No: 37 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies. <http://www.vustudents.net>

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ Operational strategy
- ▶ Tactical strategy

Question No: 38 (Marks: 1) - Please choose one

All of the following are examples of the transformation process EXCEPT:

- ▶ Cutting
- ▶ Packing

▶ Facilitating

▶ Labeling

Question No: 39 (Marks: 1) - Please choose one

_____ purpose is to coordinate and control all the required sources so that

productive system can be used efficiently and to ensure the delivery of product in time.

▶ Total quality control's

▶ Demand management's

▶ Forecasting's

▶ Operations management's

Question No: 40 (Marks: 1) - Please choose one

Which of the following is a characteristic of linear regression?

It is superior to a moving average

▶ **It is a causal forecasting model**

▶ It compensates for both trend and season

▶ It is superior to an exponential smoothing

Latest Quizzes

Production & Operation Management (MGT-613)

Lesson#1 to 22

07:45:18 PM) Total Marks: 1

Which one of the following is the final stage of product life cycle?

Select correct option:

Growth

Decline p#50

Maturity

Planning

Question # 9 of 15 (Start time: 07:45:35 PM) Total Marks: 1

Within the operations function, which one of the following is a long-term management decision?

Select correct option:

Control decision

Non-operational decision

Strategic decision

Tactical decision

http://books.google.com.pk/books?id=QP8gUPePJsIC&pg=SA1-PA12&lpg=SA1-PA12&dq=Within+operation+function+long-term+management+decision&source=bl&ots=g3Ab-1gcvW&sig=kL6EOiHwTV3wAS3jr2nMiq7UFm8&hl=en&ei=sgziTK_XJY-4vgPo8vD1Dg&sa=X&oi=book_result&ct=result&resnum=10&ved=0CFcQ6AEwCQ#v=onepage&q=long-term%20management%20&f=false

07:46:13 PM) Total Marks: 1

A tool to measure effective use of resources and usually expressed as the ratio of output to input is known as;

Select correct option:

Production ratio

Productivity p#19

Reliability

Operations ratio

Question # 11 of 15 (Start time: 07:47:18 PM) Total Marks: 1

Which of the following is referred to as plans for achieving goals?

Select correct option:

Tactics

Strategies p#12

Policies

Mission

Question # 13 of 15 (Start time: 07:49:02 PM) Total Marks: 1

Which one of the following is the correct order of layout types from low volume/high variety to high volume/low variety?

Select correct option:

Fixed position, process, cell, product

Fixed position, cell, process, product

Fixed position, process, product, cell

Process, fixed position, cell, product

http://books.google.com.pk/books?id=EUzBj3wokl4C&pg=PA112&lpg=PA112&dq=correct+order+of+layout+types+from+low+volume/high+variety+to+high+volume/low+variety&source=bl&ots=-vbfOoCH6x&sig=zV0nHaaR43M4HQqHbDiVCutCCBY&hl=en&ei=hZ3vTMnELcrCcCrwxIEK&sa=X&oi=book_result&ct=result&resnum=8&ved=0CE8Q6AEwBw#v=onepage&q&f=false

Question # 14 of 15 (Start time: 07:50:23 PM) Total Marks: 1

Forecasts help managers by reducing the degree of:

Select correct option:

Accuracy

Precision

Uncertainty p#34

Reliability

Question # 15 of 15 (Start time: 07:50:49 PM) Total Marks: 1

Which one of the following mathematical expressions can be used to compute availability?

Select correct option:

(MTBF)/ (MTBF+MTR) p#63

(MTBF)/ (MTBF-MTR)

(MTR)/ (MTBF+MTR)

(MTR)/ (MTBF-MTR)

AVAILABILITY

The fraction of time a piece of equipment is expected to be available for operation.

Mathematically, If we represent mean time between failures by MTBF and mean time to repair by MTR then

Availability = (MTBF)/ (MTBF + MTR)

Organizational strategy is different from operations strategy because it is;

Select correct option:

Prepared by middle managers

Narrower in scope

Longer in time horizon p#14

All of the aboves

·Organizational strategy is

- An over all big picture for the whole organization.
- Longer in time horizon
- Less detailed and broader in scope.

·Operational Strategy is

- Narrower in scope and in more detail
- Prepared by middle management.
- Should be in line with the Organization strategy

Which one of the following forecasts is quick and easy to prepare?

Select correct option:

Time series

Delphi

Naive Forecasts p#36

Naive Forecasts

- Simple to use
- Virtually no cost
- Quick and easy to prepare
- Data analysis is nonexistent
- Easily understandable

In exponential smoothing model, α denotes:

Select correct option:

Smoothing constant p#40

Previous forecast

Forecast error

Actual forecast

Which of the following refers the way an organization chooses to produce its good or services?

Select correct option:

Process selection

Process reengineering

Process redesign

Process design

Capacity planning involves answering all of the following questions EXCEPT:

Select correct option:

What kind of capacity is needed?

How much is needed?

When is it needed?

Who is going to decide?

Characteristics like taste, feel, expertise, image or reputation relates to -----.

Select correct option:

Subjective inputs

Objective inputs

Quantitative technique

None of the given options

Which of the following is a technique for fitting a line to a set of points?

Select correct option:

Regression p#42

Trend

Cycle

Moving averages

Regression - technique for fitting a line to a set of points

Which of the following is not an attribute to classify services?

Select correct option:

Tangibility

Perish ability

Simultaneity

Degree of Customer Contacts

Which one of the following represents a use of cost-volume analysis?

Select correct option:

It is a tool for reliability measurement

It provides a base for marketing research

It helps in identification of cost related to production p#73

It is important in product design

Which one of the following is an index used to measure actual output relative to design capacity?

Select correct option:

Utilization

Efficiency

Effective capacity

Effectiveness

Which one of the following is a productivity measure based on all inputs?

Select correct option:

Capital productivity

Multifactor productivity

Partial productivity

Total productivity

Question # 14 of 15 (Start time: 08:03:27 PM) Total Marks: 1

Which of the following statements describes an order-qualifier characteristic?

Select correct option:

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Question # 15 of 15 (Start time: 08:04:45 PM) Total Marks: 1

An automatic car wash is an example of which of the following?

Select correct option:

Standardized service

Customized service

Batch processing

Intermittent processings

Question # 4 of 15 (Start time: 08:40:24 PM) Total Marks: 1

Which one of the following is correct about the range of availability on a measuring index?

Select correct option:

0.1 to 1.0

0 to 1.0

0.5 to 1.0

0.01 to 1.0

Marks: 1

Which method of forecasting is most widely used?

Select correct option:

Regression analysis

Adaptive forecasting

Weighted moving average

Exponential smoothing

Services differ from manufacturing in all the following ways EXCEPT:

Select correct option:

Customers typically interact directly with the service delivery process

Consumption and production take place simultaneously.

Services are intangible.

Services can be stored.

Which of the following is NOT usually considered a general characteristic of a service?

Select correct option:

Degree of customer contact is high

Production and sales cannot easily be separated functionally

Many services involve both tangible and intangible outputs

Production and consumption can always be separated

Question # 9 of 15 (Start time: 08:42:48 PM) Total Marks: 1

The forecasting model that attempts to predict the future value based on the past data is known as:

Select correct option:

Delphi Method

Time series Analysis

Associative Models

Naïve Forecasting

08:44:17 PM) Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Select correct option:

Multifactor

Partial

Single

Total

Question # 13 of 15 (Start time: 08:45:15 PM) Total Marks: 1

Which one of the following is the most significant disadvantage of standardization?

Select correct option:

Frozen designs

Interchangeable parts

Reduced variety

Customized parts

Which one of the following forms of productivity has units of output per dollar input?

Select correct option:

Capital

Energy

Labor

Machine

Which one of the following formulae can be used to compute value?

Select correct option:

$(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$

(Quality + Speed+ Flexibility) / Cost

(Quality + Speed - Cost) / Flexibility

(Quality + Speed+ Cost) / Flexibility

Question # 1 of 15 (Start time: 08:49:04 PM) Total Marks: 1

A gradual, long term upward or downward movement in data is referred to as:

Select correct option:

Cycle

Trend

Seasonality

Random variation

• *Trend* - long-term upward or downward movement in data often relates to population shifts, changing incomes, and cultural changes.

Which one of the following reasons account for using moving average in forecasting?

Select correct option:

It eliminates the trend

It smoothes the random fluctuations

It counteracts the seasonal variations

It approximates the period average

Which of the following is NOT usually considered a general characteristic of a service?

Select correct option:

Degree of customer contact is high

Production and sales cannot easily be separated functionally

Many services involve both tangible and intangible outputs

Production and consumption can always be separated

The role of a ----- manager is to sustain, protect, and project the company's operations side.

Select correct option:

Project Manager

Operations Manager

Finance Manager

Marketing Manager

Which one of the following represents a use of cost-volume analysis?

Select correct option:

It is a tool for reliability measurement

It provides a base for marketing research

It helps in identification of cost related to production

It is important in product design

Which one of the following is used to generate consensus forecast?

Select correct option:

Delphi method

Time series method
Exponential smoothing
Associative model

Product life cycle is based on:
Select correct option:

Price
Place
Demand
Supply

Which of the following does not enhance developing capacity alternatives?
Select correct option:

Designing flexibility into the system
Taking a big picture approach
Staying focused on quantitative factors p#68
Smoothing capacity requirements

The major business functions consisting of research and development, product design, manufacturing, marketing, distribution, and customer service refer to:

Select correct option:

The transformation process
Value chain
Life cycle
Quality control

http://en.wikipedia.org/wiki/Value_chain

Question # 1 of 15 (Start time: 02:59:52 PM) Total Marks: 1

Which one of the following is true about Taguchi approach?

Select correct option:

To test the robustness of a design

To articulate the “voice of the customer”
To reduce the degree of automation
To create a concurrent design

Question # 2 of 15 (Start time: 03:01:17 PM) Total Marks: 1

Forecasts help managers by reducing the degree of:

Select correct option:

Accuracy
Precision
Uncertainty
Reliability

Question # 3 of 15 (Start time: 03:01:49 PM) Total Marks: 1
OSHA stands for: which one of the following?
Select correct option:

Occupational Safety Hygiene Administration p#46

Occupational Stock Hygiene Administration
Occupational Safety Hygiene Agency
Occupational Science Hygiene Administration

Question # 4 of 15 (Start time: 03:03:18 PM) Total Marks: 1
An organization has described its distinctive characteristics. So, what is the next step in formulating the strategy?
Select correct option:

Productivity Measures

Environmental scanning p#15

Selecting the market segment

Competitor's distinctiveness

Question # 5 of 15 (Start time: 03:04:52 PM) Total Marks: 1
Which one of the following correctly represents a set of time series forecasts?
Select correct option:

Averaging, cycle, seasonality, random variations
Trend, seasonality, exponential smoothing
Trend, cycle, seasonality, moving average
Trend, cycle, seasonality, random variations

Question # 6 of 15 (Start time: 03:06:21 PM) Total Marks: 1
Which one the following formula or function can be used to measure the performance?
Select correct option:

Flexibility + profit+ operations
Work + profit + value
Quality + speed + flexibility
Profit + Incentives + standards

Question # 7 of 15 (Start time: 03:07:49 PM) Total Marks: 1

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

Select correct option:

Choose a forecasting technique.

Determine the purpose of the forecast.

Set up a time horizon or a time limit

Collect and analyze the appropriate data.

Question # 8 of 15 (Start time: 03:09:20 PM) Total Marks: 1

Which ONE of the following forms a bridge between two islands of Engineering and Management?

Select correct option:

Production Engineering

Operations Management

Industrial Management

Operations Engineering

Question # 9 of 15 (Start time: 03:10:48 PM) Total Marks: 1

Characteristics like taste, feel, expertise, image or reputation relates to -----.

Select correct option:

Subjective inputs

Objective inputs

Quantitative technique

None of the given options

Question # 10 of 15 (Start time: 03:12:06 PM) Total Marks: 1

All of the following are steps in forecasting process EXCEPT:

Select correct option:

Determine the purpose of the forecast

Establish a time horizon

Assigning weights to the criteria

Monitor the forecast

Question # 11 of 15 (Start time: 03:12:46 PM) Total Marks: 1

Which of the following forecasting technique is used when introducing new products, services, new features and new packaging?

Select correct option:

Quantitative technique

Associative model

Focus group

Judgmental forecast

Question # 12 of 15 (Start time: 03:13:48 PM) Total Marks: 1

Which of the following statements describes an order-qualifier characteristic?

Select correct option:

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Question # 13 of 15 (Start time: 03:15:13 PM) Total Marks: 1

Which one of the following mathematical expressions can be used to compute availability?

Select correct option:

$(MTBF) / (MTBF + MTR)$

$(MTBF) / (MTBF - MTR)$

$(MTR) / (MTBF + MTR)$

$(MTR) / (MTBF - MTR)$

Question # 14 of 15 (Start time: 03:15:45 PM) Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Select correct option:

Multifactor

Partial

Single

Total

Question # 15 of 15 (Start time: 03:16:24 PM) Total Marks: 1

Following are all examples of distinctive competencies EXCEPT;

Select correct option:

Price

Quality

Planning

Flexibility

Question # 1 of 15 (Start time: 03:19:25 PM) Total Marks: 1

_____ is the bringing together of engineering design and manufacturing personnel early in the design phase.

Select correct option:

Reverse engineering

Concurrent engineering p#53

Manufacturability

Serviceability

Question # 2 of 15 (Start time: 03:20:01 PM) Total Marks: 1

All of the following are examples of Qualitative forecasting except:

Select correct option:

Judgmental

Delphi Method

Consumer Survey

Naïve Forecasting

<http://www.referenceforbusiness.com/management/Ex-Gov/Forecasting.html>

Question # 3 of 15 (Start time: 03:21:28 PM) Total Marks: 1

MTBF refers to which of the following?

Select correct option:

Measure time before failure

Mean time between failures

Mean time before failure

Measure test before failure

Question # 4 of 15 (Start time: 03:22:37 PM) Total Marks: 1

Which one of the following is an index used to measure actual output relative to design capacity?

Select correct option:

Utilization

Efficiency

Effective capacity

Effectiveness

Question # 5 of 15 (Start time: 03:24:06 PM) Total Marks: 1

The type of processing structure that is used for producing discrete products at higher volume is:

Select correct option:

Continuous Flow

Assembly Line

Batch

Job Shop

http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

Question # 6 of 15 (Start time: 03:25:34 PM) Total Marks: 1

Which one of the following is concerned in short term capacity needs?

Select correct option:

Cycle

Trends

Seasonality p#76

Average

7 of 15 (Start time: 03:26:42 PM) Total Marks: 1

Which one of the following reasons account for using moving average in forecasting?

Select correct option:

It eliminates the trend

It smoothes the random fluctuations

It counteracts the seasonal variations

It approximates the period average

http://wiki.answers.com/Q/What_is_Moving_average_forecasting

Question # 8 of 15 (Start time: 03:28:12 PM) Total Marks: 1

Which one of the following is NOT the input in the transformation process?

Select correct option:

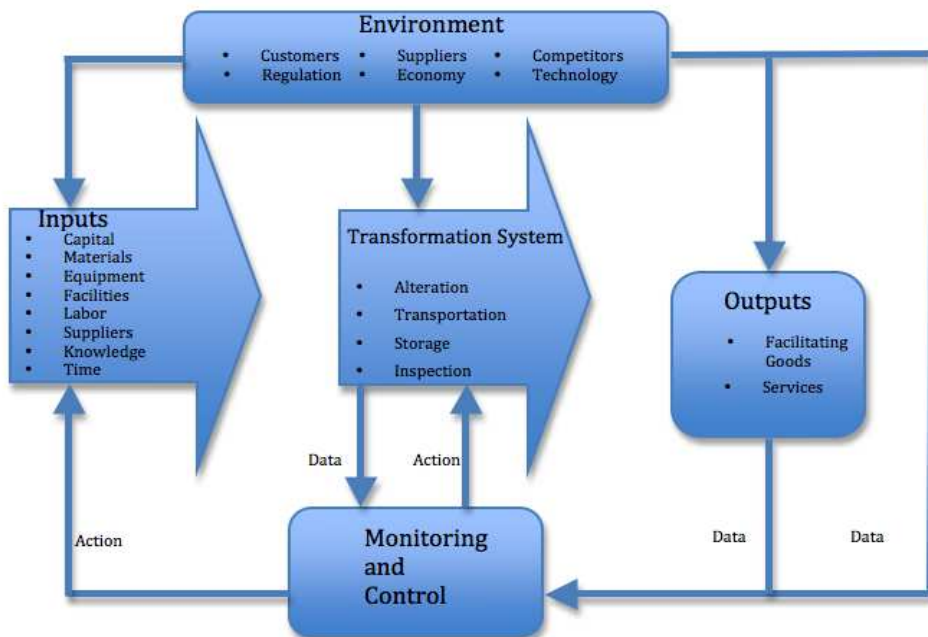
Informations

Services

Facilities

Materials

<http://cnx.org/content/m35439/latest/>



Question # 9 of 15 (Start time: 03:29:35 PM) Total Marks: 1
 Which of the following favors adopting a “go for it” strategy?
 Select correct option:

- Maximin
- Maximax p#26**
- Minimax regret
- Laplace

Question # 10 of 15 (Start time: 03:30:15 PM) Total Marks: 1
 Which one of the following is a productivity measure based on all inputs?
 Select correct option:

- Capital productivity
- Multifactor productivity
- Partial productivity
- Total productivity p#19**

11 of 15 (Start time: 03:31:11 PM) Total Marks: 1
 Which one of the following correctly explains the elements of a good forecast?
 Select correct option:

- Timely, having a purpose, accurate, written, reliable, meaningful
- Timely, accurate, judgmental, correctness, verbal, simple to use
- Timely, accurate, reliable, meaningful, written, simple to use p#34**
- Timely, accurate, reliable, consistent, meaningful, written, simple to use

Question # 12 of 15 (Start time: 03:32:41 PM) Total Marks: 1

Operations based strategy involves all activities except;
Select correct option:

- Supply chain management
- Quick response to customer needs
- Flexibility and inventory management

Identifying customer wants and needs p#11

Question # 13 of 15 (Start time: 03:34:07 PM) Total Marks: 1
Which of the following is referred to as plans for achieving goals?
Select correct option:

- Tactics
- Strategies**
- Policies
- Mission

Question # 15 of 15 (Start time: 03:34:49 PM) Total Marks: 1
Which of the following influences on the sales of a product is the most difficult to forecast?
Select correct option:

- Seasonal
- Trend
- Nonlinear trend
- Cyclical**

http://books.google.com.pk/books?id=kNRkTmMCXDc&pg=PA541&lpg=PA541&dq=Cyclical++elements+influences+on+sale+of+product&source=bl&ots=mp9fCs-FV4&sig=4RMmY_Md2nk0tztSh6lf_1dxTI&hl=en&ei=ynniTICeKou8uwPp3pnIDg&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBwQ6AEwAQ#v=onepage&q&f=false

Which ONE of the following statement correctly explains the difference between operations management (OM) and operations research (OR)?
Select correct option:

- OM relies on mathematical modeling and OR focus on practical scenarios.
- OM is more powerful to improve the whole system OR relies on mathematical modeling.
- OM is relies on practical scenarios and Or relies on Mathematical modeling.**
- OM relies on mathematical modeling and OR is considered to be one of the critical tools of mangers.

Organizational strategy is different from operations strategy because it is;

Select correct option:

Prepared by middle managers

Narrower in scope

Longer in time horizon

All of the above

Which one of the following is NOT a business application of forecasting?

Select correct option:

Budgeting

Capacity planning

Inventory management

Quality control p#31

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

Select correct option:

Certainty

Uncertainty

Risk

Bounded rationality

Product life cycle is based on:

Select correct option:

Price

Place

Demand

Supply

Following are all examples of distinctive competencies EXCEPT;

Select correct option:

Price

Quality

Planning

Flexibility

Which one of the following is a curve showing failure rate over time?

Select correct option:

Cost curve

Bath tub curve

Fish bone diagram

Reliability curve

Organizational strategies relate to which of the following sets of factors?

Select correct option:

Survival, profitability, growth rate and market share

Profitability, survival, lead times and target market

Quality, operating resources, growth rate and market share

Scheduling, profitability, lead times and survival

Cheaper factor of production is a challenge for the survival of a company in which of the following market?

Select correct option:

Super market

Online Market

Competitive market

None of these options

Which of the following statement is NOT correct with respect to models in operations management?

Select correct option:

Models are easy to use, less expensive

Models have specific objectives

Models don't have the standardized format

Models enables "what if" questions

Which one of the following layout type is associated with a restaurant?

Select correct option:

Fixed position layout

Process layout

Product layout

Hybrid layout

Which one of the following factors makes a forecast LESS perfect?

Select correct option:

Randomness

Non serious attitude

Non availability of data

Un qualified personnel

Which one of the following refers to the volume of output at which total cost equals total revenue?

Select correct option:

Optimal operating rate

Break even point

Feasible volume

Utilization

Which one of the following is NOT a key external factor in formulating operations strategy?

Select correct option:

Economic conditions

Human resources

Political conditions

Legal environment

Materials, land, energy and human and capital resources are the examples of:

Select correct option:

Inputs

Transformation

Outputs

Productivity

Which one of the following is an index used to measure actual output relative to design capacity?

Select correct option:

Utilization

Efficiency

Effective capacity

Effectiveness

Which of the following is NOT a characteristic of product layouts?

Select correct option:

High material handling costs

Sequential arrangement of machines

Standardized output

Continuous production system

The process selection should take into account all of the following EXCEPT:

Select correct option:

Capacity planning

Design of work systems

Production forecasts

Selection of technology

Which one of the following refers to a decision environment in which relevant parameters have known values?

Select correct option:

Certainty

Uncertainty

Risk

Bounded rationality

Which of the following statements describes an order-qualifier characteristic?

Select correct option:

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Which of the following forecasting techniques induce personal bias in a forecast?

Select correct option:

Qualitative

Quantitative

Associative

Trend forecast

Which one of the following refers to using some of the components of old products in the manufacture of new products?

Select correct option:

Remanufacturing

Robust design

Automation

Manufacturability

Which of the following ensures that the design meets the performance characteristics that are specified in the product concept?

Select correct option:

Functional design

Production design

Service design

Product design

Which one of the following is used to generate consensus forecast?

Select correct option:

Delphi method

Time series method

Exponential smoothing

Associative model

The pioneers of transforming management to scientific domain are:

Select correct option:

Fredrick Taylor

Lillian and Frank Gilbreths

Henry Fayol

Both A & B

Characteristics like taste, feel, expertise, image or reputation relates to -----.

Select correct option:

Subjective inputs

Objective inputs

Quantitative technique

None of the given options

Within the operations function, which one of the following is a long-term management decision?

Select correct option:

Control decision

Non-operational decision

Strategic decision

Tactical decision

Which one of the following is used to generate consensus forecast?

Select correct option:

Delphi method

Time series method

Exponential smoothing

Associative model

Productivity ratios are used in;

Select correct option:

Planning work force requirements

Scheduling equipments

Financial analysis

All of the above

The process selection should take into account all of the following EXCEPT:

Select correct option:

Capacity planning

Design of work systems

Production forecasts

Selection of technology

Which of the following is a technique for fitting a line to a set of points?

Select correct option:

Regression

Trend

Cycle

Moving average

Which one of the following factors provides a basis for comparing alternative forecasting techniques?

Select correct option:

Time dimension

Reliability factor

Degree of accuracy

Measuring units

Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs
Qualitative technique
Quantitative technique
Delphi method

Which one the following formula or function can be used to measure the performance?
Select correct option:

Flexibility + profit+ operations
Work + profit + value
Quality + speed + flexibility
Profit + Incentives + standards

Which of the following refers the way an organization chooses to produce its good or services?
Select correct option:

Process selection
Process reengineering
Process redesign
Process design

Which one of the following layout type is associated with a supermarket?
Select correct option:

Fixed Position layout
Process layout
Product layout
Cellular layout

Which method of forecasting is most widely used?
Select correct option:

Regression analysis
Adaptive forecasting
Weighted moving average
Exponential smoothing
<http://www.referenceforbusiness.com/encyclopedia/Fa-For/Forecasting.html>

Which of the following statements is TRUE about production system?
Select correct option:

A user of resources to transform inputs into some desired outputs
Enhancing value added services
Only desired output in the form of products or manufactured goods

Making efficient use of Internet technology

For which of the following approaches, the forecast of any period equals the previous period's forecast?

Select correct option:

Delphi method

Naïve forecast

Associative model

Judgmental forecast

Which of the following statement correctly explains the role of operations management?

Select correct option:

Sustain the company's operation

Protect the company's operation

Project the company's operation

All of the above

Which one of the following refers to the volume of output at which total cost equals total revenue?

Select correct option:

Optimal operating rate

Break even point

Feasible volume

Utilization

Which of the following is NOT a characteristic of product layouts?

Select correct option:

High material handling costs

Sequential arrangement of machines

Standardized output

Continuous production system

How organizations assure that the designed strategy is giving the required output or results?

Select correct option:

Increase in demand of the product

By measuring the productivity

Environmental scanning

Raw materials are effectively used

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

Select correct option:

Operations

Marketing

Accounting

Finance

Which one of the following is a disadvantage of a process layout?

Select correct option:

A variety of processing requirements

Use of individual incentive system

Minimizing material handling costs

Equipment utilization rate is high

Which one of the following management functions is based on forecasting?

Select correct option:

Planning

Organizing

Leading

Controlling

Which one of the following is an application of simple exponential smoothing?

Select correct option:

Establishing durability

Finding reliability

Scheduling services

Quality improvement

CBR stands for which one of the following?

Select correct option:

Commercial Board of Revenue

Central Board of Recycling

Central Board of Renovation

Central Board of Revenue

Question # 3 of 15 (Start time: 09:11:09 PM) Total Marks: 1

To make operations strategy effective it should be:

Select correct option:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time dimension

Which probability distribution is used most extensively in dealing with forecasting errors?

Select correct option:

Normal

Exponential

Beta

Pareto

As the size of the smoothing constant increases:

Select correct option:

More weight is put on historic demand data.

More weight is put on recent demand data. Not sure

The sensitivity of the model decreases.

The stability of the model increases.

Question # 2 of 15 (Start time: 10:31:44 PM) Total Marks: 1

Assembly lines relate most closely to a:

Select correct option:

Functional layout

Product layout

Process layout

Departmental layout

Question # 3 of 15 (Start time: 10:33:04 PM) Total Marks: 1

Productivity ratios are used in;

Select correct option:

Planning work force requirements

Scheduling equipments

Financial analysis

All of the above

Productivity ratios are used for

Planning workforce requirements

Scheduling equipment

Financial analysis

MGT613_01_MID_Spring2009-(5)

Who developed the use of standardization in large-scale mass production using a moving assembly line?

- ▶ Frederick Winslow Taylor
- ▶ Frank Gilbreth
- ▶ Adam Smith
- ▶ **Henry Ford**

<http://www.idealfinder.com/history/inventors/ford.htm>

Which one of the following forms of productivity has units of output per dollar input?

- ▶ **Capital p#19**
- ▶ Energy
- ▶ Labor
- ▶ Machine

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ **Multifactor**
- ▶ Partial
- ▶ Single
- ▶ Total

Calculations of multifactor productivity measure inputs and outputs using a common unit of measurement, such as cost or value. For instance, the measure might use cost of inputs.

What would be the productivity if 9 workers installed 650 square yards of carpeting in 6 hours?

▶ 12.03 square yards/hr

- ▶ 72.20 square yards/hr
- ▶ 108.30 square yards/hr
- ▶ 5850 square yards/hr

All of the following are examples of quantitative forecasting EXCEPT:

▶ Delphi method p#35

- ▶ Time series analysis
- ▶ Associative models
- ▶ Naïve forecasting

What would be the utilization, if 34 cars are produced in a day with a design capacity of 50 cars per day?

▶ 68%

- ▶ 1.47%
- ▶ 84%
- ▶ 16%

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

- ▶ Introduction
- ▶ Growth
- ▶ Maturity

► Decline

Ref:-Managing the growth stage is essential. It is pointless to increase customer expectations and product demand without having arranged for relative production capacity

Plateau phase: In the plateau or market maturity phase the size of market starts to become constant with no considerable growth. Once this phase is reached, organisations tend to have a stable market share, all things kept constant. At this stage, organisations increase profitability by reducing costs and utilising available manufacturing capacity to the maximum. However, there is the possibility of some organisations trying to increase profitability by increasing manufacturing capacity! The strategy is to increase manufacturing capacity, which results in reducing costs resulting in lower pricing which in turn helps gain market share. The increase in manufacturing capacity in the plateau or maturity phase however, is most often in small amounts than in large degrees

Which of the following probability distribution is used most extensively in dealing with forecasting errors?

► Normal

- Exponential
- Beta
- Pareto

<http://nptel.iitm.ac.in/courses/Webcourse-contents/IIT-Delhi/project%20and%20production%20management/mod8/quiz/quiz.htm>

Which one of the following is an application of simple exponential smoothing?

- Establishing durability

▶ **Finding reliability**

- ▶ Scheduling services
- ▶ Quality improvement

<http://www.statsoft.com/textbook/time-series-analysis/#simple>

<http://www.wohlin.eu/Articles/QREI97.pdf>

Which of the following forecasting technique is based on the assumption that past data is more indicative of the future than the most recent occurrences?

- ▶ Naive forecast

▶ **Exponential smoothing**

- ▶ Linear regression
- ▶ Judgmental forecast

<http://www.referenceforbusiness.com/management/Ex-Gov/Forecasting.html>

Which of the following takes into consideration the design of aesthetics of the product?

- ▶ Functional design
- ▶ Production design
- ▶ Service design

▶ **Product design**

Ref: Product design is sometimes confused with industrial design, industrial design is concerned with the aspect of that process that brings that sort of artistic form and usability usually associated with craft design to that of mass produced goods.

http://books.google.com.pk/books?id=aaVTH0_kDpsC&pg=PA68&lpg=PA68&dq=Which+takes+into+consideration+the+design+of+aesthetics+of+the+prod

[uct%3F&source=bl&ots=nojjUXNnIE&sig=jqZ5zitKhbd-cF3pHhPCwk6f4e8&hl=en&ei=wlnpTKzwNsGgOrG60dYK&sa=X&oi=book_result&ct=result&resnum=5&ved=0CC0Q6AEwBA#v=onepage&q=Which%20takes%20into%20consideration%20the%20design%20of%20aesthetics%20of%20the%20product%3F&f=false](https://www.google.com/search?q=Which%20takes%20into%20consideration%20the%20design%20of%20aesthetics%20of%20the%20product%3F&source=bl&ots=nojjUXNnIE&sig=jqZ5zitKhbd-cF3pHhPCwk6f4e8&hl=en&ei=wlnpTKzwNsGgOrG60dYK&sa=X&oi=book_result&ct=result&resnum=5&ved=0CC0Q6AEwBA#v=onepage&q=Which%20takes%20into%20consideration%20the%20design%20of%20aesthetics%20of%20the%20product%3F&f=false)

Which one of the following is the overall objective of product and service design?

- ▶ Customer satisfaction and variety
- ▶ **Customer satisfaction and profitability**
- ▶ Reliability and variety
- ▶ Quality and reliability

<http://www.scribd.com/doc/36950752/Chap004-Product-and-Service-Design>

Which one of the following is the final stage of product life cycle?

- ▶ Growth
- ▶ **Decline** **page 50**
- ▶ Maturity
- ▶ Planning

Which one of the following is the focus of predetermined motion time system?

- ▶ Individual human motions that are used in a job task
- ▶ Determining the length of time it will take to undertake a particular task

▶ Determining the amount of time a worker spends on various activities

▶ **Providing standard times for micro motions such as reach, move and release**

http://books.google.com.pk/books?id=QP8gUPePJsIC&pg=SA15-PA12&lpg=SA15-PA12&dq=micro+motions+such+as+reach,+move+and+release&source=bl&ots=g3B2Y1jcEZ&sig=O2r6_MLU6reqkpTKs7UhsWUMvs&hl=en&ei=JsfsTKGWPIOlcYmrgKgP&sa=X&oi=book_result&ct=result&resnum=5&ved=0CDAQ6AEwBA#v=onepage&q=micro%20motions%20such%20as%20reach%2C%20move%20and%20release&f=false

Which one of the following location strategies follows a decentralized approach?

▶ Process plant strategy

▶ **Market area plant strategy**

▶ Cost conservation strategy

▶ Product plant strategy

Which one of the following location strategies is favored by automobile manufacturers?

▶ Product plant strategy

▶ **Process plant strategy**

▶ Market area plant strategy

▶ Cost conservation strategy

In which of the following approaches location decision is based on personal opinions and quantitative information?

▶ **Factor rating p#98**

- ▶ Market area plant strategy
- ▶ Currency fluctuations
- ▶ Product plant strategy

Which one of the following is TRUE about the importance of capacity planning?

- ▶ It is profitable
- ▶ It increase the capacity of productive unit

▶ **It helps managers quantify production capability p#64**

- ▶ It establishes good relationship with the customer

Organizational strategies relate to which of the following sets of factors?

▶ **Survival, profitability, growth rate and market share**

- ▶ Profitability, survival, lead times and target market
- ▶ Quality, operating resources, growth rate and market share
- ▶ Scheduling, profitability, lead times and survival

Which one of the following forecasting methods uses subjective inputs such as opinions from consumer surveys, sales staff, managers and experts?

- ▶ Time series model
- ▶ Least Square method

▶ **Judgmental forecasting model p#35**

- ▶ Associative forecasting model

□□ *Judgmental* - uses subjective inputs meaning that a judgmental forecast rely on analysis of subjective inputs obtained from various sources, such as consumer surveys, the sales staff, managers and executives, and panels of experts. These insights are not available publicly.

Transportation method helps in solving which of the following problems?

▶ **Facility location problems** p#98

- ▶ Allocation of cost problems
- ▶ Workforce management problems
- ▶ Unfamiliar laws and regulations problems

Transportation Method is a quantitative approach that can help solve multiple facility location problems. It is used to determine the allocation pattern that can be used to minimize the cost of shipping products from two or more plants or sources of supply to two or more warehouses or destinations.

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 2)

The major business function consisting of research and development, product design, manufacturing, marketing, distribution, and customer service is refers to:

Value chain

The transformation process

Quality control

Life cycle

Six business functions of the Value Chain:

- Research and Development
- Design of Products, Services, or Processes
- Production
- Marketing & Sales
- Distribution
- Customer Service
- http://en.wikipedia.org/wiki/Value_chain

Which of the following is NOT usually considered a general characteristic of a service?

Production and sales cannot easily be separated functionally

Many services involve both tangible and intangible outputs

Production and consumption can always be separated

Degree of customer contact is high

http://www.globalguideline.com/interview_questions/Answer.php?a=Which_of_the_following_would_not_normally_be_considered_a_general_characteristic_of_a_service

Which one of the following is an implication of Laplace approach of decision making?

The best of the worst possible payoff

The best possible payoff

The best average payoff

The least of the worst regrets

Which one of the following is an outcome of Maximin criterion?

The best of the worst possible payoff

The best possible payoff

The best average payoff

The least of the worst regrets

Given the table:

Possible Alternatives future demand

Low (Rs.) High (Rs.)

Small facility 10,000 8,000

Medium facility 12,000 20,000

Large facility 18,000 15,000

Which one of the following is the correct payoff under MAXIMIN approach?

Rs. 8,000

Rs. 12,000

Rs. 18,000

Rs. 20,000

Which one of the following forecasting techniques is used to identify a trend when data is neither growing nor declining rapidly and has no seasonal characteristics?

Simple moving average

Delphi method

Trend adjusted forecast

Naïve forecast

Which one of the following refers to the maximum output that a firm can produce under ideal conditions?

Design capacity **P#66**

Effective capacity

Capacity planning

Utilization rate

REF: page#74 of this google book

http://books.google.com.pk/books?id=HH0vVv6dMb0C&pg=PA74&lpg=PA74&dq=Design+capacity++refers+to+the+maximum+output+that+a+firm+can+produce+under+ideal+conditions?&source=bl&ots=X5YWVj3R7U&sig=kpXkyYt1evcdibLa83oy8Mrpkgw&hl=en&ei=EuXsTJGQFZCrceHk4LkP&sa=X&oi=book_result&ct=result&resnum=6&ved=0CD0Q6AEwBQ#v=onepage&q=ideal%20conditions&f=false

Which one of the following perspectives is the most obvious to be considered while evaluating alternatives for future capacity?

Social

Political

Economic p#70

Legal

Which of the following terms of financial analysis are important for the organization to proceed with a capacity alternative decision?

Cash flow and fixed cost

Present value and fixed cost

Cash flow and present value p#76

Cash flow and profit

Capacity alternatives are often evaluated with the aid of certain financial analyses. Operations manager along with managerial accountant often work to calculate what cash flow or present value in terms of rupees is available for the organization to proceed with a capacity alternative decision. It is important to understand what cash flow and present values are

1. Cash Flow - the difference between cash received from sales and other sources, and cash outflow for labor, material, overhead, and taxes.

2. Present Value - the sum, in current value, of all future cash flows of an investment proposal.

Which one of the following manufacturing process is associated with high volume car manufacture?

Job shop

Assembly line

Batch

Automation

The formula for determining the required cycle time is operation time per day divided by:

Sum of task times

Actual output per day (in units)

Number of workstation

Desired output (in units)

Assembly lines relate most closely to a:

Functional layout

Product layout

Process layout

Departmental layout

Which one of the following layout type is associated with a restaurant?

Fixed position layout

Process layout

Product layout

Hybrid layout

In exponential smoothing model, denotes:

Smoothing constant α

Actual forecast

Forecast error

Previous forecast

CBR stands for which one of the following?

Commercial board of revenue

Central board of recycling

Central board of renovation

Central board of revenue p#46

Which one of the following designs resists modifications?

Frozen design p 48

Product design

Service design

Robust design

Which one of the following is a curve showing failure rate over time?

Cost curve

Bath tub curve

Fish bone diagram

Reliability curve

Which of the following management level is responsible for long-range capacity planning?

Lower management

Middle management

Top management

Non managerial employees

Capacity planning involves answering all of the following questions EXCEPT:

What kind of capacity is needed?

How much is needed?

When is it needed?

Who is going to decide? P 64

The advantages of specialization to management include all of the following EXCEPT:

Rapid training of the workforce

Ease in recruiting new workers

Fewer turnovers

Less boredom for workers

http://books.google.com.pk/books?id=kNRkTmMCXDc&pg=PA194&lpg=PA194&dq=advantages+of+specialization+to+management&source=bl&ots=mpa6zs7BT6&sig=6BMseIWNyWQEVkPbyCb4WXFhO5w&hl=en&ei=yEXtTPSkH8GqcCY8LgP&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=advantages%20of%20specialization%20to%20management&f=false

The disadvantages of specialization to management include all of the following EXCEPT:

More absenteeism

Minimum responsibility

More turnovers

More difficult to teach the job

http://books.google.com.pk/books?id=kNRkTmMCXDcC&pg=PA194&lpg=PA194&dq=advantages+of+specialization+to+management&source=bl&ots=mpa6zs7BT6&sig=6BMseIWNywoEVkPbyCb4WXFhO5w&hl=en&ei=yEXtTPSkH8GqcCY8LgP&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=advantages%20of%20specialization%20to%20management&f=false

Technology has impacted the work place by:

Adding to the existing geographical barriers for recruiting

Increasing the cost of telecommuting

Increasing the amount required to be spent on training

Unifying the workforce to a common skill level

Which of the following can be used to compute standard time?

Multiplying the elemental average time by the rating factor

Dividing the average elemental time by the rating factor

Multiplying the normal cycle time by the rating factor

Multiplying the normal cycle time by one plus the allowance factor

Compute standard time

The industrial engineer for an ice cream chain is performing a time study to determine the standard time for serving sundaes to customers. He times 10 cycles of the task and records the observations on the table below:

The engineer rated the pace of elements 1 and 4 (pick up cup, and hand to customer) at 100%, and the other 2 elements at 90%. The PR&D (personal, rest, and delay) allowance is 13%.

Compute the standard of the task (servicing sundae).

Equations:

NT (normalized Time)
= ET (Elemental Time)
x RF (Rating Factor)

Standard Time = $\sum NT$ (normalized Time) x (1 + PR&D)

Which one of the following is an example of community factors that affect location decisions?

Transportation

Quality of life p#96

Location of new markets

Location of raw materials

Community Considerations

Quality of life

- Services
- Attitudes
- Taxes
- Environmental regulations
- Utilities
- Developer support

Which one of the following is an example of site related factors that affect location decision?

Transportation

Quality of life

Location of new markets

Location of raw materials

Site Related Factors

- Land
- Transportation
- Environmental
- Legal

Which of the following statements would generally be considered as correct job shop?

A continuous process has lower output volume as compared to job shop

Equipment flexibility is lower in job shop than that of a continuous process

Labour costs are higher in a Job Shop operation than in most other processes

Batch processing produces a more standard range of products than continuous flow processes

<http://www.netmba.com/operations/process/structure/>

Which one of the following is TRUE about work sampling?

It describes individual human motions that are used in a job task

It involves determining the length of time it will take to undertake a particular task

It involves determining the amount of time a worker spends on various activities

It provides standard times for micro motions such as reach, move and release

http://books.google.com.pk/books?id=lHHB-3qayLUC&pg=PA260&lpg=PA260&dq=work+sampling&source=bl&ots=rSEZDCRsOG&sig=cgU7-gazpdteeUyw3eRNNQf-6MU&hl=en&ei=gFbtTKj8LoSXce27wcQP&sa=X&oi=book_result&ct=result&resnum=8&ved=0CFEQ6AEwBw#v=onepage&q=work%20sampling&f=false

Purpose is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

Total quality controls

Demand management's

Forecasting's

Operations management's

Forecasting for groups tend to be more accurate than forecasting for individual items because:

A group is composed of a number of items

A group exhibits a uniform behavior

A group cancels the forecasting errors among items

A group behavior is relatively less uncertain

http://books.google.com.pk/books?id=m7lQMU7cchUC&pg=PT226&lpg=PT226&dq=Forecasting+for+groups+tend+to+be+more+accurate+than+forecasting+for+individual+items+because:&source=bl&ots=3z-Ehas0bQ&sig=1HGft2KIWzbidOaJgkliSjQYhrA&hl=en&ei=ImftTJz_A8iycJLvsfEO&sa=X&oi=book_result&ct=result&resnum=8&ved=0CEQQ6AEwBw#v=onepage&q=Forecasting%20for%20groups%20tend%20to%20be%20more%20accurate%20than%20forecasting%20for%20individual%20items%20because%3A&f=false

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 1)

A business process is a logical set of tasks or activities that:

Are specific to the operations function

Are specific to the marketing function

Are interdependent with other processes

Have exactly the same performance measures for any process

<http://www.martymodell.com/pgsa2/pgsa13.html>

Which of the following is referred to as plans for achieving goals?

Rules

Strategies

Policies

Mission

To make operations strategy effective it should be:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time dimension

Ref:

•Operational Strategy is

Narrower in scope and in more detail

Prepared by middle management's

Should be in line with the Organization strategy

•Operational Strategy if Designed and implemented successfully can make an organization more

successful Organizations started focusing on operational strategies in early 1990s before that organizations focused on financial and marketing strategies

Which one of the following techniques uses historical data to predict future value of a variable of interest?

Time series method p#35

Causal forecasting method

Qualitative forecasting method

Intuitive forecasting method

□□ *T time series* - uses historical data assuming the future will be like the past and depend on developing relationships between variables that can be expressed to predict future values. Some time series forecast try to smoothen out random variations in historical data. There are some time series forecast which identify specific patterns and then may even extrapolate those patterns into the future.

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

Associative forecast page 35

Time series forecast

Consumer survey

Executive opinion

Ref:

- **Associative models** - uses explanatory variables to predict the future for example demand for a small car may be dependant upon increase in price of petrol or CNG. The analysis in this case would employ a mathematical model that would relate the predicted variable with the predictor variable or variables.

Which one of the following involves completing a series of questionnaires each developed from the previous one, to achieve a consensus forecast?

Consumer surveys

Executive opinion

Time series forecast

Delphi method

Delphi method: Managers and staff complete a series of questionnaires, each developed from the previous one, to achieve a consensus forecast. Commonly used for Technological forecasting, when to introduce a new technology. It's a long term one time activity and has the same issues like expert opinion type of judgmental forecast.

In which one of the following situations, the use of a decision tree is required instead of a payoff table?

When there are more than three states of nature

When there are more than three decision payoffs

When the decision situation encompasses an extended time period

When a series of decisions is required p#28

Decision Trees

A schematic representation of the alternatives and their possible consequences is presented graphically. You can refer

- The diagram resembles a tree
- Extremely suitable for analyzing and evaluating situations which involve sequential decisions
- Decision Trees

Given the table:

Possible Alternatives future demand

Low (Rs.) High (Rs.) Small facility 10,000 8,000

Medium facility 12,000 20,000

Large facility 18,000 15,000

Which one of the following is the correct payoff under LAPLACE approach?

Rs. 9,000

Rs. 16,000

Rs. 33,000

Rs. 16,500

Which one of the following is called as the difference between designed and utilizes capacity?

Design capacity

Effective capacity

Buffer capacity

Utilization rate

Which one of the following mathematical expressions is used to compute utilization?

Actual output / effective capacity

Actual output / design capacity p66

Actual output + effective capacity

Actual output - design capacity

Ref:

Utilization = Actual Output / Design Capacity

Actual Output = 36 units / day

Design Capacity = 50 units / day

= $36/50 = 72\%$

Which one of the following is the first step in line balancing?

Specify the sequential relationship among tasks.

Determine the required cycle time. P--85

Determine the minimum number of workstations.

Determine the desired output

<http://www.docstoc.com/docs/25331149/Assembly-Line-Balancing--Flow-Line-Balancing>

What would be the required cycle time for a process that operates 9 hours daily with a desired output of 300 units per day?

0.03 minutes

1.8 minutes

2700 minutes

291 minutes

Solution:

OT= Operating Time = 9 hrs

D=Desired Output= 300 units per day

CT=Cycle Time = OT/D

CT = $9/300$

CT = 0.03 minutes

What would be the output capacity if an assembly line operates for 7 hours per day with a cycle time of 2.0 minutes?

210 units per day

3.5 units per day

0.004 units per day

14 units per day

Which of the following factors are considered in product and service design?

Customer satisfaction, quality, and improvement costs

Employee motivation, quality, and production costs

Customer satisfaction, flexibility, and production costs

Customer satisfaction, quality, and production costs

An automatic car wash is an example of which of the following?

Customized service

Batch processing

Intermittent processing

Standardized service

Ref:

<http://books.google.com.pk/books?id=4dC0WP0VrdcC&pg=PA398&lpg=PA398&dq=car+wash+is+the+example+of+Standardized+service&source=bl&ots=qII>

Improve reliability, and reduce production costs

Improve packaging, and reliability p 50

Improve reliability, and reduce quality

Improve reliability, and reduce promotion costs

Which of the following refers to translate the voice of the customer into technical design requirements?

Concurrent design

Design for manufacture

Robust design

Quality functional deployment

Which one of the following is correct about the range of availability on a measuring index?

0.1 to 1.0

0 to 1.0

0.5 to 1.0

0.01 to 1.0

What would be the availability if a carpenter is expected to be able to operate for 250 hours between repairs, and the mean repair time is expected to be 3 hours?

1.01

5.03

3.0

0.98

Which one of the following refers to a team having representatives from different functional areas of the organization?

Traditional work group

Self-directed team

Cross-functional team

Self motivated team

Ref: Cross-functional systems were designed to intergrate the activities of the entire business process, and are called so because they 'cross' departmental boundaries.

Which one of the following refers to the length of time needed to complete a job?

Work sampling methods

Work measurement p--93

Job design

Methods analysis

Work Measurement determines how long it should take to do a job. This may be focusing on an individual's performance or completion of a mega scale project. When we discuss the design part of work systems we often discuss the importance of standard time in work measurement.

Which of the following refers to bringing together engineering design and manufacturing personnel early in the design phase?

Reverse engineering

Concurrent engineering p#53

Manufacturability

Serviceability

Which of the following is the primary input in capacity planning?

Supply chain capabilities

Competitors' strengths

Demand forecasts

Overall cost estimates

Ref:

For conventional goods, demand forecasts are used to set safety stock and replenishment levels; to drive procurement, especially of long lead-time items; to establish production plans; and as input to capacity and financial planning processes. In services, demand forecasts are used primarily for financial planning, capacity and workforce planning.

Which of the following best describes the concept of the value chain?

The step-wise increases in product prices as raw materials are turned into goods/services

Adding financial value to an organization through the acquisition of other firms

A sequence of activities that involve movement of materials in a production facility

All steps in the transformation process that add value even if they don't come from manufacturing

<http://www.tarrani.net/kate/docs/KnowledgeValueChain.pdf>

The Strategies which are more focused on maintaining or improving the quality of an organization's products or services are known as:

Quality at the source

Time based strategies

Cost leadership strategies

Quality-based strategies p#18

- Quality-based strategies
- focuses on maintaining or improving the quality of an organization's products or services
- Quality at the source

Paper 3

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 2)

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ **Strategic decision**
- ▶ Tactical decision

Which one the following formula or function can be used to measure the performance?

- ▶ Flexibility + profit+ operations
- ▶ Work + profit + value
- ▶ **Quality + speed + flexibility P#10**
- ▶ Profit + Incentives + standards

Ref:

$Value = Performance / Cost = (Quality + Speed + Flexibility) / Cost$

So

$Performance = Quality + Speed + Flexibility$

Which of the following statements corresponds to an order-winning characteristic?

- ▶ A factor which may be significant in other parts of the organization
- ▶ **A factor which gives an organization a competitive edge P#15**
- ▶ A factor which serves as a minimum standard for purchase
- ▶ A factor which increases the profitability of the organization

Ref: As operations manager of a service based organization, one should be able to understand the importance of both Order qualifiers and Order winners. Order qualifiers are those significant characteristics that service customers perceive as minimum standards of acceptability to be considered as a potential purchase while order winners are the characteristics of an organization's services that cause it to be perceived as better than the competitor's services.

A bank offering 10 percent return on customers' holdings would be an order qualifier but if the same service has an additional characteristic of some added feature like availability of interest free loans for purchase of car or building of homes, then the banks service becomes order winner.

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

- ▶ Choose a forecasting technique
- ▶ Determine the purpose of the forecast
- ▶ **Set up a time horizon or a time limit** p#34
- ▶ Collect and analyze the appropriate data.

Which one of the following forecasting technique is based on historical data?

- ▶ Judgmental
- ▶ Associative
- ▶ **Time series**
- ▶ Qualitative

Ref: *time series* - uses historical data assuming the future will be like the past and depend on developing relationships between variables that can be expressed to predict future values.

Which one of the following forecasting techniques use subjective inputs from consumer surveys, sales staff, managers and experts?

- ▶ Time series
- ▶ Quantitative
- ▶ **Judgmental**
- ▶ Associative

Ref: Judgmental - uses subjective inputs meaning that a judgmental forecast rely on analysis of subjective inputs obtained from various sources, such as consumer surveys, the sales staff, managers and executives, and panels of experts. These insights are not available publicly.

Which of the following approaches favours adopting a “go for it” strategy?

- ▶ Maximin
- ▶ **Maximax p#26**
- ▶ Minimax regret
- ▶ Laplace

Possible future demand	
Low (Rs.)	High (Rs.)

10,000	8,000
12,000	20,000
18,000	15,000

Given the table:

Alternatives

Small facility Medium facility large facility

Which one of the following is the correct payoff under MAXIMAX approach?

- ▶ Rs. 10,000
- ▶ Rs.18,000
- ▶ Rs.20,000
- ▶ Rs.32,000

Which one of the following is NOT a step of decision making process?

- ▶ Develop alternatives
- ▶ Monitor results
- ▶ **Consider risk averseness strategies**
- ▶ Specify criteria for decision

Ref: 1. Specify Objectives and the Criteria for decision making

2. Develop Alternatives

3. Analyze and compare alternatives.

4. Select the best alternative.

5. Implement the chosen Alternative

6. Monitor the results to ensure the desired results are achieved.

Which one of the following stages of product life cycle relates to more predictable behaviour in terms of capacity requirements?

- ▶ Introduction
- ▶ Growth
- ▶ **Maturity**
- ▶ Decline

Plateau phase: In the plateau or market maturity phase the size of market starts to become constant with no considerable growth. Once this phase is reached, organisations tend to have a stable market share, all things kept constant. At this stage, organisations increase profitability by reducing costs and utilising available manufacturing capacity to the maximum. However, there is the possibility of some organisations trying to increase profitability by increasing manufacturing capacity! The strategy is to increase manufacturing capacity, which results in reducing costs resulting in lower pricing which in turn helps gain market share. The increase in manufacturing capacity in the plateau or maturity phase however, is most often in small amounts than in large degrees

Which one of the following statement is TRUE about cost-volume relationship?

- ▶ **It represents the relationship between cost, revenue and volume of output.**
- ▶ It represents the relationship between cost and volume of output.

- ▶ It represents the relationship between cost and revenue.
- ▶ It represents the relationship between inputs, cost and volume of output.

Ref: Cost Volume Relationship focuses on relationships between costs, revenue and volume of output. The primary purpose of cost volume analysis is to estimate the income of an organization.

Which one of the following formulae can be used to compute break even point?

▶ $Q = VC / (R - VC)$

▶ $Q = FC / (R - VC)$ p#76

▶ $Q = VC / (R + FC)$

▶ $Q = FC / (R + VC)$

Ref:

$QBEP = FC / R - VC$

Which of the following is a system designed to coordinate all activities and information needed to complete business processes?

▶ **Enterprise resource planning**

- ▶ Supply chain management
- ▶ New product development
- ▶ Customer relationship management

Ref: It is an enterprise-wide information system designed to coordinate all the resources, information, and activities needed to complete business processes such as order fulfilment or billing .

Which of the following is NOT a characteristic of product layouts?

▶ High material handling costs

- ▶ Sequential arrangement of machines
- ▶ Standardized output
- ▶ Continuous production system

[Ref: Lecture slide#19](#)

1. High rate of output.
2. Low unit cost.
3. Labor specialization.
4. Low material handling cost.
5. High utilization of labor and equipment.
6. Established routing and scheduling.
7. Routing accounting and purchasing.

Which one of the following refers to using some of the components of old products in the manufacturing of new products?

▶ Manufacturability

▶ Remanufacturing p#51

- ▶ Robust design
- ▶ Automation

Ref: Design for Remanufacturing: Using some of the components of the old products in the manufacture of new products

What would be the availability if a carp hours between repairs, and the mean rep?

ble to operate for 250

- ▶ 1.01
- ▶ 5.03
- ▶ 3.0
- ▶ 0.98

Which one of the following is the goal of method analysis?

- ▶ Dividing and analyzing a job
- ▶ **Check individual human motions used to perform an operation**
- ▶ Determining the length of time it will take to undertake a particular task
- ▶ Determining the amount of time a worker spends on various activities

Reference: Design of Work System also entails method analysis which in turn centers on how jobs are performed.

Another ref:

Which one of the following is an example of regional factors that affect location decisions?

- ▶ Transportation
- ▶ Quality of life

▶ Development support

▶ **Location of new markets** p#96

Which one of the following statements is true about Occupational Safety Hygiene Administration (OSHA)?

▶ **To safeguard against potential hazards**

▶ To develop cost effective processes

▶ To implement legal standards

▶ To carry out implication of manufacturability and fitness

<http://63.234.227.130/dts/shib/shib101003.html>

Which one of the following is used to produce gasoline and petroleum products?

▶ Job shop

▶ Batch processing

▶ Assembly line

▶ **Continuous processing**

Ref: Job shop produces low standardized products, batch produces multiple products and assembly line produces fewer major products. Project, on the other hand, is not a processing structure.

http://forecast.umkc.edu/ftppub/ba547/chapter_4.htm 2nd p ref

Continuous - Often, a physical system is represented through variables that are smooth and uninterrupted in time. The control of the water temperature in a

heating jacket, for example, is an example of continuous process control. Some important continuous processes are the production of fuels, chemicals and plastics.

The type of processing structure that is used for producing discrete products at higher volume is:

- ▶ Continuous Flow
- ▶ **Assembly Line**
- ▶ Batch
- ▶ Job shop

Ref: http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

An example of a business/industry that uses batch flow process structure is:

- ▶ Commercial printer
- ▶ **Heavy equipment**
- ▶ Automobile assembly
- ▶ Sugar refinery

Ref: <http://highered.mcgraw-hill.com/novella/QuizProcessingServlet>

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy

▶ Financial strategy

▶ **Operational strategy**

▶ Tactical strategy

All of the following are examples of the transformation process EXCEPT:

▶ Cutting

▶ Packing

▶ **Facilitating**

▶ Labeling

Which of the following is a characteristic of linear regression?

It is superior to a moving average

▶ **It is a causal forecasting model**

▶ It compensates for both trend and season

▶ It is superior to an exponential smoothing

<http://www.referenceforbusiness.com/encyclopedia/Fa-For/Forecasting.html>

paper 4 rechecking going

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 1)

Which ONE of the following statements correctly explains the role of operation's manager?

To coordinate the activities between marketing and finance department

To sustain, protect and project the company's long term strategies

To develop organizational strategy that reflects the operational strategy

To sustain, protect and project the company's operation/production side

Ref: Whether profit or non profit, the role of an OPERATIONS MANAGER is to sustain, protect, and project the company's operations side.

Operations manager is responsible for all of the following EXCEPT:

Forecasting

Capacity planning

Inventory management

Distributing organizations' goods

Ref:

Operations Managers job responsibility includes but is not limited to:

Forecasting

Capacity planning

Scheduling

Inventory Management

Quality Assurance and Control

Motivating employees

Deciding where to locate facilities

Which one of the following formulae can be used to compute value?

(Quality + Speed - Flexibility) / Cost

(Quality + Speed+ Flexibility) / Cost

(Quality + Speed - Cost) / Flexibility

(Quality + Speed + Cost) / Flexibility

Ref:

Value = Performance / Cost = (Quality + Speed + Flexibility) / Cost _____ Eq. 1

Which one of the following correctly explains the elements of a good forecast?

Timely, having a purpose, accurate, written, reliable, meaningful

Timely, accurate, judgmental, correctness, verbal, simple to use

Timely, accurate, reliable, meaningful, written, simple to use

Timely, accurate, reliable, consistent, meaningful, written, simple to use

Which one of the following correctly explains the qualitative forecasting technique?

It consists mainly of numerical descriptions and defies subjective inputs of managers.

It consists mainly of subjective inputs and defies particular numerical descriptions.

It consists mainly of subjective inputs and defies human factor, personal opinions.

It consists mainly of analyzing objective and hard data and defies human factor, opinion.

Ref:

• Qualitative Techniques which use subjective inputs and no numerical data. It relies solely on soft information like human factors, personal

opinion, hunches. Thus Qualitative Forecasts are often biased and tilted towards what the management wants to predict.

Which one of the following correctly explains the quantitative forecasting technique?

It consists mainly of numerical descriptions and resist subjective inputs of managers.

It consists mainly of subjective inputs and resist particular numerical descriptions.

It consists mainly of subjective inputs and resist human factor, personal opinions.

It consists mainly of analyzing objective and hard data and resist human factor, opinion.

Ref: ppt is also

- Quantitative Forecast involves the extension of the historical data. It sometimes makes use of forecasting technique that uses explanatory variables to predict future demands. Quantitative techniques are favoured where quality attributes can't be quantified.

- In reality both need to be used together to develop a judicious and realistic forecast.

Given the table:

Alternatives Possible future demand

Low (Rs.) High (Rs.)

Small facility	10,000	8,000
Medium facility	12,000	20,000
Large facility	18,000	15,000

Which one of the following is the correct payoff under MAXIMAX approach?

Rs. 10,000

Rs. 18,000

Rs. 20,000

Rs. 32,000

Rationale: MAXIMAX determines the best possible out come.

Which one of the following is an index used to measure actual output relative to design capacity?

Utilization

Efficiency

Effective capacity

Effectiveness

Ref:

Utilization = Actual Output / Design capacity

Actual Output = 36 units / day

Design Capacity = 50 units / day

= 72%

Which one of the following is a characteristic of continuous process?

High lead times

Short process times

The ability to handle high variety

The ability to handle high volumes

Ref: As it's a repetitive process so, time of process will be shorten

Ref: As it's a continuous and repetitive process, so process time will be definitely shorten.

Which of the following refers the way an organization chooses to produce its good or services?

Process selection

Process reengineering

Process redesign

Process design

Ref: It takes into account selection of technology, capacity planning, layout of facilities, and design of work systems.

<http://www.scribd.com/doc/17454593/Layouts>

• Process selection

-Deciding on the way production of Goods or services will be organized

Which one of the following best describes the cellular layout?

It groups machines into departments according to their function.

It groups machines into small assembly lines that produce families of parts.

It allows production of larger lots by reducing set-up time.

It encourages the use of large, efficient machinery.

Ref:

The grouping into part families of items with similar design or manufacturing characteristics. Cellular production always would represent the layout of machines while group technology would reflect the collection of items or products which need the same manufacturing requirements

Which one of the following statements is NOT correct about cycle time?

It represents daily operating time divided by desired production

It is the maximum allowable time at each work station

It determines the time often items take to roll off in assembly line

It is the time required to complete a product from start to finish

Ref: *Cycle time* is the maximum time allowed at each workstation to complete its set of tasks on a unit. If CT represents cycle time and D represents the desired output then we can calculate cycle time as

$$CT = \text{cycle time} = OT/D$$

Which of the following layout types is associated with a supermarket?

Fixed position layout

Process layout

Product layout

Cellular layout

http://books.google.com.pk/books?id=7m8VJP0L_ksC&pg=PA28&lpg=PA28&dq=supermarket+include+in+process+layout+type&source=bl&ots=ZWJracCM9J&sig=QOFtin9tfPf23YyRnhfeVFE-TsY&hl=en&ei=yWjuTLKpO8GeceLcsboK&sa=X&oi=book_result&ct=result&resnum=2&ved=0CB4Q6AEwAQ#v=onepage&q&f=false

Which one of the following defines the range of the smoothing constant (Alpha)?

2 and -2

1 and -1

0 and -1

0 and 1

Ref: alpha- the smoothing constant to use for this exponential smoothing model.
Must be a value in the range 0.0-1.0

<http://openforecast.sourceforge.net/docs/net/sourceforge/openforecast/models/SimpleExponentialSmoothingModel.html>

Which one of the following mathematical expressions can be used to compute availability?

$(MTBF) / (MTBF + MTR)$

$(MTBF) / (MTBF - MTR)$

$(MTR) / (MTBF + MTR)$

$(MTR) / (MTBF - MTR)$

What would be the availability if a carpenter is expected to be able to operate for 300 hours between repairs, and the mean repair time is expected to be 2 hours?

6.02

2.0

0.99

0.006

Availability = $MTBF / (MTBF + MTR)$

MTBF = Mean time between failure = 300 hrs

MTR = Mean time to repair = 2 hrs

Availability = $300 / (300 + 2)$

= 0.99

Which one of the following operating levels is best with respect to capacity?

The maximum point of the cost curve

The level of capacity for which average unit cost is minimized

The level of capacity for which average unit cost is maximized

The level of capacity for which total cost is minimized

Which one of the following is the goal of work sampling?

Individual human motions that are used in a job task

Determining the length of time it will take to undertake a particular task

Determining the amount of time a worker spends on various activities

Specifying the content and methods to perform a job

Which one of the following is NOT a business application of forecasting?

Budgeting

Capacity planning

Inventory management

Quality control pg 31

Which one of the following represents the series of a time forecast?

Averaging, cycle, seasonality, random variations

Trend, seasonality, exponential smoothing

Trend, cycle, seasonality, moving average

Trend, cycle, seasonality, random variations

MIDTERM EXAMINATION paper 7

Spring 2010

MGT613- Production / Operations Management (Session - 5)

Which of the following is NOT a decision to be made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?

▶ How to improve operational efficiency?

▶ **Which market areas to manufacture the products for?**

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

▶ **Quantitative forecast**

▶ Time series forecast

▶ Consumer survey

▶ Executive opinion

In order to comply with the environmental standards, an organization ABC has to implement Occupational Safety Hygiene Administration (OSHA). Which one of the following is a way to accomplish this task?

▶ Promoting friendly relations among employees

▶ **Installing safety guards and devices to reduce the risk of potential accidents**

▶ Installing machinery to make the process speedy

▶ Installing machinery that provides cost effective output

Which one of the following is TRUE about Taguchi approach?

▶ **To test the robustness of a design**

- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Ref: An added concept to Taguchi Approach is the Degree of Newness.

The defining characteristics for the Taguchi approach include:

Design a robust product Insensitive to environmental factors either in manufacturing or in use.

Central feature is Parameter Design.

Which one of the following refers to a design that takes into account organization’s operational capabilities, when designing a product?

- ▶ Design for assembly
- ▶ Design for manufacturing
- ▶ **Design for recycling p#51**
- ▶ Design for disassembly

Forecasting accuracy has_____ relation with time horizon

- ▶ **Inverse**

- ▶ Linear
- ▶ Direct
- ▶ Parallel

Which one of the following factors makes a forecast LESS perfect?

▶ **Randomness p#33**

- ▶ Non serious attitude
- ▶ Non availability of data
- ▶ Un qualified personnel

□ Forecasts rarely perfect because of RANDOMNESS (having no specific pattern). Allowances should be made for inaccuracies.

Which one of the following is a key benefit of process plant strategy?

- ▶ Economies of scale
- ▶ Diseconomies of scale
- ▶ Product variety

▶ **Task specialization**

<http://www.referenceforbusiness.com/management/Ob-Or/Organizational-Structure.html>

Which of the following is NOT mark of a good layout in manufacturing?

▶ **Bottleneck operations**

- ▶ Straight line flow pattern
- ▶ Work stations close together
- ▶ Open plant floors (high visibility)

All of the following are examples of time based strategies EXCEPT:

- ▶ Products / service design time
- ▶ Processing time
- ▶ Response time for complaints

▶ **Response time for innovation**

Which one of the following is responsible for administering environmental issues about product and service design?

- ▶ Central Board of Revenue
- ▶ Environmental Protection Agency
- ▶ Federal Drug Agency

▶ **Occupational Safety Hygiene Administration p#46**

Which of the following layouts facilitates the handling of varied processing requirements?

▶ Product layout

▶ **Process layout P#80**

▶ Fixed-position layout

▶ Hybrid/Combination layout

Paper 8 on going

MIDTERM EXAMINATION

Spring 2010

MGT613- Production / Operations Management

The management of systems or processes that creates goods and provides services is known as:

▶ **Operation Management p#3**

▶ Operation/production Management

▶ Operation/Research Management

▶ Production/Research Management

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?

▶ Which market areas to manufacture the products for? P#4

Which of the following statements describes an order-qualifier characteristic?

- ▶ A competitive dimension used to make final decision among competitors
- ▶ A factor which directly and significantly contribute to winning business
- ▶ A factor which increases the profitability of the organization

▶ A factor perceived as a minimum standard as a potential for purchase

p#15

Order qualifiers are those significant characteristics that service customers perceive as minimum standards of acceptability to be considered as a potential purchase

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

- ▶ Risk

▶ Bounded rationality

▶ Certainty

▶ **Uncertainty**

Which one of the following is an outcome of MINIMAX regret?

▶ **The best of the worst possible payoff p#27**

▶ The best possible payoff

▶ The best average payoff

▶ The least of the worst regret

Which one of the following is a limitation of a moving average having a trend?

▶ **The forecast lags behind the actual**

▶ The forecast represents demand more accurately

▶ **The forecast will not be accurate**

▶ The forecast will not be reliable

<http://books.google.com.pk/books?id=-zVKvxSAFY8C&pg=PA192&lpg=PA192&dq=forecast+lags+behind+the+actual+>

[in+moving+average&source=bl&ots=Xt_464vA3b&sig=rY97JoN-CPGTq0dIIQGSXVjt3vk&hl=en&ei=dNbnTKb7IYWdOtDM9eIK&sa=X&oi=book_result&ct=result&resnum=6&ved=0CDkQ6AEwBQ#v=onepage&q=forecast%20lags%20behind%20the%20actual%20in%20moving%20average&f=false](https://www.google.com/search?q=forecast%20lags%20behind%20the%20actual%20in%20moving%20average&source=bl&ots=Xt_464vA3b&sig=rY97JoN-CPGTq0dIIQGSXVjt3vk&hl=en&ei=dNbnTKb7IYWdOtDM9eIK&sa=X&oi=book_result&ct=result&resnum=6&ved=0CDkQ6AEwBQ#v=onepage&q=forecast%20lags%20behind%20the%20actual%20in%20moving%20average&f=false)

Which of the following is an example of a business that uses assembly line process structure?

▶ **Automobile assembly**

- ▶ Sugar refinery
- ▶ Heavy equipment
- ▶ French restaurants

<http://www.netmba.com/operations/process/structure/>

Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ **Product layout**
- ▶ Hybrid layout

<http://www.referenceforbusiness.com/management/Int-Loc/Layout.html>

Ref: In a product layout, resources are arranged sequentially, based on the routing of the products. In theory, this sequential layout allows the entire process to be laid out in a straight line, which at times may be totally dedicated to the production of only one product or product version. The flow of the line can then be subdivided so that labor and equipment are utilized smoothly throughout the operation.

For longer operating times, the worker may have to walk alongside the work as it moves until he or she is finished and can walk back to the workstation to begin working on another part (this essentially is how automobile manufacturing works).

A department store discovered that in a four-month period, the best forecast can be determined by using 50 percent of the sales for the most recent month, 20 percent of the sales of two months ago, 10 percent of the sales of three months ago, and 20 percent of the sales of four months ago. Which forecasting method should the store use to forecast demand?

- ▶ Simple Moving Average
- ▶ Linear Regression
- ▶ Time Series Analysis
- ▶ Weighted Moving Average

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels
- ▶ **It depicts demand of a product with respect to time**
- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Which of following statement is true about effective capacity?

- ▶ It is the actual output achieved
- ▶ It is always less than actual output
- ▶ It is the maximum output that a firm can produce
- ▶ **It is always less than designed capacity**

Which one of the following refers to bringing together engineering design and manufacturing personnel early in the design phase?

▶ Reverse engineering

▶ **Concurrent engineering** p#53

▶ Manufacturability

▶ Serviceability

Concurrent Engineering

Concurrent engineering is the bringing together of engineering design and manufacturing personnel early in the design phase.

Which of the following refers to the way an organization chooses to produce its goods or services?

▶ **Process selection**

▶ Process reengineering

▶ Process redesign

▶ Process design

MIDTERM EXAMINATION

Spring 2010

MGT613- Production / Operations Management (Session - 6)

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ Which market areas to manufacture the products for?

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

- ▶ Operations
- ▶ Marketing
- ▶ Accounting
- ▶ Finance

Which one of the following factors provides a basis for comparing alternative forecasting techniques?

- ▶ Time dimension
- ▶ Reliability factor
- ▶ **Degree of accuracy**
- ▶ Measuring units

Which of the following statements is correct about capacity evaluating alternatives?

- ▶ **Minimum cost and optimal operating rate are functions of size of plant.**
- ▶ Minimum cost and optimal operating rate are functions of fixed cost.
- ▶ Minimum cost and productivity are functions of size of plant.
- ▶ Maximum cost and optimal operating rate are functions of size of plant.

The advantages of specialization to management include all of the following EXCEPT:

- ▶ Rapid training of the workforce
- ▶ Ease in recruiting new workers
- ▶ **Fewer turnovers**

- ▶ Less boredom for workers

Which one of the following management functions is based on forecasting?

▶ **Planning**

- ▶ Organizing
- ▶ Leading
- ▶ Controlling

The purpose of _____ is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

▶ **Total quality control**

- ▶ Demand management
- ▶ Forecasting
- ▶ Operations management

Which relationship exists between the robustness of a product and the probability of failure.

- ▶ Positive relation
- ▶ Direct relation
- ▶ Inverse relation
- ▶ **Negative relation**

Which of the following refers to the way an organization chooses to produce its goods or services?

- ▶ **Process selection**
- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

MIDTERM EXAMINATION

Spring 2010

MGT613- Production and operation management (Session - 3)

All of the following are the decision areas of an operations manager EXCEPT:

- ▶ Inventory management
- ▶ Scheduling tasks
- ▶ Supply chain management
- ▶ **Financial reporting (pg 11)**

Which one of the following formula can be used to compute value?

- ▶ $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$
- ▶ **$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$**
- ▶ $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

Ref value = performance/cost= $(\text{Quality} + \text{speed} + \text{flexibility}) / \text{cost}$

Which of the following refers to the essential elements of operations strategy?

- ▶ Policies, tactics and objectives
- ▶ Plans, strategies and vision
- ▶ Mission, goals and plans
- ▶ **Mission, policies and distinctive competencies**

Effective capacity is influenced by all of the following factors EXCEPT:

▶ Facilities

▶ **Product mix (pg 67)**

▶ Processes

▶ Operations

Which one of the following is concerned with short term capacity needs?

▶ Cycle

▶ Trends

▶ **Seasonality (pg 37)**

▶ Average

Which of the following statements is correct about capacity evaluating alternatives?

▶ **Minimum cost and optimal operating rate are functions of size of plant. (pg 69)**

- ▶ Minimum cost and optimal operating rate are functions of fixed cost.
- ▶ Minimum cost and productivity are functions of size of plant.
- ▶ Maximum cost and optimal operating rate are functions of size of plant.

Which of the following is an example of a business that uses assembly line process structure?

▶ **Automobile assembly (pg 91)**

- ▶ Sugar refinery
- ▶ Heavy equipment
- ▶ French restaurants

Which method of forecasting is most widely used?

- ▶ Regression analysis
- ▶ Adaptive forecasting

▶ **Weighted moving average**

- ▶ Exponential smoothing

Which of the following is NOT an emerging trend in the workplace?

▶ Increasing workplace diversity

▶ **Decreasing work schedule flexibility**

▶ Increasing number of part time jobs

▶ Increasing use of temporary labor

http://webcache.googleusercontent.com/search?q=cache:RABu_Ncdhe8J:www.scielo.cl/scielo.php%3Fpid%3DS0718-22282010000100005%26script%3Dsci_arttext+Which+of+the+following+is+NOT+an+emerging+trend+in+the+workplace%3F+%E2%96%BA+Increasing+workpl+ace+diversity+%E2%96%BA+Decreasing+work+schedule+flexibility+%E2%96%BA+Increasing+number+of+part+time+jobs+%E2%96%BA+Increasing+use+of+t+emporary+labor&cd=6&hl=en&ct=clnk&gl=pk

Services differ from manufacturing in all the following ways EXCEPT:

▶ Customers typically interact directly with the service delivery process.

▶ Consumption and production take place simultaneously.

▶ Services are intangible.

▶ **Services can be stored.**

Which of the following is NOT an attribute to classify services?

▶ **Tangibility**

▶ Perish ability

▶ Simultaneity

▶ Courtesy

The purpose of _____ is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

▶ **Total quality control**

▶ Demand management

▶ Forecasting

▶ Operations management

Which one of the following refers to translating the voice of the customer into technical design requirements?

- ▶ Concurrent design
- ▶ Design for manufacture
- ▶ Robust design
- ▶ **Quality function deployment (pg 55)**

Which one of the following statements represents use of cost-volume analysis?

- ▶ It is a tool for reliability measurement
- ▶ It provides a base for marketing research
- ▶ **It helps in comparing capacity alternatives p#73**
- ▶ It is important in product design

Cost Volume Relationship focuses on relationships between costs, revenue and volume of output. The primary purpose of cost volume analysis is to estimate the income of an organization under different operating conditions. It is particularly useful as a tool for comparing capacity alternatives.

MIDTERM EXAMINATION

Spring 2009 MGT613- Production / Operations Management (Session - 1)

The management of systems or processes that creates goods and provides services is known as:

▶ Operation Management

- ▶ Operation/production Management
- ▶ Operation/Research Management
- ▶ Production/Research Management

Operations management The management of systems or processes that create goods and/or provide services.

Which one of the following forms of productivity has units of output per shift?

- ▶ Capital
- ▶ Energy
- ▶ Labor
- ▶ Machine

Ref: Labour Productivity

Units of output per labour hour

Units of output per shift

Value-added per labour hour

Which one of the following forms of productivity is expressed as dollar value of output per kilowatt hour?

- ▶ Machine
- ▶ Capital
- ▶ **Energy**
- ▶ Labor

Energy Productivity Units of output per kilowatt-hour Dollar value of output per kilowatt-hour

What would be the productivity if a machine produced 50 units in 3 hours?

- ▶ 0.066 units per hr
- ▶ **16.66 units per hr**
- ▶ 6.766 units per hr
- ▶ 60.66 units per hr

Ref: Machine Productivity = Units of output per machine hour
= $50/3$
= 16.66

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

▶ **Operations**

▶ Marketing

▶ Accounting

▶ Finance

Which of the following statements describes an order-qualifier characteristic?

▶ A competitive dimension used to make final decision among competitors

▶ A factor which directly and significantly contribute to winning business

▶ A factor which increases the profitability of the organization

▶ **A factor perceived as a minimum standard as a potential for purchase**

Given the table:

Alternatives

Small facility Medium facility Large facility

Possible future demand

Low (Rs.) High (Rs.)

10,000 8,000

12,000 20,000

18,000 15,000

Which one of the following is the correct payoff under MAXIMIN approach?

▶ Rs. 8,000

▶ Rs. 12,000

▶ **Rs. 18,000**

▶ Rs. 20,000

Solution:

Take lowest column and then take max value from that column

Given the table:

Alternatives Possible future demand

Low (Rs.) High (Rs.)

Small facility 10,000 8,000

Medium facility 12,000 20,000

Large facility 18,000 15,000

Which one of the following is the correct Pay off under LAPLACE approach?

- ▶ Rs. 9,000
- ▶ Rs. 16,000
- ▶ Rs. 33,000
- ▶ **Rs. 16,500**

Solution:

Take average for each alternative and choose the alternative with best average.

Small facility = $10000+8000=18000/2=9000$

Medium facility = $12000+20000=32000/2=16000$

Large facility = $18000+15000=33000/2=16500$

Which one of the following is NOT a step of strategy process?

- ▶ Develop alternatives
- ▶ Monitor results
- ▶ **Consider risk averseness strategies**
- ▶ Specify criteria for decision

As an operations manager you have collected data about the demand of certain product "P" over time "t". The data shows short-term fairly regular variations over the time period "t". Which one of the following is correctly explaining the behaviour of the data?

- ▶ Cycle
- ▶ Random variation
- ▶ **Seasonality**
- ▶ Trend

Ref: Seasonality - short-term fairly regular variations in data related to factors like weather, festive holidays and vacations. Mostly experienced by supermarkets, restaurants, theatres, theme parks

Which one of the following formula can be used to compute break even point?

- ▶ $Q = VC / (R - VC)$
- ▶ **$Q = FC / (R - VC)$**
- ▶ $Q = VC / (R + FC)$
- ▶ $Q = FC / (R + VC)$

ABC Corporation has planned to purchase a new machine. Total annual fixed cost is Rs. 10,000, variable cost is Rs. 5 per unit and revenue is Rs. 7 per unit. What would be the break even point?

- ▶ 833 units
- ▶ 2000 units
- ▶ **5000 units**
- ▶ 1012 units

Solution:

Formula for quantity break even point

$$QBEP = FC / (R - VC)$$

$$QBEP = 10000 / (7-5)$$

$$QBEP = 10000 / 2$$

$$QBEP = 5000 \text{ units}$$

Which one of the following is an example of business that uses job shop process structure?

- ▶ **French restaurants**
- ▶ Heavy equipment
- ▶ Sugar refinery
- ▶ Automobile assembly

Reference: A job shop is a type of manufacturing process structure where batches of a variety of custom products are made. In the job shop process flow, most of the products produced require a unique set-up and sequencing of processing steps. Examples of a job shop include a sheet metal, machine tool shop, a factory machining centre, paint shops, a French restaurant, a commercial printing shop, and other manufacturers that make custom products.

In which of the following layouts, work stations are arranged according to the general function they perform without regard to any particular product?

- ▶ Product
- ▶ **Process**
- ▶ Fixed-position
- ▶ Storage

[Ref: PPT slide.](#)

OSHA stands for which one of the following?

- ▶ Occupational stock hygiene administration
- ▶ **Occupational safety hygiene administration**
- ▶ Occupational safety hygiene agency
- ▶ Occupational science hygiene administration

[OSHA refers to Occupational Safety Hygiene Administration](#)

In order to comply with the environmental standards, an organization implements Occupational Safety Hygiene Administration (OSHA) following is a way to accomplish this task?

- ▶ Promoting friendly relations among employees
- ▶ **Installing safety guards and devices to reduce the risk**
- ▶ Installing machinery to make the process speedy
- ▶ Installing machinery that provides cost effective output

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels
- ▶ **It depicts demand of a product with respect to time**
- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Which one of the following location strategies is favoured by automobile manufacturers?

▶ **Product plant strategy**

- ▶ Process plant strategy
- ▶ Market area plant strategy
- ▶ Cost conservation strategy

With multiple manufacturing facilities, firms can organize operations in different strategies

Product plant strategy

Entire products or product lines are produced in separate plants, and each plant usually supplies the entire domestic market

Specialization often results in economies of scale

Market area plant strategy

To serve a particular geographic segment of a market

Desirable when shipping costs are high

Process plant strategy

Different plants focus on different aspects of a process

Automobile manufacturers – engine plant, body stamping plant, etc

Coordination across the system becomes a significant issue

General-purpose plant strategy

Plants are flexible and capable of handling a range of products

Which one the following is an assumption of centre of gravity method?

- ▶ The quantity to be shipped is variable
- ▶ **The quantity to be shipped is fixed**
- ▶ The quantity carries no value
- ▶ The quantity to be shipped should be extraordinarily high

Which one of the following is NOT an input in the transformation process?

- ▶ **Information**
- ▶ Services
- ▶ Facilities
- ▶ Materials

Which one of the following describes the Naïve forecast?

- ▶ Attempt to predict the future value based on the past data.
- ▶ Determine long term upward or downward movement in data.
- ▶ **Forecast for any period equals the previous period's actual value.**
- ▶ Collect outside opinion of consumer and potential customers

Ref:

Estimating technique in which the last period's actual are used as this period's forecast, without adjusting them or attempting to establish causal factors. It is used only for comparison with the forecasts generated by the better (sophisticated) techniques.

Which one of the following is an advantage of a moving average forecast?

▶ All the values in the average are weighted equally

- ▶ The method is reliable to forecast the demand accurately
- ▶ The method is easy to compute and easy to understand
- ▶ The most recent values are given the more weightage

MIDTERM EXAMINATION

Spring 2010

MGT613- Production / Operations Management

Time: 60 min

Marks: 44

Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ Strategic decision
- ▶ Tactical decision

Question No: 2 (Marks: 1) - Please choose one

The management of systems or processes that creates goods and provides services is known as:

- ▶ Operation Management

- ▶ Operation/production Management
- ▶ Operation/Research Management
- ▶ Production/Research Management

Question No: 3 (Marks: 1) - Please choose one

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ **Which market areas to manufacture the products for?**

Question No: 4 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

- ▶ Are specific to the operations function
- ▶ Are specific to the marketing function
- ▶ **Are interdependent with other processes**
- ▶ Have exactly the same performance measures for any process

Question No: 5 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

- ▶ Flexibility + profit+ operations
- ▶ Work + profit + value
- ▶ **Quality + speed + flexibility**
- ▶ Profit + Incentives + standards

Question No: 6 (Marks: 1) - Please choose one

Which of the following statements describes an order-qualifier characteristic?

- ▶ A competitive dimension used to make final decision among competitors
- ▶ A factor which directly and significantly contribute to winning business
- ▶ A factor which increases the profitability of the organization
- ▶ **A factor perceived as a minimum standard as a potential for purchase**

<http://www.vustudents.net>

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

- ▶ **Associative forecast**
- ▶ Time series forecast
- ▶ Consumer survey
- ▶ Executive opinion

Question No: 8 (Marks: 1) - Please choose one

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

- ▶ Risk
- ▶ Bounded rationality
- ▶ Certainty
- ▶ **Uncertainty**

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is an implication of laplace approach of decision making?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff
- ▶ **The best average payoff**
- ▶ The least of the worst regrets

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an outcome of MINIMAX regret?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff
- ▶ The best average payoff
- ▶ **The least of the worst regret**

Question No: 11 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ **The forecast lags behind the actual**
- ▶ The forecast represents demand more accurately
- ▶ The forecast will not be accurate
- ▶ The forecast will not be reliable

Question No: 12 (Marks: 1) - Please choose one

Which one of the following refers to the maximum output that a firm can produce under ideal conditions?

- ▶ **Design capacity**
- ▶ Effective capacity
- ▶ Capacity planning
- ▶ Utilization rate

Question No: 13 (Marks: 1) - Please choose one

Which one of the following is a characteristic of continuous process?

- ▶ High lead times
- ▶ Short process times
- ▶ The ability to handle high variety
- ▶ **The ability to handle high volumes**

Question No: 14 (Marks: 1) - Please choose one

Which of the following is an example of a business that uses assembly line process structure?

- ▶ **Automobile assembly**
- ▶ Sugar refinery
- ▶ Heavy equipment
- ▶ French restaurants

Question No: 15 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

- ▶ Fixed position layout
- ▶ **Process layout**
- ▶ Product layout
- ▶ Cellular layout

Question No: 16 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ **Product layout**
- ▶ Hybrid layout

Question No: 17 (Marks: 1) - Please choose one

A department store discovered that in a four-month period, the best forecast can be determined by using 50 percent of the sales for the most recent month, 20 percent of the sales of two months ago, 10 percent of the sales of three months ago, and 20 percent of the sales of four months ago. Which forecasting method should the store use to forecast demand? <http://www.vustudents.net>

- ▶ Simple Moving Average
- ▶ Linear Regression
- ▶ Time Series Analysis
- ▶ **Weighted Moving Average**

Question No: 18 (Marks: 1) - Please choose one

Which one of the following is an application of simple exponential smoothing?

- ▶ Establishing durability
- ▶ Finding reliability
- ▶ **Scheduling services (not sure)**
- ▶ Quality improvement

Question No: 19 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of aesthetics of the product?

- ▶ Functional design
- ▶ Production design
- ▶ Service design
- ▶ **Product design**

Question No: 20 (Marks: 1) - Please choose one

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels
- ▶ **It depicts demand of a product with respect to time**
- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is TRUE about Taguchi approach?

- ▶ **To test the robustness of a design**
- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Question No: 22 (Marks: 1) - Please choose one

Which one of the following is a curve showing failure rate over time?

- ▶ Cost curve
- ▶ **Bath tub curve**
- ▶ Fish bone diagram
- ▶ Reliability curve

Question No: 23 (Marks: 1) - Please choose one

Which of following statement is **true** about effective capacity?

- ▶ It is the actual output achieved
- ▶ It is always less than actual output
- ▶ **It is the maximum output that a firm can produce**
- ▶ It is always less than designed capacity

Question No: 24 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- ▶ Job shop
- ▶ Batch processing
- ▶ Assembly line
- ▶ **Continuous processing**

Question No: 25 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ **Operational strategy**
- ▶ Tectical strategy

Question No: 26 (Marks: 1) - Please choose one

Which one of the following refers to bringing together engineering design and manufacturing personnel early in the design phase.

- ▶ Reverse engineering
- ▶ **Concurrent engineering**
- ▶ Manufacturability
- ▶ Serviceability

Question No: 27 (Marks: 1) - Please choose one

Which of the following refers to the way an organization chooses to produce its goods or services?

- ▶ **Process selection**
- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

Question No: 28 (Marks: 1) - Please choose one

Which one of the following is the first step in line balancing?

- ▶ To specify the sequential relationship among tasks.
- ▶ **To determine the required cycle time.**
- ▶ To determine the minimum number of workstations.
- ▶ To determine the desired output

Question No: 29 (Marks: 3)

Write down at least three ways of improving reliability of a system.

[Answer](#)

<http://www.vustudents.net>

Question No: 30 (Marks: 3)

What qualities does a successful job design contain? (solution provided by Maria Iqbal)

A successful Job Design must have the following qualities

1. Carried out by experienced personnel who have the necessary training and background.
2. Consistent with the goals of the organization.
3. In documented form.
4. Understood and agreed by both management and employees.
5. Shared with the new employees.

6. Factors that affect Job Design

Question No: 31 (Marks: 5)

Suppose you are the operations manager of ABC Corporation. To develop competence in business operations, you have to decide either to rely on the facilities available in-house or outsource. What are some of the factors you would base the decision on?

Question No: 32 (Marks: 5)

"Standardization plays an important role in product design". How will you describe this role?

MIDTERM EXAMINATION

Spring 2009 MGT613- Production / Operations Management (Session - 1)

Solved

Question No: 1 (Marks: 1) - Please choose one

The management of systems or processes that creates goods and provides services is known as:

▶ **Operation Management**

- ▶ Operation/production Management
- ▶ Operation/Research Management
- ▶ Production/Research Management

operations management The management of systems or processes that create goods and/or provide services.

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

- ▶ Capital
- ▶ Energy
- ▶ **Labor**

▶ Machine

Ref: Labor Productivity

Units of output per labor hour

Units of output per shift

Value-added per labor hour

Question No: 3 (Marks: 1) - Please choose one

Which one of the following forms of productivity is expressed as dollar value of output per kilowatt hour?

▶ Machine

▶ Capital

▶ **Energy**

▶ Labor

Energy Productivity Units of output per kilowatt-hour Dollar value of output per kilowatt-hour

Question No: 4 (Marks: 1) - Please choose one

What would be the productivity if a machine produced 50 units in 3 hours?

▶ 0.066 units per hr

▶ **16.66 units per hr**

▶ 6.766 units per hr

▶ 60.66 units per hr

Ref: Machine Productivity =Units of output per machine hour

$$= 50/3$$

$$=16.66$$

Question No: 5 (Marks: 1) - Please choose one

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

▶ **Operations**

▶ Marketing

▶ Accounting

▶ Finance

for more contents visit

Question No: 6 (Marks: 1) - Please choose one

Which of the following is **NOT** a decision to be made by operations managers?

▶ How much capacity is required to balance demand?

▶ What should be the location and layout of a facility?

▶ How to improve operational efficiency?

▶ **Which market areas to manufacture the products for?**

Question No: 7 (Marks: 1) - Please choose one

All of the following are the decision areas of an operations manager EXCEPT:

▶ Financial reporting

▶ Inventory management

▶ Scheduling tasks

▶ **Supply chain management**

Question No: 8 (Marks: 1) - Please choose one

Organizational strategies relate to which of the following sets of factors?

▶ **Survival, profitability, growth rate and market share**

- ▶ Profitability, survival, leads times and target market
- ▶ Quality, operating resources, growth rate and market share
- ▶ Scheduling, profitability, lead times and survival

Question No: 9 (Marks: 1) - Please choose one

Which of the following statements describes an order-qualifier characteristic?

- ▶ A competitive dimension used to make final decision among competitors
- ▶ A factor which directly and significantly contribute to winning business
- ▶ A factor which increases the profitability of the organization
- ▶ **A factor perceived as a minimum standard as a potential for purchase**

Question No: 10 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

- ▶ Independent of the organization's strategy
- ▶ **Consistent with the organization's strategy**
- ▶ Developed by a first line manager
- ▶ Independent of time dimension

for more contents visit

Question No: 11 (Marks: 1) - Please choose one

Which one of the following correctly explains the qualitative forecasting technique?

It consists mainly of numerical descriptions and defies subjective inputs of managers.

It consists mainly of subjective inputs and defies particular numerical descriptions.

It consists mainly of subjective inputs and defies human factor, personal opinions.

It consists mainly of analyzing objective and hard data and defies human factor, opinion.

Question No: 12 (Marks: 1) - Please choose one

Which one of the following correctly explains the quantitative forecasting technique?

- ▶ It consists mainly of numerical descriptions and resist subjective inputs of managers.
- ▶ It consists mainly of subjective inputs and resist particular numerical descriptions.
- ▶ It consists mainly of subjective inputs and resisit human factor, personal opinions.
- ▶ **It consists mainly of analyzing objective and hard data and resist human factor, opinion.**

Ref: Got the answer from one PPT slide.

Question No: 13 (Marks: 1) - Please choose one

Given the table:

Alternatives

Small facility Medium facility Large facility

Possible future demand	
Low (Rs.)	High (Rs.)
10,000	8,000
12,000	20,000
18,000	15,000

Which one of the following is the correct payoff under MAXIMIN approach?

- ▶ Rs. 8,000
- ▶ Rs. 12,000
- ▶ **Rs. 18,000**
- ▶ Rs. 20,000

Solution:

Take lowest column and then take max value from that column

Question No: 14 (Marks: 1) - Please choose one

Given the table:

Alternatives	Possible future demand	
	Low (Rs.)	High (Rs.)
Small facility	10,000	8,000
Medium facility	12,000	20,000
Large facility	18,000	15,000

Which one of the following is the correct Pay off under LAPLACE approach?

- ▶ Rs.9000
- ▶ Rs.16,000
- ▶ Rs.33,000
- ▶ **Rs.16,500**

Solution:

Take average for each alternative and choose the alternative with best average.

Small facility = $10000+8000=18000/2 =9000$

Medium facility = $12000+20000 = 32000/2 = 16000$

Large facility = $18000+15000 = 33000/2= 16500$

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is NOT a step of strategy process?

- ▶ Develop alternatives
- ▶ Monitor results
- ▶ **Consider risk averseness strategies**
- ▶ Specify criteria for decision

for more contents visit

Question No: 16 (Marks: 1) - Please choose one

As an operations manager you have collected data about the demand of certain product "P" over time "t". The data shows short-term fairly regular variations over the time period "t". Which one of the following is correctly explaining the behavior of the data?

- ▶ Cycle
- ▶ Random variation
- ▶ **Seasonality**
- ▶ Trend

Ref: Seasonality - short-term fairly regular variations in data related to factors like weather, festive holidays and vacations. Mostly experienced by supermarkets, restaurants, theatres, theme parks.

Question No: 17 (Marks: 1) - Please choose one

Which one of the following formula can be used to compute break even point?

- ▶ $Q = VC / (R - VC)$
- ▶ **$Q = FC / (R - VC)$**
- ▶ $Q = VC / (R + FC)$
- ▶ $Q = FC / (R + VC)$

Question No: 18 (Marks: 1) - Please choose one

ABC Corporation has planned to purchase a new machine. Total annual fixed cost is Rs. 10,000, variable cost is Rs. 5 per unit and revenue is Rs. 7 per unit. What would be the break even point?

- ▶ 833 units
- ▶ 2000 units
- ▶ **5000 units**
- ▶ 1012 units

Solution:

Formula for quantity break even point.

$$QBEP = FC / (R - VC)$$

$$QBEP = 10000 / (7 - 5)$$

$$QBEP = 10000 / 2$$

$$QBEP = 5000 \text{ units}$$

Question No: 19 (Marks: 1) - Please choose one

Which one of the following manufacturing process is associated with high volume car manufacture?

- ▶ Job shop
- ▶ **Assembly line**
- ▶ Batch
- ▶ Automation

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is a characteristic of continuous process?

- ▶ High lead times
- ▶ Short process times
- ▶ The ability to handle high variety
- ▶ **The ability to handle high volumes**

Ref:

As it's a continuous and repetitive process, so process time will be definitely shorten.

Question No: 21 (Marks: 1) - Please choose one

Which of the following refers the way an organization chooses to produce its good or services?

▶ **Process selection**

- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

Ref: It takes into account selection of technology, capacity planning, layout of facilities, and design of work systems.

Process selection is a natural extension after selection of new products and services.

Question No: 22 (Marks: 1) - Please choose one

Which one of the following is an example of business that uses job shop process structure?

▶ **French restaurants**

- ▶ Heavy equipment
- ▶ Sugar refinery
- ▶ Automobile assembly

Reference: A job shop is a type of manufacturing process structure where batches of a variety of custom products are made. In the job shop process flow, most of the products produced require a unique set-up and sequencing of processing steps. Examples of a job shop include a sheet metal, machine tool shop, a factory machining center, paint shops, a **French restaurant**, a commercial printing shop, and other manufacturers that make custom products.

Question No: 23 (Marks: 1) - Please choose one

In which of the following layouts, work stations are arranged according to the general function they perform without regard to any particular product?

▶ Product

▶ **Process**

- ▶ Fixed-position
- ▶ Storage

Ref: Answer is taken from one PPT slide.

Question No: 24 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

▶ Fixed position layout

▶ **Process layout**

- ▶ Product layout
- ▶ Cellular layout

<http://www.vustudents.net>

Question No: 25 (Marks: 1) - Please choose one

OSHA stands for which one of the following?

▶ Occupational stock hygiene administration

▶ **Occupational safety hygiene administration**

- ▶ Occupational safety hygiene agency
- ▶ Occupational science hygiene administration

OSHA refers to Occupational Safety Hygiene Administration

Question No: 26 (Marks: 1) - Please choose one

In order to comply with the environmental standards, an organization implement Occupational Safety Hygiene Administration (OSHA) following is a way to accomplish this task?

- ▶ Promoting friendly relations among employees
- ▶ **Installing safety guards and devices to reduce the risk**
- ▶ Installing machinery to make the process speedy
- ▶ Installing machinery that provides cost effective output

Question No: 27 (Marks: 1) - Please choose one

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels
- ▶ **It depicts demand of a product with respect to time**
- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Question No: 28 (Marks: 1) - Please choose one ____

Which one of the following is TRUE about Taguchi approach

- ▶ **To test the robustness of a design**
- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Ref: An added concept to Taguchi Approach is the Degree of Newness.

The defining characteristics for the Taguchi approach include:

Design a robust product

Insensitive to environmental factors either in manufacturing or in use.

Central feature is Parameter Design.

Question No: 29 (Marks: 1) - Please choose one

The disadvantages of specialization to management include all of the following EXCEPT:

- ▶ More absenteeism
- ▶ **Minimum responsibility**
- ▶ More turnover
- ▶ More difficult to teach the job

Rationale: Its an advantage of specialization.

Question No: 30 (Marks: 1) - Please choose one

Technology has impacted the work place by:

- ▶ Adding to the existing geographical barriers for recruiting
- ▶ Increasing the cost of telecommuting
- ▶ Increasing the amount required to be spent on training
- ▶ **Unifying the workforce to a common skill level**

Question No: 31 (Marks: 1) - Please choose one

Which one of the following refers to a team having representatives from different functional areas of the organization?

- ▶ Traditional work group
- ▶ Self-directed team
- ▶ **Cross-functional team**
- ▶ Self motivated team

Ref: Cross-functional systems were designed to intergrate the activities of the entire business process, and are called so because they 'cross' departmental boundaries.

Question No: 32 (Marks: 1) - Please choose one

Which one of the following is NOT a business application of forecasting?

- ▶ Budgeting
- ▶ Capacity planning
- ▶ Inventory management

▶ **Quality control**

<http://www.vustudents.net>

Question No: 33 (Marks: 1) - Please choose one

Which one of the following factors makes a forecast LESS perfect?

▶ **Randomness**

- ▶ Non serious attitude
- ▶ Non availability of data
- ▶ Un qualified personnel

Question No: 34 (Marks: 1) - Please choose one

Which one of the following is an example of community factors that affect location decisions?

▶ Transportation

▶ **Quality of life**

- ▶ Location of new markets
- ▶ Location of raw materials

· Ref: **Community Considerations**

· Quality of life

· Services

Attitudes

· Taxes

· Environmental regulations

Utilities

Developer support

Question No: 35 (Marks: 1) - Please choose one

Which one of the following location strategies is favored by automobile manufacturers?

▶ Product plant strategy <http://www.vustudents.net>

▶ **Process plant strategy**

- ▶ Market area plant strategy
- ▶ Cost conservation strategy

With multiple manufacturing facilities, firms can organize operations in different strategies

Product plant strategy

Entire products or product lines are produced in separate plants, and each plant usually supplies the entire domestic market

Specialization often results in economies of scale

Market area plant strategy

To serve a particular geographic segment of a market

Desirable when shipping costs are high

Process plant strategy

Different plants focus on different aspects of a process

Automobile manufacturers – engine plant, body stamping plant, etc.

Coordination across the system becomes a significant issue

General-purpose plant strategy

Plants are flexible and capable of handling a range of products

Question No: 36 (Marks: 1) - Please choose one

Which one the following is an assumption of center of gravity method?

- ▶ The quantity to be shipped is variable
- ▶ **The quantity to be shipped is fixed**
- ▶ The quantity carries no value
- ▶ The quantity to be shipped should be extraordinarily high

Question No: 37 (Marks: 1) - Please choose one

Which of the following statements would generally be considered as correct job shop?

- ▶ A continuous process has lower output volume as compared to job shop
- ▶ Equipment flexibility is lower in job shop than that of a continuous process
- ▶ **Labour costs are higher in a Job Shop operation than in most other processes**
 - ▶ Batch processing produces a more standard range of products than continuous flow processes

Reference

Question No: 38 (Marks: 1) - Please choose one

Which one of the following is NOT an input in the transformation process?

- ▶ **Informations**
- ▶ Services
- ▶ Facilities
- ▶ Materials

Question No: 39 (Marks: 1) - Please choose one

Which one of the following describes the Naïve forecast?

- ▶ Attempt to predict the future value based on the past data.
- ▶ Determine long term upward or downward movement in data.
- ▶ **Forecast for any period equals the previous period's actual value.**
- ▶ Collect outside opinion of consumer and potential customers.

Ref:

Estimating technique in which the last period's actual are used as this period's forecast, without adjusting them or attempting to establish causal factors. It is used only for comparison with the forecasts generated by the better (sophisticated) techniques.

Question No: 40 (Marks: 1) - Please choose one

Which one of the following is an advantage of a moving average forecast?

- ▶ **All the values in the average are weighted equally**
- ▶ The method is reliable to forecast the demand accurately
- ▶ The method is easy to compute and easy to understand
- ▶ The most recent values are given the more weightage

Question No: 41 (Marks: 5)

Why some multinational corporations feel that globalization is not a good option?

Question No: 42 (Marks: 5)

Do you perceive that operation management and operation research

for more contents visit

MIDTERM EXAMINATION
Spring 2010
MGT613- Production / Operations Management (Session - 6)

Question No: 1 (Marks: 1) - Please choose one

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ **Which market areas to manufacture the products for?**

Question No: 2 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ **Multifactor**
- ▶ Partial
- ▶ Single
- ▶ Total

Partial measures is output/(single input)

Multi-factor measures is output/(multiple inputs)

Solution Calculations of multifactor productivity measure inputs and **outputs using a common unit of measurement**, such as cost or value. For instance, the measure might use cost of inputs and ...

Question No: 3 (Marks: 1) - Please choose one

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

- ▶ **Operations**
- ▶ Marketing
- ▶ Accounting
- ▶ Finance

Operation Function (Consists of all activities directly related to producing goods or providing services)

Question No: 4 (Marks: 1) - Please choose one

Which of the following is NOT a decision to be made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ **Which market areas to manufacture the products for?**

Question No: 5 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

- ▶ Independent of the organization's strategy
- ▶ **Consistent with the organization's strategy**
- ▶ Developed by a first line manager
- ▶ Independent of time dimension

Question No: 6 (Marks: 1) - Please choose one

Which one of the following factors provides a basis for comparing alternative forecasting techniques?

- ▶ Time dimension
- ▶ Reliability factor
- ▶ **Degree of accuracy**
- ▶ Measuring units

Accuracy. Forecasts should be accurate. In fact it should carry the degree of accuracy, so the users are aware of the limitations of the forecast. This will also help the end users to plan for possible errors and provide a basis for comparing the forecast with other alternative forecasts

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting technique is based on historical data?

- ▶ **Time series**
- ▶ Qualitative
- ▶ Judgmental
- ▶ Associative

Question No: 8 (Marks: 1) - Please choose one

Which one of the following involves completing a series of questionnaires each developed from the previous one, to achieve a consensus forecast?

- ▶ Consumer surveys
- ▶ Executive opinion
- ▶ Time series forecast
- ▶ **Delphi method**

Delphi method: Managers and staff complete a series of questionnaires, each developed from the previous one, to achieve a consensus forecast

Question No: 9 (Marks: 1) - Please choose one

In which one of the following situations, the use of a decision tree is required instead of a payoff table?

- ▶ When there are more than three states of nature
- ▶ When there are more than three decision payoffs
- ▶ When the decision situation encompasses an extended time period
- ▶ [When a series of decisions is required](#)

When a decision situation requires a series of decisions, the payoff table cannot accommodate the multiple layers of decision-making. Thus, a decision tree is needed.

<http://www.mirror-service.org/sites/home.ubalt.edu/ntsbarsh/Business-stat/opre/partIX.htm>

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an index used to measure actual output relative to design capacity?

- ▶ Efficiency
- ▶ Effective capacity
- ▶ Effectiveness
- ▶ **Utilization**

Question No: 11 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to [more predictable behavior in terms of capacity requirements](#)?

- ▶ Introduction
- ▶ Growth
- ▶ **Maturity**
- ▶ Decline

Plateau phase: In the plateau or market maturity phase the size of market starts to become constant with no considerable growth. Once this phase is reached, organisations tend to have a stable market share, all things kept constant. At this stage, organisations increase profitability by reducing costs and utilising available manufacturing capacity to the maximum. However, there is the possibility of some organisations trying to increase profitability by increasing manufacturing capacity! The strategy is to increase manufacturing capacity, which results in reducing costs resulting in lower pricing which in turn helps gain market share. The increase in manufacturing capacity in the plateau or maturity phase however, is most often in small amounts than in large degrees

Question No: 12 (Marks: 1) - Please choose one

Which of the following statements is correct about capacity evaluating alternatives?

- ▶ **Minimum cost and optimal operating rate are functions of size of plant.**
- ▶ Minimum cost and optimal operating rate are functions of fixed cost.
- ▶ Minimum cost and productivity are functions of size of plant.
- ▶ Maximum cost and optimal operating rate are functions of size of plant.

Page: 69 **Minimum cost & optimal operating rate are functions of size of production unit**

Question No: 13 (Marks: 1) - Please choose one

What would be the required cycle time for a process that operates 9 hours daily with a desired output of 300 units per day?

- ▶ 0.03 minutes
 - ▶ **1.8 minutes**
 - ▶ 2700 minutes
 - ▶ 291 minutes
- $OT/D = 9 \times 60 / 300$

Question No: 14 (Marks: 1) - Please choose one

Which of the following factors are considered in product and service design?

- ▶ Customer satisfaction, quality, and improvement costs
- ▶ Employee motivation, quality, and production costs
- ▶ Customer satisfaction, flexibility, and production costs
- ▶ **Customer satisfaction, quality, and production costs**

A good product/service design can ensure customer satisfaction, quality and production costs.

Question No: 15 (Marks: 1) - Please choose one

Which one of the following mathematical expressions can be used to compute availability?

- ▶ **$(MTBF) / (MTBF + MTR)$**
- ▶ $(MTBF) / (MTBF - MTR)$
- ▶ $(MTR) / (MTBF + MTR)$
- ▶ $(MTR) / (MTBF - MTR)$

Question No: 16 (Marks: 1) - Please choose one

The advantages of specialization to management include all of the following EXCEPT:

- ▶ Rapid training of the workforce
- ▶ Ease in recruiting new workers

▶ Fewer turnovers

▶ **Less boredom for workers**

Advantages of specialization To management 1 Rapid training of the work force 2. *Ease in recruiting new workers* 3. High output due to simple and repetitive work

Question No: 17 (Marks: 1) - Please choose one

Which one of the following refers to the length of time needed to complete a job?

▶ Work sampling methods

▶ **Work measurement**

▶ Job design

▶ Methods analysis

work measurements dealt specifically with the length of time needed to complete a job and was linked with Personnel Planning, Cost Estimation, Budgeting, Scheduling and Worker Compensation.

Question No: 18 (Marks: 1) - Please choose one

Which one of the following management functions is based on forecasting?

▶ **Planning**

▶ Organizing

▶ Leading

▶ Controlling

Question No: 19 (Marks: 1) - Please choose one

Which one of the following is **TRUE** about the importance of capacity planning?

▶ It is profitable

▶ It increase the capacity of productive unit

▶ **It helps managers quantify production capability**

▶ It establishes good relationship with the customer

Question No: 20 (Marks: 1) - Please choose one

The type of processing structure that is used for producing discrete products at higher volume is:

▶ Continuous Flow

▶ **Assembly Line**

▶ Batch

▶ Job shop

Reference: http://highered.mcgrawhill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is TRUE about work sampling?

▶ It describes individual human motions that are used in a job task

▶ It involves determining the length of time it will take to undertake a particular task

▶ **It involves determining the amount of time a worker spends on various activities**

▶ It provides standard times for micro motions such as reach, move and release

<http://www.vustudents.net>

Question No: 22 (Marks: 1) - Please choose one

Which of the following **best** describes the concept of the value chain?

▶ The step-wise increases in product prices as raw materials are turned into goods/services

▶ Adding financial value to an organization through the acquisition of other firms

▶ A sequence of activities that involve movement of materials in a production facility

▶ **All steps in the transformation process that add value even if they don't come from manufacturing**

Question No: 23 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ **Operational strategy**
- ▶ Tactical strategy

Operations strategy relates to products, processes, methods, operating resources, quality, costs, lead times, and scheduling.

Question No: 24 (Marks: 1) - Please choose one

Which one of the following represents the series of a time forecast?

- ▶ Averaging, cycle, seasonality, random variations
- ▶ Trend, seasonality, exponential smoothing
- ▶ Trend, cycle, seasonality, moving average
- ▶ **Trend, cycle, seasonality, random variations **

Question No: 25 (Marks: 1) - Please choose one

The purpose of _____ is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

- ▶ **Total quality control**
- ▶ Demand management
- ▶ Forecasting
- ▶ Operations management

Question No: 26 (Marks: 1) - Please choose one

Which relationship exists between the robustness of a product and the probability of failure?

- ▶ Positive relation
- ▶ Direct relation
- ▶ Inverse relation not sure
- ▶ **Negative relation**

Question No: 27 (Marks: 1) - Please choose one

Which of the following refers to the way an organization chooses to produce its goods or services?

- ▶ **Process selection**
- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

Process Selection refers to the way an organization chooses to produce its good or services

Question No: 28 (Marks: 1) - Please choose one

The formula for determining the required cycle time is operation time per day divided by:

- ▶ Sum of task times <http://www.vustudents.net>
- ▶ Actual output per day (in units)
- ▶ Number of workstations
- ▶ **Desired output (in units)**

Cycle time is the maximum time allowed at each workstation to complete its set of tasks on a unit. If CT represents cycle time and D represents the desired output then we can calculate cycle time as

Question No: 29 (Marks: 3)

Write down the characteristics of well designed service system?

ANS

1. A well designed system should be well versed with organization vision & mission.
2. It should cost effective
3. User friendly & sustainable.
4. It should have ability to make effective link between front & backend operations.
5. Accommodation of variable changes in future.
6. Simple requirements & handling few customer at every customer centre.

Question No: 30 (Marks: 3)

What qualities does a successful job design contain?

ANS: A successful job design contains following qualities.

1. Carried out by experience personal who have necessary training & background.
2. Consistent with goals of organization
3. Shared with new employees
4. In documented Form
5. Understood & agreed by both management & employees
6. Factors that affect job design.

Question No: 31 (Marks: 5)

Suppose you want to estimate the time required to perform a certain task by the two employees. One employee's study yielded a mean of 6.4 minutes and standard deviation of 2.1 minutes with 95% confidence Interval. Other employee's study yielded a mean of 2.1 minutes and standard deviation of 6.4 minutes with confidence interval of 95%. Now how many observations you will need if desired maximum error is 10% of sample mean?(z= 1.96) Do both the employees have same number of observations?

ANS:

Employee # 1 :

Mean time = $X = 6.4$ mins

Standard Deviation = $S = 2.1$ mint.

$z = 1.96$

error = $A = 10\% = 0.1$

$n = (zs/ax)^2$

$= [(1.96) (2.1)/(0.1)(6.4)]^2$

$= [4.116/0.64]^2$

$= (6.43125)^2$

$= 41.36$

41 observations

Employee # 2 :

Mean time = $X = 2.1$ mins

Standard Deviation = $S = 6.4$ mint.

$$z = 1.96$$

$$\text{error} = A = 10\% = 0.1$$

$$n = (zs/ax)^2$$

$$= [(1.96) (6.4)/(0.1)(2.1)]^2$$

$$= [12.544/0.21]^2$$

$$= (59.733)^2$$

$$= 3568.03$$

3568 observations

Question No: 32 (Marks: 5)

In some organizations capacity planning takes place very regularly and in some it takes place seldom. What are the factors that influence the frequency of capacity planning?

Capacity planning is a regular activity (especially for manufacturing organizations), the frequency depends on the following factors

Fluctuations in Demand

Induction of new orders

Cancellation of old orders

Completion of old orders

Change in configurations of products which may effect its manufacturing time/ usage of machines / labor

you can define each of these in details

For non manufacturing organizations, capacity planning once carried out remains valid till business situations changes (which is a long term situation).

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 2)

Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

▶ Control decision

▶ Non-operational decision

▶ **Strategic decision**

▶ Tactical decision

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

- ▶ **Capital**
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 3 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ **Multifactor**
- ▶ Partial

- ▶ Single
- ▶ Total

Question No: 4 (Marks: 1) - Please choose one

The major business function consisting of research and development, product design, manufacturing, marketing, distribution, and customer service is referred to:

- ▶ Value chain
- ▶ The transformation process
- ▶ Quality control
- ▶ **Life cycle**

Question No: 5 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

- ▶ Are specific to the operations function
- ▶ Are specific to the marketing function
- ▶ **Are interdependent with other processes**
- ▶ Have exactly the same performance measures for any process

[Reference](#)

Question No: 6 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$
- ▶ **$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$**
- ▶ $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

for more contents visit

<http://www.vustudents.net>

Question No: 7 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

- ▶ Flexibility + profit+ operations
- ▶ Work + profit + value
- ▶ **Quality + speed + flexibility**
- ▶ Profit + Incentives + standards

Question No: 8 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?

- ▶ A factor which may be significant in other parts of the organization
- ▶ **A factor which gives an organization a competitive edge**
- ▶ A factor which serves as a minimum standard for purchase
- ▶ A factor which increases the profitability of the organization

Question No: 9 (Marks: 1) - Please choose one

As a manager, you have defined the purpose of the forecasts. What should be the **next** step in forecasting process?

- ▶ Choose a forecasting technique.
- ▶ Determine the purpose of the forecast.
- ▶ **Set up a time horizon or a time limit.**
- ▶ Collect and analyze the appropriate data.

Question No: 10 (Marks: 1) - Please choose one

Which one of the following forecasting technique is based on historical data?

- ▶ Judgmental
- ▶ Associative
- ▶ **Time series**
- ▶ Qualitative

Ref: · **Time series** - uses historical data assuming the future will be like the past and depend on developing relationships between variables that can be expressed to predict future values.

for more contents visit

Question No: 11 (Marks: 1) - Please choose one

Which one of the following forecasting techniques use subjective inputs su from consumer surveys, sales staff, managers and experts?

- ▶ Time series
- ▶ Quantitative
- ▶ **Judgmental**
- ▶ Associative

Ref: · **Judgmental** - uses subjective inputs meaning that a judgmental forecast rely on analysis of subjective inputs obtained from various sources, such as

consumer surveys, the sales staff, managers and executives, and panels of experts. These insights are not available publicly.

Question No: 12 (Marks: 1) - Please choose one

Which of the following approaches favors adopting a “go for it” strategy?

- ▶ Maximin
- ▶ **Maximax**
- ▶ Minimax regret
- ▶ Laplace

Question No: 13 (Marks: 1) - Please choose one

Possible future demand	
Low (Rs.)	High (Rs.)
10,000	8,000
12,000	20,000
18,000	15,000

Given the table:

Alternatives

Small facility Medium facility Large facility

Which one of the following is the correct payoff under MAXIMAX approach?

- ▶ Rs. 10,000
- ▶ Rs. 18,000
- ▶ Rs. 20,000
- ▶ Rs. 32,000

Question No: 14 (Marks: 1) - Please choose one

Which one of the following is NOT a step of decision making process?

- ▶ Develop alternatives
- ▶ Monitor results
- ▶ **Consider risk averseness strategies**
- ▶ Specify criteria for decision

Ref: 1. Specify Objectives and the Criteria for decision making

2. Develop Alternatives

3. Analyze and compare alternatives.

4. Select the best alternative.

5. Implement the chosen Alternative

6. Monitor the results to ensure the desired results are achieved.

Question No: 15 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

- ▶ Introduction
- ▶ Growth
- ▶ **Maturity**
- ▶ Decline

Plateau phase: In the plateau or market maturity phase the size of market starts to become constant with no considerable growth. Once this phase is reached, organisations tend to have a stable market share, all things kept constant. At this stage, organisations increase profitability by reducing costs and utilising available manufacturing capacity to the maximum. However, there is the possibility of some organisations trying to increase profitability by increasing manufacturing

capacity! The strategy is to increase manufacturing capacity, which results in reducing costs resulting in lower pricing which in turn helps gain market share. The increase in manufacturing capacity in the plateau or maturity phase however, is most often in small amounts than in large degrees

Question No: 16 (Marks: 1) - Please choose one

Which one of the following statement is TRUE about cost-volume relationship?

▶ **It represents the relationship between cost, revenue and volume of output.** <http://www.vustudents.net>

▶ It represents the relationship between cost and volume of output.

▶ It represents the relationship between cost and revenue.

▶ It represents the relationship between inputs, cost and volume of output.

Ref: Cost Volume Relationship focuses on relationships between costs, revenue and volume of output. The primary purpose of cost volume analysis is to estimate the income of an organization.

Question No: 17 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute break even point?

▶ $Q = VC / (R - VC)$

▶ **$Q = FC / (R - VC)$**

▶ $Q = VC / (R + FC)$

▶ $Q = FC / (R + VC)$

Question No: 18 (Marks: 1) - Please choose one

ABC Corporation has planned to purchase a new machine. Total annual fixed cost is Rs. 10,000, variable cost is Rs. 5 per unit and revenue is Rs. 7 per unit. What would be the break even point?

▶ 833 units

▶ 2000 units

▶ **5000 units**

▶ 1012 units

Question No: 19 (Marks: 1) - Please choose one

Which of the following terms of financial analysis are important for the organization to proceed with a capacity alternative decision?

▶ Cash flow and fixed cost

▶ Present value and fixed cost

▶ **Cash flow and present value**

▶ Cash flow and profit

Ref: Operations manager along with managerial accountant often work to calculate what cash flow or present value in terms of rupees is available for the organization to proceed with a capacity alternative decision.

Question No: 20 (Marks: 1) - Please choose one

Which of the following is a system designed to coordinate all activities and information needed to complete business processes?

▶ **Enterprise resource planning**

- ▶ Supply chain management
- ▶ New product development
- ▶ Customer relationship management

Ref: It is an enterprise-wide information system designed to coordinate all the resources, information, and activities needed to complete business processes such as order fulfillment or billing .

Question No: 21 (Marks: 1) - Please choose one

Which of the following is **NOT** a characteristic of product layouts?

- ▶ **High material handling costs**
- ▶ Sequential arrangement of machines
- ▶ Standardized output
- ▶ Continuous production system

Ref: Lecture slide no.19.

1. High rate of output.
2. Low unit cost.
3. Labor specialization.
4. Low material handling cost.
5. High utilization of labor and equipment.
6. Established routing and scheduling.
7. Routing accounting and purchasing.

Question No: 22 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ **Product layout**
- ▶ Hybrid layout

Ref: In a product layout, resources are arranged sequentially, based on the routing of the products. In theory, this sequential layout allows the entire process to be laid out in a straight line, which at times may be totally dedicated to the production of only one product or product version. The flow of the line can then be subdivided so that labor and equipment are utilized smoothly throughout the operation.

For longer operating times, the worker may have to walk alongside the work as it moves until he or she is finished and can walk back to the workstation to begin working on another part (this essentially is how automobile manufacturing works).

Question No: 23 (Marks: 1) - Please choose one

In exponential smoothing model, α denotes:

- ▶ **Smoothing constant**
- ▶ Actual forecast

- ▶ Forecast error
- ▶ Previous forecast

Question No: 24 (Marks: 1) - Please choose one

Which one of the following designs resists modifications?

▶ **Frozen design**

- ▶ Product design
- ▶ Service design
- ▶ Robust design

Question No: 25 (Marks: 1) - Please choose one

▶ **To test the robustness of a design**

- ▶ To articulate the "voice of the customer"
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Question No: 26 (Marks: 1) - Please choose one

Which one of the following refers to using some of the components of old products in the manufacturing of new products?

▶ Manufacturability

▶ **Remanufacturing**

- ▶ Robust design
- ▶ Automation

Question No: 27 (Marks: 1) - Please choose one

Which one of the following is a curve showing failure rate over time?

▶ Cost curve

▶ **Bath tub curve**

- ▶ Fish bone diagram
- ▶ Reliability curve

Question No: 28 (Marks: 1) - Please choose one

▶ **ble to operate for 250**

What would be the availability if a carpehours between repairs, and the mean rep

- ▶ 1.01
- ▶ 5.03
- ▶ 3.0
- ▶ 0.98

Question No: 29 (Marks: 1) - Please choose one

Which one of the following is the goal of method analysis?

- ▶ Dividing and analyzing a job
- ▶ Check individual human motions used to perform an operation
- ▶ Determining the length of time it will take to undertake a particular task
- ▶ Determining the amount of time a worker spends on various activities

Question No: 30 (Marks: 1) - Please choose one

Which one of the following is an example of regional factors that affect location decisions?

- ▶ Transportation

- ▶ Quality of life
 - ▶ Development support
 - ▶ **Location of new markets**
- for more contents visit**

Question No: 31 (Marks: 1) - Please choose one

Which one of the following is an example of site related factors that affect location decision?

▶ **Transportation**

- ▶ Quality of life
- ▶ Location of new markets
- ▶ Location of raw materials

Question No: 32 (Marks: 1) - Please choose one

Which one of the following statements is **true** about Occupational Safety Hygiene Administration (OSHA)?

▶ **To safeguard against potential hazards (Doubted)**

- ▶ To develop cost effective processes
- ▶ To implement legal standards
- ▶ To carry out implication of manufacturability and fitness

Question No: 33 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- ▶ Job shop
- ▶ Batch processing
- ▶ Assembly line

▶ **Continuous processing**

Ref: ob shop produces low standardized products, batch produces multiple products and assembly line produces fewer major products. Project, on the other hand, is not a processing structure.

Question No: 34 (Marks: 1)

- Please choose one

The type of processing structure that is used for producing discrete products at higher volume is:

- ▶ Continuous Flow
- ▶ **Assembly Line**
- ▶ Batch
- ▶ Job shop

Ref: http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

Question No: 35 (Marks: 1) - Please choose one

An example of a business/industry that uses batch flow process structure is:

- ▶ Commercial printer
- ▶ **Heavy equipment**
- ▶ Automobile assembly
- ▶ Sugar refinery

Ref: <http://highered.mcgraw-hill.com/novella/QuizProcessingServlet>

Question No: 36 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

- ▶ Customers typically interact directly with the service delivery process.
- ▶ Consumption and production take place simultaneously.
- ▶ Services are intangible.

▶ **Services can be stored.**

Question No: 37 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies. <http://www.vustudents.net>

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ Operational strategy
- ▶ Tactical strategy

Question No: 38 (Marks: 1) - Please choose one

All of the following are examples of the transformation process EXCEPT:

- ▶ Cutting
- ▶ Packing
- ▶ Facilitating
- ▶ Labeling

Question No: 39 (Marks: 1) - Please choose one

_____ purpose is to coordinate and control all the required sources so that

productive system can be used efficiently and to ensure the delivery of product in time.

- ▶ Total quality control's
- ▶ Demand management's
- ▶ Forecasting's
- ▶ Operations management's

Question No: 40 (Marks: 1) - Please choose one

Which of the following is a characteristic of linear regression?

It is superior to a moving average

- ▶ **It is a causal forecasting model**
- ▶ It compensates for both trend and season
- ▶ It is superior to an exponential smoothing

Latest Quizzes
Production & Operation Management (MGT-613)

Lesson#1 to 22

07:45:18 PM) Total Marks: 1

Which one of the following is the final stage of product life cycle?

Select correct option:

Growth

Decline p#50

Maturity

Planning

Question # 9 of 15 (Start time: 07:45:35 PM) Total Marks: 1

Within the operations function, which one of the following is a long-term management decision?

Select correct option:

Control decision

Non-operational decision

Strategic decision

Tactical decision

http://books.google.com.pk/books?id=QP8gUPePJsIC&pg=SA1-PA12&lpg=SA1-PA12&dq=Within+operations+function+long-term+management+decision&source=bl&ots=g3Ab-1gcvW&sig=kL6EOiHwTV3wAS3jr2nMiq7UFm8&hl=en&ei=sgziTK_XJY-4vgPo8vD1Dg&sa=X&oi=book_result&ct=result&resnum=10&ved=0CFcQ6AEwCQ#v=onepage&q=long-term%20management%20&f=false

07:46:13 PM) Total Marks: 1

A tool to measure effective use of resources and usually expressed as the ratio of output to input is known as;

Select correct option:

Production ratio

Productivity p#19

Reliability

Operations ratio

Question # 11 of 15 (Start time: 07:47:18 PM) Total Marks: 1

Which of the following is referred to as plans for achieving goals?

Select correct option:

Tactics

Strategies p#12

Policies

Mission

Question # 13 of 15 (Start time: 07:49:02 PM) Total Marks: 1

Which one of the following is the correct order of layout types from low volume/high variety to high volume/low variety?

Select correct option:

Fixed position, process, cell, product

Fixed position, cell, process, product

Fixed position, process, product, cell

Process, fixed position, cell, product

http://books.google.com.pk/books?id=EUzBj3wokl4C&pg=PA112&lpg=PA112&dq=correct+order+of+layout+types+from+low+volume/high+variety+to+high+volume/low+variety&source=bl&ots=-vbfOoCH6x&sig=zV0nHaaR43M4HQqHbDiVCutCCBY&hl=en&ei=hZ3vTMnELcrCc crwIEK&sa=X&oi=book_result&ct=result&resnum=8&ved=0CE8Q6AEwBw#v=onepage&q&f=false

Question # 14 of 15 (Start time: 07:50:23 PM) Total Marks: 1

Forecasts help managers by reducing the degree of:

Select correct option:

Accuracy

Precision

Uncertainty p#34

Reliability

Question # 15 of 15 (Start time: 07:50:49 PM) Total Marks: 1

Which one of the following mathematical expressions can be used to compute availability?

Select correct option:

(MTBF)/(MTBF+MTR) p#63

(MTBF)/(MTBF-MTR)

(MTR)/(MTBF+MTR)

(MTR)/(MTBF-MTR)

AVAILABILITY

The fraction of time a piece of equipment is expected to be available for operation.

Mathematically, If we represent mean time between failures by MTBF and mean time to repair by MTR then

Availability = $(MTBF) / (MTBF + MTR)$

Organizational strategy is different from operations strategy because it is;

Select correct option:

Prepared by middle managers

Narrower in scope

Longer in time horizon p#14

All of the aboves

·Organizational strategy is

- An over all big picture for the whole organization.
- Longer in time horizon
- Less detailed and broader in scope.

·Operational Strategy is

- Narrower in scope and in more detail
- Prepared by middle management.
- Should be in line with the Organization strategy

Which one of the following forecasts is quick and easy to prepare?

Select correct option:

Time series

Delphi

Naive Forecasts p#36

Naive Forecasts

- Simple to use
- Virtually no cost
- Quick and easy to prepare
- Data analysis is nonexistent
- Easily understandable

In exponential smoothing model, α denotes:

Select correct option:

Smoothing constant p#40

Previous forecast

Forecast error

Actual forecast

Which of the following refers the way an organization chooses to produce its good or services?

Select correct option:

Process selection

Process reengineering

Process redesign

Process design

Capacity planning involves answering all of the following questions EXCEPT:

Select correct option:

What kind of capacity is needed?

How much is needed?

When is it needed?

Who is going to decide?

Characteristics like taste, feel, expertise, image or reputation relates to -----.

Select correct option:

Subjective inputs

Objective inputs

Quantitative technique

None of the given options

Which of the following is a technique for fitting a line to a set of points?

Select correct option:

Regression p#42

Trend

Cycle

Moving averages

Regression - technique for fitting a line to a set of points

Which of the following is not an attribute to classify services?

Select correct option:

Tangibility

Perish ability

Simultaneity

Degree of Customer Contacts

Which one of the following represents a use of cost-volume analysis?

Select correct option:

It is a tool for reliability measurement

It provides a base for marketing research

It helps in identification of cost related to production p#73

It is important in product design

Which one of the following is an index used to measure actual output relative to design capacity?

Select correct option:

Utilization

Efficiency

Effective capacity

Effectiveness

Which one of the following is a productivity measure based on all inputs?

Select correct option:

Capital productivity

Multifactor productivity

Partial productivity

Total productivity

Question # 14 of 15 (Start time: 08:03:27 PM) Total Marks: 1

Which of the following statements describes an order-qualifier characteristic?

Select correct option:

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Question # 15 of 15 (Start time: 08:04:45 PM) Total Marks: 1

An automatic car wash is an example of which of the following?

Select correct option:

Standardized service

Customized service

Batch processing

Intermittent processings

Question # 4 of 15 (Start time: 08:40:24 PM) Total Marks: 1

Which one of the following is correct about the range of availability on a measuring index?

Select correct option:

0.1 to 1.0

0 to 1.0

0.5 to 1.0

0.01 to 1.0

Marks: 1

Which method of forecasting is most widely used?

Select correct option:

Regression analysis

Adaptive forecasting

Weighted moving average

Exponential smoothing

Services differ from manufacturing in all the following ways EXCEPT:

Select correct option:

Customers typically interact directly with the service delivery process

Consumption and production take place simultaneously.

Services are intangible.

Services can be stored.

Which of the following is NOT usually considered a general characteristic of a service?

Select correct option:

Degree of customer contact is high

Production and sales cannot easily be separated functionally

Many services involve both tangible and intangible outputs

Production and consumption can always be separated

Question # 9 of 15 (Start time: 08:42:48 PM) Total Marks: 1

The forecasting model that attempts to predict the future value based on the past data is known as:

Select correct option:

Delphi Method

Time series Analysis

Associative Models

Naïve Forecasting

08:44:17 PM) Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Select correct option:

Multifactor

Partial

Single
Total

Question # 13 of 15 (Start time: 08:45:15 PM) Total Marks: 1

Which one of the following is the most significant disadvantage of standardization?
Select correct option:

Frozen designs

Interchangeable parts
Reduced variety
Customized parts

Which one of the following forms of productivity has units of output per dollar input?
Select correct option:

Capital

Energy
Labor
Machine

Which one of the following formulae can be used to compute value?
Select correct option:

$(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$

$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$

$(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$

$(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

Question # 1 of 15 (Start time: 08:49:04 PM) Total Marks: 1

A gradual, long term upward or downward movement in data is referred to as:
Select correct option:

Cycle

Trend

Seasonality

Random variation

• *Trend* - long-term upward or downward movement in data often relates to population shifts, changing incomes, and cultural changes.

Which one of the following reasons account for using moving average in forecasting?
Select correct option:

It eliminates the trend

It smoothes the random fluctuations

It counteracts the seasonal variations

It approximates the period average

Which of the following is NOT usually considered a general characteristic of a service?
Select correct option:

Degree of customer contact is high
Production and sales cannot easily be separated functionally
Many services involve both tangible and intangible outputs
Production and consumption can always be separated

The role of a ----- manager is to sustain, protect, and project the company's operations side.

Select correct option:

Project Manager
Operations Manager
Finance Manager
Marketing Manager

Which one of the following represents a use of cost-volume analysis?

Select correct option:

It is a tool for reliability measurement
It provides a base for marketing research
It helps in identification of cost related to production
It is important in product design

Which one of the following is used to generate consensus forecast?

Select correct option:

Delphi method
Time series method
Exponential smoothing
Associative model

Product life cycle is based on:

Select correct option:

Price
Place
Demand
Supply

Which of the following does not enhance developing capacity alternatives?

Select correct option:

Designing flexibility into the system
Taking a big picture approach
Staying focused on quantitative factors p#68
Smoothing capacity requirements

The major business functions consisting of research and development, product design, manufacturing, marketing, distribution, and customer service refer to:

Select correct option:

The transformation process

Value chain

Life cycle

Quality control

http://en.wikipedia.org/wiki/Value_chain

Question # 1 of 15 (Start time: 02:59:52 PM) Total Marks: 1

Which one of the following is true about Taguchi approach?

Select correct option:

To test the robustness of a design

To articulate the “voice of the customer”

To reduce the degree of automation

To create a concurrent design

Question # 2 of 15 (Start time: 03:01:17 PM) Total Marks: 1

Forecasts help managers by reducing the degree of:

Select correct option:

Accuracy

Precision

Uncertainty

Reliability

Question # 3 of 15 (Start time: 03:01:49 PM) Total Marks: 1

OSHA stands for: which one of the following?

Select correct option:

Occupational Safety Hygiene Administration p#46

Occupational Stock Hygiene Administration

Occupational Safety Hygiene Agency

Occupational Science Hygiene Administration

Question # 4 of 15 (Start time: 03:03:18 PM) Total Marks: 1

An organization has described its distinctive characteristics. So, what is the next step in formulating the strategy?

Select correct option:

Productivity Measures

Environmental scanning p#15

Selecting the market segment

Competitor's distinctiveness

Question # 5 of 15 (Start time: 03:04:52 PM) Total Marks: 1

Which one of the following correctly represents a set of time series forecasts?

Select correct option:

Averaging, cycle, seasonality, random variations

Trend, seasonality, exponential smoothing

Trend, cycle, seasonality, moving average

Trend, cycle, seasonality, random variations

Question # 6 of 15 (Start time: 03:06:21 PM) Total Marks: 1

Which one the following formula or function can be used to measure the performance?

Select correct option:

Flexibility + profit+ operations

Work + profit + value

Quality + speed + flexibility

Profit + Incentives + standards

Question # 7 of 15 (Start time: 03:07:49 PM) Total Marks: 1

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

Select correct option:

Choose a forecasting technique.

Determine the purpose of the forecast.

Set up a time horizon or a time limit

Collect and analyze the appropriate data.

Question # 8 of 15 (Start time: 03:09:20 PM) Total Marks: 1

Which ONE of the following forms a bridge between two islands of Engineering and Management?

Select correct option:

Production Engineering

Operations Management

Industrial Management

Operations Engineering

Question # 9 of 15 (Start time: 03:10:48 PM) Total Marks: 1

Characteristics like taste, feel, expertise, image or reputation relates to -----.

Select correct option:

Subjective inputs

Objective inputs

Quantitative technique

None of the given options

Question # 10 of 15 (Start time: 03:12:06 PM) Total Marks: 1

All of the following are steps in forecasting process EXCEPT:

Select correct option:

Determine the purpose of the forecast

Establish a time horizon

Assigning weights to the criteria

Monitor the forecast

Question # 11 of 15 (Start time: 03:12:46 PM) Total Marks: 1

Which of the following forecasting technique is used when introducing new products, services, new features and new packaging?

Select correct option:

Quantitative technique

Associative model

Focus group

Judgmental forecast

Question # 12 of 15 (Start time: 03:13:48 PM) Total Marks: 1

Which of the following statements describes an order-qualifier characteristic?

Select correct option:

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Question # 13 of 15 (Start time: 03:15:13 PM) Total Marks: 1

Which one of the following mathematical expressions can be used to compute availability?

Select correct option:

$(MTBF) / (MTBF + MTR)$

$(MTBF) / (MTBF - MTR)$

$(MTR) / (MTBF + MTR)$

(MTR)/ (MTBF-MTR)

Question # 14 of 15 (Start time: 03:15:45 PM) Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Select correct option:

Multifactor

Partial

Single

Total

Question # 15 of 15 (Start time: 03:16:24 PM) Total Marks: 1

Following are all examples of distinctive competencies EXCEPT;

Select correct option:

Price

Quality

Planning

Flexibility

Question # 1 of 15 (Start time: 03:19:25 PM) Total Marks: 1

_____ is the bringing together of engineering design and manufacturing personnel early in the design phase.

Select correct option:

Reverse engineering

Concurrent engineering p#53

Manufacturability

Serviceability

Question # 2 of 15 (Start time: 03:20:01 PM) Total Marks: 1

All of the following are examples of Qualitative forecasting except:

Select correct option:

Judgmental

Delphi Method

Consumer Survey

Naïve Forecasting

<http://www.referenceforbusiness.com/management/Ex-Gov/Forecasting.html>

Question # 3 of 15 (Start time: 03:21:28 PM) Total Marks: 1

MTBF refers to which of the following?

Select correct option:

Measure time before failure

Mean time between failures

Mean time before failure

Measure test before failure

Question # 4 of 15 (Start time: 03:22:37 PM) Total Marks: 1

Which one of the following is an index used to measure actual output relative to design capacity?

Select correct option:

Utilization

Efficiency

Effective capacity

Effectiveness

Question # 5 of 15 (Start time: 03:24:06 PM) Total Marks: 1

The type of processing structure that is used for producing discrete products at higher volume is:

Select correct option:

Continuous Flow

Assembly Line

Batch

Job Shop

http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

Question # 6 of 15 (Start time: 03:25:34 PM) Total Marks: 1

Which one of the following is concerned in short term capacity needs?

Select correct option:

Cycle

Trends

Seasonality p#76

Average

7 of 15 (Start time: 03:26:42 PM) Total Marks: 1

Which one of the following reasons account for using moving average in forecasting?

Select correct option:

It eliminates the trend

It smoothes the random fluctuations

It counteracts the seasonal variations

It approximates the period average

http://wiki.answers.com/Q/What_is_Moving_average_forecasting

Question # 8 of 15 (Start time: 03:28:12 PM) Total Marks: 1

Which one of the following is NOT the input in the transformation process?

Select correct option:

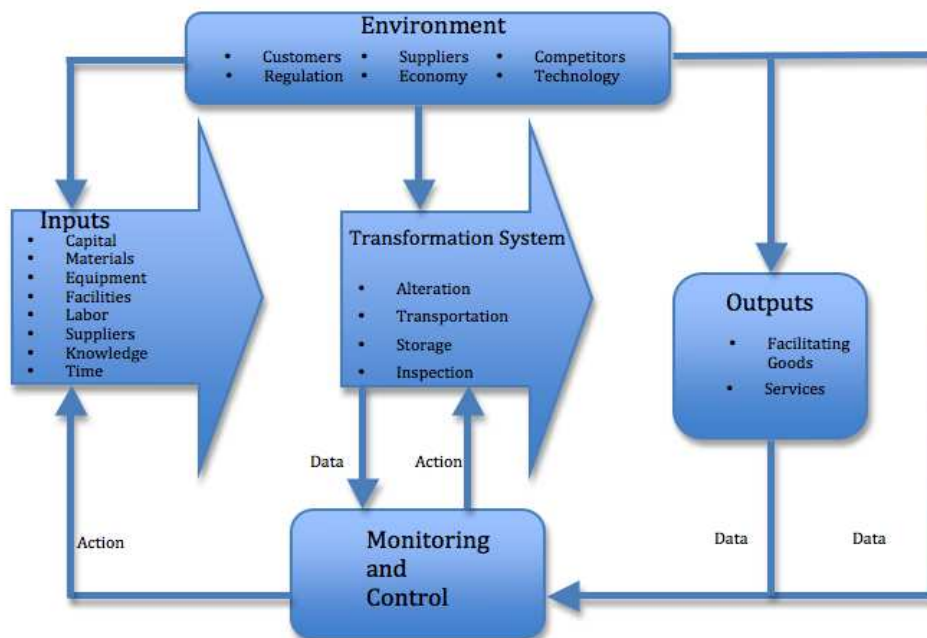
Informations

Services

Facilities

Materials

<http://cnx.org/content/m35439/latest/>



Question # 9 of 15 (Start time: 03:29:35 PM) Total Marks: 1

Which of the following favors adopting a “go for it” strategy?

Select correct option:

Maximin

Maximax p#26

Minimax regret

Laplace

Question # 10 of 15 (Start time: 03:30:15 PM) Total Marks: 1

Which one of the following is a productivity measure based on all inputs?

Select correct option:

Capital productivity

Multifactor productivity

Partial productivity

Total productivity p#19

11 of 15 (Start time: 03:31:11 PM) Total Marks: 1

Which one of the following correctly explains the elements of a good forecast?

Select correct option:

Timely, having a purpose, accurate, written, reliable, meaningful

Timely, accurate, judgmental, correctness, verbal, simple to use

Timely, accurate, reliable, meaningful, written, simple to use p#34

Timely, accurate, reliable, consistent, meaningful, written, simple to use

Question # 12 of 15 (Start time: 03:32:41 PM) Total Marks: 1

Operations based strategy involves all activities except;

Select correct option:

Supply chain management

Quick response to customer needs

Flexibility and inventory management

Identifying customer wants and needs p#11

Question # 13 of 15 (Start time: 03:34:07 PM) Total Marks: 1

Which of the following is referred to as plans for achieving goals?

Select correct option:

Tactics

Strategies

Policies

Mission

Question # 15 of 15 (Start time: 03:34:49 PM) Total Marks: 1

Which of the following influences on the sales of a product is the most difficult to forecast?

Select correct option:

Seasonal

Trend

Nonlinear trend

Cyclical

http://books.google.com.pk/books?id=kNRkTmMCXDc&pg=PA541&lpg=PA541&dq=Cyclical++elements+influences+on+sale+of+product&source=bl&ots=mp9fCs-FV4&sig=4RMmY_Md2nk0tztSh6lf_1dxTI&hl=en&ei=ygniTICeKou8uwPp3pnIDg&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBwQ6AEwAQ#v=onepage&q&f=false

Which ONE of the following statement correctly explains the difference between operations management (OM) and operations research (OR)?

Select correct option:

OM relies on mathematical modeling and OR focus on practical scenarios.

OM is more powerful to improve the whole system OR relies on mathematical modeling.

OM is relies on practical scenarios and Or relies on Mathematical modeling.

OM relies on mathematical modeling and OR is considered to be one of the critical tools of managers.

Organizational strategy is different from operations strategy because it is;

Select correct option:

Prepared by middle managers

Narrower in scope

Longer in time horizon

All of the above

Which one of the following is NOT a business application of forecasting?

Select correct option:

Budgeting

Capacity planning

Inventory management

Quality control p#31

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

Select correct option:

Certainty

Uncertainty

Risk

Bounded rationality

Product life cycle is based on:

Select correct option:

Price

Place

Demand

Supply

Following are all examples of distinctive competencies EXCEPT;
Select correct option:

Price

Quality

Planning

Flexibility

Which one of the following is a curve showing failure rate over time?
Select correct option:

Cost curve

Bath tub curve

Fish bone diagram

Reliability curve

Organizational strategies relate to which of the following sets of factors?
Select correct option:

Survival, profitability, growth rate and market share

Profitability, survival, lead times and target market

Quality, operating resources, growth rate and market share

Scheduling, profitability, lead times and survival

Cheaper factor of production is a challenge for the survival of a company in which of the following market?

Select correct option:

Super market

Online Market

Competitive market

None of these options

Which of the following statement is NOT correct with respect to models in operations management?

Select correct option:

Models are easy to use, less expensive

Models have specific objectives

Models don't have the standardized format

Models enables "what if" questions

Which one of the following layout type is associated with a restaurant?

Select correct option:

Fixed position layout

Process layout

Product layout

Hybrid layout

Which one of the following factors makes a forecast LESS perfect?

Select correct option:

Randomness

Non serious attitude

Non availability of data

Un qualified personnel

Which one of the following refers to the volume of output at which total cost equals total revenue?

Select correct option:

Optimal operating rate

Break even point

Feasible volume

Utilization

Which one of the following is NOT a key external factor in formulating operations strategy?

Select correct option:

Economic conditions

Human resources

Political conditions

Legal environment

Materials, land, energy and human and capital resources are the examples of:

Select correct option:

Inputs

Transformation

Outputs

Productivity

Which one of the following is an index used to measure actual output relative to design capacity?

Select correct option:

Utilization

Efficiency

Effective capacity

Effectiveness

Which of the following is NOT a characteristic of product layouts?
Select correct option:

High material handling costs

Sequential arrangement of machines

Standardized output

Continuous production system

The process selection should take into account all of the following EXCEPT:
Select correct option:

Capacity planning

Design of work systems

Production forecasts

Selection of technology

Which one of the following refers to a decision environment in which relevant parameters have known values?
Select correct option:

Certainty

Uncertainty

Risk

Bounded rationality

Which of the following statements describes an order-qualifier characteristic?
Select correct option:

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Which of the following forecasting techniques induce personal bias in a forecast?
Select correct option:

Qualitative

Quantitative

Associative

Trend forecast

Which one of the following refers to using some of the components of old products in the manufacture of new products?

Select correct option:

Remanufacturing

Robust design

Automation

Manufacturability

Which of the following ensures that the design meets the performance characteristics that are specified in the product concept?

Select correct option:

Functional design

Production design

Service design

Product design

Which one of the following is used to generate consensus forecast?

Select correct option:

Delphi method

Time series method

Exponential smoothing

Associative model

The pioneers of transforming management to scientific domain are:

Select correct option:

Fredrick Taylor

Lillian and Frank Gilbreths

Henry Fayol

Both A & B

Characteristics like taste, feel, expertise, image or reputation relates to -----.

Select correct option:

Subjective inputs
Objective inputs
Quantitative technique
None of the given options

Within the operations function, which one of the following is a long-term management decision?

Select correct option:

Control decision
Non-operational decision
Strategic decision
Tactical decision

Which one of the following is used to generate consensus forecast?

Select correct option:

Delphi method
Time series method
Exponential smoothing
Associative model

Productivity ratios are used in;

Select correct option:

Planning work force requirements
Scheduling equipments
Financial analysis
All of the above

The process selection should take into account all of the following EXCEPT:

Select correct option:

Capacity planning
Design of work systems
Production forecasts
Selection of technology

Which of the following is a technique for fitting a line to a set of points?

Select correct option:

Regression
Trend
Cycle
Moving average

Which one of the following factors provides a basis for comparing alternative forecasting techniques?

Select correct option:

Time dimension

Reliability factor

Degree of accuracy

Measuring units

Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs

Qualitative technique

Quantitative technique

Delphi method

Which one the following formula or function can be used to measure the performance?

Select correct option:

Flexibility + profit+ operations

Work + profit + value

Quality + speed + flexibility

Profit + Incentives + standards

Which of the following refers the way an organization chooses to produce its good or services?

Select correct option:

Process selection

Process reengineering

Process redesign

Process design

Which one of the following layout type is associated with a supermarket?

Select correct option:

Fixed Position layout

Process layout

Product layout

Cellular layout

Which method of forecasting is most widely used?

Select correct option:

Regression analysis

Adaptive forecasting

Weighted moving average

Exponential smoothing

<http://www.referenceforbusiness.com/encyclopedia/Fa-For/Forecasting.html>

Which of the following statements is TRUE about production system?

Select correct option:

A user of resources to transform inputs into some desired outputs

Enhancing value added services

Only desired output in the form of products or manufactured goods

Making efficient use of Internet technology

For which of the following approaches, the forecast of any period equals the previous period's forecast?

Select correct option:

Delphi method

Naïve forecast

Associative model

Judgmental forecast

Which of the following statement correctly explains the role of operations management?

Select correct option:

Sustain the company's operation

Protect the company's operation

Project the company's operation

All of the above

Which one of the following refers to the volume of output at which total cost equals total revenue?

Select correct option:

Optimal operating rate

Break even point

Feasible volume

Utilization

Which of the following is NOT a characteristic of product layouts?

Select correct option:

High material handling costs

Sequential arrangement of machines

Standardized output

Continuous production system

How organizations assure that the designed strategy is giving the required output or results?

Select correct option:

Increase in demand of the product

By measuring the productivity

Environmental scanning

Raw materials are effectively used

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

Select correct option:

Operations

Marketing

Accounting

Finance

Which one of the following is a disadvantage of a process layout?

Select correct option:

A variety of processing requirements

Use of individual incentive system

Minimizing material handling costs

Equipment utilization rate is high

Which one of the following management functions is based on forecasting?

Select correct option:

Planning

Organizing

Leading

Controlling

Which one of the following is an application of simple exponential smoothing?

Select correct option:

Establishing durability

Finding reliability

Scheduling services

Quality improvement

CBR stands for which one of the following?

Select correct option:

Commercial Board of Revenue

Central Board of Recycling

Central Board of Renovation

Central Board of Revenue

Question # 3 of 15 (Start time: 09:11:09 PM) Total Marks: 1

To make operations strategy effective it should be:

Select correct option:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time dimension

Which probability distribution is used most extensively in dealing with forecasting errors?

Select correct option:

Normal

Exponential

Beta

Pareto

As the size of the smoothing constant increases:

Select correct option:

More weight is put on historic demand data.

More weight is put on recent demand data. Not sure

The sensitivity of the model decreases.

The stability of the model increases.

Question # 2 of 15 (Start time: 10:31:44 PM) Total Marks: 1

Assembly lines relate most closely to a:

Select correct option:

Functional layout

Product layout

Process layout

Departmental layout

Question # 3 of 15 (Start time: 10:33:04 PM) Total Marks: 1

Productivity ratios are used in;

Select correct option:

Planning work force requirements

Scheduling equipments

Financial analysis

All of the above

Productivity ratios are used for

- Planning workforce requirements
- Scheduling equipment
- Financial analysis

MIDTERM EXAMINATION

Spring 2010

MGT613- Production / Operations Management (Session - 6)

Question No: 1 (Marks: 1) - Please choose one

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ **Which market areas to manufacture the products for?**

Question No: 2 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ **Multifactor**
- ▶ Partial
- ▶ Single
- ▶ Total

Partial measures is output/(single input)

Multi-factor measures is output/(multiple inputs)

Solution Calculations of multifactor productivity measure inputs and **outputs using a common unit of measurement**, such as cost or value. For instance, the measure might use cost of inputs and ...

Question No: 3 (Marks: 1) - Please choose one

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

- ▶ **Operations**
- ▶ Marketing
- ▶ Accounting
- ▶ Finance

Operation Function (Consists of all activities directly related to producing goods or providing services)

Question No: 4 (Marks: 1) - Please choose one

Which of the following is NOT a decision to be made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?

▶ **Which market areas to manufacture the products for?**

Question No: 5 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

- ▶ Independent of the organization's strategy
- ▶ **Consistent with the organization's strategy**
- ▶ Developed by a first line manager
- ▶ Independent of time dimension

Question No: 6 (Marks: 1) - Please choose one

Which one of the following factors provides a basis for comparing alternative forecasting techniques?

- ▶ Time dimension
- ▶ Reliability factor
- ▶ **Degree of accuracy**
- ▶ Measuring units

Accuracy. Forecasts should be accurate. In fact it should carry the degree of accuracy, so the users are aware of the limitations of the forecast. This will also help the end users to plan for possible errors and provide a basis for comparing the forecast with other alternative forecasts

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting technique is based on historical data?

- ▶ **Time series**
- ▶ Qualitative
- ▶ Judgmental
- ▶ Associative

Question No: 8 (Marks: 1) - Please choose one

Which one of the following involves completing a series of questionnaires each developed from the previous one, to achieve a consensus forecast?

- ▶ Consumer surveys
- ▶ Executive opinion
- ▶ Time series forecast
- ▶ **Delphi method**

Delphi method: Managers and staff complete a series of questionnaires, each developed from the previous one, to achieve a consensus forecast

Question No: 9 (Marks: 1) - Please choose one

In which one of the following situations, the use of a decision tree is required instead of a payoff table?

- ▶ When there are more than three states of nature
- ▶ When there are more than three decision payoffs
- ▶ When the decision situation encompasses an extended time period
- ▶ [When a series of decisions is required](#)

When a decision situation requires a series of decisions, the payoff table cannot accommodate the multiple layers of decision-making. Thus, a decision tree is needed.

<http://www.mirror-service.org/sites/home.ubalt.edu/ntsbarsh/Business-stat/opre/partIX.htm>

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an index used to measure actual output relative to design capacity?

- ▶ Efficiency
- ▶ Effective capacity
- ▶ Effectiveness
- ▶ **Utilization**

Question No: 11 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to [more predictable behavior in terms of capacity requirements](#)?

- ▶ Introduction
- ▶ Growth
- ▶ **Maturity**
- ▶ Decline

Plateau phase: In the plateau or market maturity phase the size of market starts to become constant with no considerable growth. Once this phase is reached, organisations tend to have a stable market share, all things kept constant. At this stage, organisations increase profitability by reducing costs and utilising available manufacturing capacity to the maximum. However, there is the possibility of some organisations trying to increase profitability by increasing manufacturing capacity! The strategy is to increase manufacturing capacity, which results in reducing costs resulting in lower pricing which in turn helps gain market share. The increase in manufacturing capacity in the plateau or maturity phase however, is most often in small amounts than in large degrees

Question No: 12 (Marks: 1) - Please choose one

Which of the following statements is correct about capacity evaluating alternatives?

- ▶ **Minimum cost and optimal operating rate are functions of size of plant.**
- ▶ Minimum cost and optimal operating rate are functions of fixed cost.
- ▶ Minimum cost and productivity are functions of size of plant.
- ▶ Maximum cost and optimal operating rate are functions of size of plant.

Page: 69 **Minimum cost & optimal operating rate are functions of size of production unit**

Question No: 13 (Marks: 1) - Please choose one

What would be the required cycle time for a process that operates 9 hours daily with a desired output of 300 units per day?

- ▶ 0.03 minutes
- ▶ **1.8 minutes**
- ▶ 2700 minutes
- ▶ 291 minutes

$$OT/D = 9 \times 60 / 300$$

Question No: 14 (Marks: 1) - Please choose one

Which of the following factors are considered in product and service design?

- ▶ Customer satisfaction, quality, and improvement costs
- ▶ Employee motivation, quality, and production costs
- ▶ Customer satisfaction, flexibility, and production costs
- ▶ **Customer satisfaction, quality, and production costs**

A good product/service design can ensure customer satisfaction, quality and production costs.

Question No: 15 (Marks: 1) - Please choose one

Which one of the following mathematical expressions can be used to compute availability?

- ▶ **(MTBF)/(MTBF+MTR)**
- ▶ (MTBF)/(MTBF-MTR)
- ▶ (MTR)/(MTBF+MTR)
- ▶ (MTR)/(MTBF-MTR)

Question No: 16 (Marks: 1) - Please choose one

The advantages of specialization to management include all of the following EXCEPT:

- ▶ Rapid training of the workforce
- ▶ Ease in recruiting new workers
- ▶ Fewer turnovers
- ▶ **Less boredom for workers**

Advantages of specialization To management 1 Rapid training of the work force 2. *Ease in recruiting new workers* 3. High output due to simple and repetitive work

Question No: 17 (Marks: 1) - Please choose one

Which one of the following refers to the length of time needed to complete a job?

- ▶ Work sampling methods
- ▶ **Work measurement**
- ▶ Job design
- ▶ Methods analysis

work measurements dealt specifically with the length of time needed to complete a job and was linked with Personnel Planning, Cost Estimation, Budgeting, Scheduling and Worker Compensation.

Question No: 18 (Marks: 1) - Please choose one

Which one of the following management functions is based on forecasting?

- ▶ **Planning**
- ▶ Organizing
- ▶ Leading
- ▶ Controlling

Question No: 19 (Marks: 1) - Please choose one

Which one of the following is **TRUE** about the importance of capacity planning?

- ▶ It is profitable
- ▶ It increase the capacity of productive unit
- ▶ **It helps managers quantify production capability**
- ▶ It establishes good relationship with the customer

Question No: 20 (Marks: 1) - Please choose one

The type of processing structure that is used for producing discrete products at higher volume is:

- ▶ Continuous Flow
- ▶ **Assembly Line**
- ▶ Batch
- ▶ Job shop

Reference: http://highered.mcgrawhill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is **TRUE** about work sampling?

- ▶ It describes individual human motions that are used in a job task
- ▶ It involves determining the length of time it will take to undertake a particular task
- ▶ **It involves determining the amount of time a worker spends on various activities**

- ▶ It provides standard times for micro motions such as reach, move and release

<http://www.vustudents.net>

Question No: 22 (Marks: 1) - Please choose one

Which of the following **best** describes the concept of the value chain?

- ▶ The step-wise increases in product prices as raw materials are turned into goods/services
- ▶ Adding financial value to an organization through the acquisition of other firms
- ▶ A sequence of activities that involve movement of materials in a production facility
- ▶ **All steps in the transformation process that add value even if they don't come from manufacturing**

Question No: 23 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ **Operational strategy**
- ▶ Tactical strategy

Operations strategy relates to products, processes, methods, operating resources, quality, costs, lead times, and scheduling.

Question No: 24 (Marks: 1) - Please choose one

Which one of the following represents the series of a time forecast?

- ▶ Averaging, cycle, seasonality, random variations
- ▶ Trend, seasonality, exponential smoothing
- ▶ Trend, cycle, seasonality, moving average
- ▶ **Trend, cycle, seasonality, random variations **

Question No: 25 (Marks: 1) - Please choose one

The purpose of _____ is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

- ▶ **Total quality control**
- ▶ Demand management
- ▶ Forecasting
- ▶ Operations management

Question No: 26 (Marks: 1) - Please choose one

Which relationship exists between the robustness of a product and the probability of failure?

- ▶ Positive relation
- ▶ Direct relation
- ▶ Inverse relation not sure
- ▶ **Negative relation**

Question No: 27 (Marks: 1) - Please choose one

Which of the following refers to the way an organization chooses to produce its goods or services?

- ▶ **Process selection**
- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

Process Selection refers to the way an organization chooses to produce its good or services

Question No: 28 (Marks: 1) - Please choose one

The formula for determining the required cycle time is operation time per day divided by:

- ▶ Sum of task times <http://www.vustudents.net>

- ▶ Actual output per day (in units)
- ▶ Number of workstations
- ▶ **Desired output (in units)**

Cycle time is the maximum time allowed at each workstation to complete its set of tasks on a unit. If C represents cycle time and D represents the desired output then we can calculate cycle time as

Question No: 29 (Marks: 3)

Write down the characteristics of well designed service system?

ANS

1. A well designed system should be well versed with organization vision & mission.
2. It should cost effective
3. User friendly & sustainable.
4. It should have ability to make effective link between front & backend operations.
5. Accommodation of variable changes in future.
6. Simple requirements & handling few customer at every customer centre.

Question No: 30 (Marks: 3)

What qualities does a successful job design contain?

ANS: A successful job design contains following qualities.

1. Carried out by experience personal who have necessary training & background.
2. Consistent with goals of organization
3. Shared with new employees
4. In documented Form
5. Understood & agreed by both management & employees
6. Factors that affect job design.

Question No: 31 (Marks: 5)

Suppose you want to estimate the time required to perform a certain task by the two employees. One employee's study yielded a mean of 6.4 minutes and standard deviation of 2.1 minutes with 95% confidence Interval. Other employee's study yielded a mean of 2.1 minutes and standard deviation of 6.4 minutes with confidence interval of 95%. Now how many observations you will need if desired maximum error is 10% of sample mean?(z= 1.96) Do both the employees have same number of observations?

ANS:

Employee # 1 :

Mean time = $\bar{X} = 6.4$ mins

Standard Deviation = $S = 2.1$ min.

$z = 1.96$

error = $A = 10\% = 0.1$

$n = (zs/\bar{ax})^2$

$$\begin{aligned}
&= [(1.96) (2.1)/(0.1)(6.4)]^2 \\
&= [4.116/0.64]^2 \\
&= (6.43125)^2 \\
&= 41.36
\end{aligned}$$

41 observations

Employee # 2 :

Mean time = $X = 2.1$ mins

Standard Deviation = $S = 6.4$ mint.

$z = 1.96$

error = $A = 10\% = 0.1$

$n = (zs/ax)^2$

$= [(1.96) (6.4)/(0.1)(2.1)]^2$

$= [12.544/0.21]^2$

$= (59.733)^2$

$= 3568.03$

3568 observations

Question No: 32 (Marks: 5)

In some organizations capacity planning takes place very regularly and in some it takes place seldom. What are the factors that influence the frequency of capacity planning?

Capacity planning is a regular activity (especially for manufacturing organizations), the frequency depends on the following factors

Fluctuations in Demand

Induction of new orders

Cancellation of old orders

Completion of old orders

Change in configurations of products which may effect its manufacturing time/ usage of machines / labor

you can define each of these in details

For non manufacturing organizations, capacity planning once carried out remains valid till business situations changes (which is a long term situation).

MIDTERM EXAMINATION

Spring 2009 MGT613- Production / Operations Management (Session - 1)

Solved

Question No: 1 (Marks: 1) - Please choose one

The management of systems or processes that creates goods and provides services is known as:

▶ **Operation Management**

- ▶ Operation/production Management
- ▶ Operation/Research Management
- ▶ Production/Research Management

operations management The management of systems or processes that create goods and/or provide services.

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

- ▶ Capital
- ▶ Energy
- ▶ **Labor**
- ▶ Machine

Ref: Labor Productivity

Units of output per labor hour

Units of output per shift

Value-added per labor hour

Question No: 3 (Marks: 1) - Please choose one

Which one of the following forms of productivity is expressed as dollar value of output per kilowatt hour?

- ▶ Machine
- ▶ Capital
- ▶ **Energy**
- ▶ Labor

Energy Productivity Units of output per kilowatt-hour Dollar value of output per kilowatt-hour

Question No: 4 (Marks: 1) - Please choose one

What would be the productivity if a machine produced 50 units in 3 hours?

- ▶ 0.066 units per hr
- ▶ **16.66 units per hr**
- ▶ 6.766 units per hr
- ▶ 60.66 units per hr

Ref: Machine Productivity =Units of output per machine hour

$$= 50/3$$

$$=16.66$$

Question No: 5 (Marks: 1) - Please choose one

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

- ▶ **Operations**
- ▶ Marketing
- ▶ Accounting
- ▶ Finance

for more contents visit

Question No: 6 (Marks: 1) - Please choose one

Which of the following is **NOT** a decision to be made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?

▶ **Which market areas to manufacture the products for?**

Question No: 7 (Marks: 1) - Please choose one

All of the following are the decision areas of an operations manager EXCEPT:

- ▶ Financial reporting
- ▶ Inventory management
- ▶ Scheduling tasks

▶ **Supply chain management**

Question No: 8 (Marks: 1) - Please choose one

Organizational strategies relate to which of the following sets of factors?

▶ **Survival, profitability, growth rate and market share**

- ▶ Profitability, survival, leads times and target market
- ▶ Quality, operating resources, growth rate and market share
- ▶ Scheduling, profitability, lead times and survival

Question No: 9 (Marks: 1) - Please choose one

Which of the following statements describes an order-qualifier characteristic?

- ▶ A competitive dimension used to make final decision among competitors
- ▶ A factor which directly and significantly contribute to winning business
- ▶ A factor which increases the profitability of the organization
- ▶ **A factor perceived as a minimum standard as a potential for purchase**

Question No: 10 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

- ▶ Independent of the organization's strategy
- ▶ **Consistent with the organization's strategy**
- ▶ Developed by a first line manager
- ▶ Independent of time dimension

for more contents visit

Question No: 11 (Marks: 1) - Please choose one

Which one of the following correctly explains the qualitative forecasting technique?

It consists mainly of numerical descriptions and defies subjective inputs of managers.

It consists mainly of subjective inputs and defies particular numerical descriptions.

It consists mainly of subjective inputs and defies human factor, personal opinions.

It consists mainly of analyzing objective and hard data and defies human factor, opinion.

Question No: 12 (Marks: 1) - Please choose one

Which one of the following correctly explains the quantitative forecasting technique?

- ▶ It consists mainly of numerical descriptions and resist subjective inputs of managers.
- ▶ It consists mainly of subjective inputs and resist particular numerical descriptions.
- ▶ It consists mainly of subjective inputs and resisit human factor, personal opinions.
- ▶ **It consists mainly of analyzing objective and hard data and resist human factor, opinion.**

Ref: Got the answer from one PPT slide.

Question No: 13 (Marks: 1) - Please choose one

Given the table:

Alternatives

Small facility Medium facilit Large facility

Possible future demand	
Low (Rs.)	High (Rs.)
10,000	8,000
12,000	20,000
18,000	15,000

Which one of the following is the correct payoff under MAXIMIN approach?

- ▶ Rs. 8,000
- ▶ Rs. 12,000
- ▶ **Rs. 18,000**
- ▶ Rs. 20,000

Solution:

Take lowest column and then take max value from that column

Question No: 14 (Marks: 1) - Please choose one

Given the table:

Alternatives	Possible future demand	
	Low (Rs.)	High (Rs.)
Small facility	10,000	8,000
Medium facility	12,000	20,000
Large facility	18,000	15,000

Which one of the following is the correct Pay off under LAPLACE approach?

- ▶ Rs.9000
- ▶ Rs.16,000
- ▶ Rs.33,000
- ▶ **Rs.16,500**

Solution:

Take average for each alternative and choose the alternative with best average.

Small facility = $10000+8000=18000/2 =9000$

Medium facility = $12000+20000 = 32000/2 = 16000$

Large facility = $18000+15000 = 33000/2= 16500$

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is NOT a step of strategy process?

▶ Develop alternatives

▶ Monitor results

▶ **Consider risk averseness strategies**

▶ Specify criteria for decision

for more contents visit

Question No: 16 (Marks: 1) - Please choose one

As an operations manager you have collected data about the demand of certain product "P" over time "t". The data shows short-term fairly regular variations over the time period "t".

Which one of the following is correctly explaining the behavior of the data?

▶ Cycle

▶ Random variation

▶ **Seasonality**

▶ Trend

Ref: Seasonality - short-term fairly regular variations in data related to factors like weather, festive holidays and vacations. Mostly experienced by supermarkets, restaurants, theatres, theme parks.

Question No: 17 (Marks: 1) - Please choose one

Which one of the following formula can be used to compute break even point?

▶ $Q = VC / (R - VC)$

▶ **$Q = FC / (R - VC)$**

▶ $Q = VC / (R + FC)$

▶ $Q = FC / (R + VC)$

Question No: 18 (Marks: 1) - Please choose one

ABC Corporation has planned to purchase a new machine. Total annual fixed cost is Rs. 10,000, variable cost is Rs. 5 per unit and revenue is Rs. 7 per unit. What would be the break even point?

▶ 833 units

▶ 2000 units

▶ **5000 units**

▶ 1012 units

Solution:

Formula for quantity break even point.

$QBEP = FC / (R - VC)$

$QBEP = 10000/(7-5)$

$QBEP = 10000/2$

QBEP = 5000 unis

Question No: 19 (Marks: 1) - Please choose one

Which one of the following manufacturing process is associated with high volume car manufacture?

- ▶ Job shop
- ▶ **Assembly line**
- ▶ Batch
- ▶ Automation

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is a characteristic of continuous process?

- ▶ High lead times
- ▶ Short process times
- ▶ The ability to handle high variety
- ▶ **The ability to handle high volumes**

Ref:

As it's a continuous and repetitive process , so process time will be definitely shorten.

Question No: 21 (Marks: 1) - Please choose one

Which of the following refers the way an organization chooses to produce its good or services?

- ▶ **Process selection**
- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

Ref:It takes into account selection of technology, capacity planning, layout of facilities, and design of work systems.

Process selection is a natural extension after selection of new products and services.

Question No: 22 (Marks: 1) - Please choose one

Which one of the following is an example of business that uses job shop process structure?

- ▶ **French restaurants**
- ▶ Heavy equipment
- ▶ Sugar refinery
- ▶ Automobile assembly

Reference: A job shop is a type of manufacturing process structure where batches of a variety of custom products are made. In the job shop process flow, most of the products produced require a unique set-up and sequencing of processing steps. Examples of a job shop include a sheet metal, machine tool shop, a factory machining center, paint shops, a **French restaurant**, a commercial printing shop, and other manufacturers that make custom products.

Question No: 23 (Marks: 1) - Please choose one

In which of the following layouts, work stations are arranged according to the general function they perform without regard to any particular product?

- ▶ Product
- ▶ **Process**
- ▶ Fixed-position
- ▶ Storage

Ref: Answer is taken from one PPT slide.

Question No: 24 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

- ▶ Fixed position layout

▶ **Process layout**

- ▶ Product layout
- ▶ Cellular layout

<http://www.vustudents.net>

Question No: 25 (Marks: 1) - Please choose one

OSHA stands for which one of the following?

- ▶ Occupational stock hygiene administration

▶ **Occupational safety hygiene administration**

- ▶ Occupational safety hygiene agency
- ▶ Occupational science hygiene administration

OSHA refers to Occupational Safety Hygiene Administration

Question No: 26 (Marks: 1) - Please choose one

In order to comply with the environmental standards, an organization implement Occupational Safety Hygiene Administration (OSHA) following is a way to accomplish this task?

- ▶ Promoting friendly relations among employees

▶ **Installing safety guards and devices to reduce the risk**

- ▶ Installing machinery to make the process speedy
- ▶ Installing machinery that provides cost effective output

Question No: 27 (Marks: 1) - Please choose one

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels

▶ **It depicts demand of a product with respect to time**

- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Question No: 28 (Marks: 1) - Please choose one_____

Which one of the following is TRUE about Taguchi approach

▶ **To test the robustness of a design**

- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Ref: An added concept to Taguchi Approach is the Degree of Newness.

The defining characteristics for the Taguchi approach include:

Design a robust product

Insensitive to environmental factors either in manufacturing or in use.

Central feature is Parameter Design.

Question No: 29 (Marks: 1) - Please choose one

The disadvantages of specialization to management include all of the following EXCEPT:

- ▶ More absenteeism

▶ **Minimum responsibility**

- ▶ More turnover
- ▶ More difficult to teach the job

Rationale: Its an advantage of specialization.

Question No: 30 (Marks: 1) - Please choose one

Technology has impacted the work place by:

- ▶ Adding to the existing geographical barriers for recruiting
- ▶ Increasing the cost of telecommuting
- ▶ Increasing the amount required to be spent on training
- ▶ **Unifying the workforce to a common skill level**

Question No: 31 (Marks: 1) - Please choose one

Which one of the following refers to a team having representatives from different functional areas of the organization?

- ▶ Traditional work group
- ▶ Self-directed team
- ▶ **Cross-functional team**
- ▶ Self motivated team

Ref: Cross-functional systems were designed to intergrate the activities of the entire business process, and are called so because they 'cross' departmental boundaries.

Question No: 32 (Marks: 1) - Please choose one

Which one of the following is NOT a business application of forecasting?

- ▶ Budgeting
- ▶ Capacity planning
- ▶ Inventory management
- ▶ **Quality control**

<http://www.vustudents.net>

Question No: 33 (Marks: 1) - Please choose one

Which one of the following factors makes a forecast LESS perfect?

- ▶ **Randomness**
- ▶ Non serious attitude
- ▶ Non availability of data
- ▶ Un qualified personnel

Question No: 34 (Marks: 1) - Please choose one

Which one of the following is an example of community factors that affect location decisions?

- ▶ Transportation
- ▶ **Quality of life**
- ▶ Location of new markets
- ▶ Location of raw materials

· Ref: **Community Considerations**

· Quality of life

· Services

Attitudes

· Taxes

· Environmental regulations

Utilities

Developer support

Question No: 35 (Marks: 1) - Please choose one

Which one of the following location strategies is favored by automobile manufacturers?

- ▶ Product plant strategy <http://www.vustudents.net>

▶ **Process plant strategy**

- ▶ Market area plant strategy

▶ Cost conservation strategy

With multiple manufacturing facilities, firms can organize operations in different strategies

Product plant strategy

Entire products or product lines are produced in separate plants, and each plant usually supplies the entire domestic market

Specialization often results in economies of scale

Market area plant strategy

To serve a particular geographic segment of a market

Desirable when shipping costs are high

Process plant strategy

Different plants focus on different aspects of a process

Automobile manufacturers – engine plant, body stamping plant, etc.

Coordination across the system becomes a significant issue

General-purpose plant strategy

Plants are flexible and capable of handling a range of products

Question No: 36 (Marks: 1) - Please choose one

Which one the following is an assumption of center of gravity method?

▶ The quantity to be shipped is variable

▶ **The quantity to be shipped is fixed**

▶ The quantity carries no value

▶ The quantity to be shipped should be extraordinarily high

Question No: 37 (Marks: 1) - Please choose one

Which of the following statements would generally be considered as correct job shop?

▶ A continuous process has lower output volume as compared to job shop

▶ Equipment flexibility is lower in job shop than that of a continuous process

▶ **Labour costs are higher in a Job Shop operation than in most other processes**

▶ Batch processing produces a more standard range of products than continuous flow

processes

Reference

Question No: 38 (Marks: 1) - Please choose one

Which one of the following is NOT an input in the transformation process?

▶ **Informations**

▶ Services

▶ Facilities

▶ Materials

Question No: 39 (Marks: 1) - Please choose one

Which one of the following describes the Naïve forecast?

▶ Attempt to predict the future value based on the past data.

▶ Determine long term upward or downward movement in data.

▶ **Forecast for any period equals the previous period's actual value.**

▶ Collect outside opinion of consumer and potential customers.

Ref:

Estimating technique in which the last period's actual are used as this period's forecast, without adjusting them or attempting to establish causal factors. It is used only for comparison with the forecasts generated by the better (sophisticated) techniques.

Question No: 40 (Marks: 1) - Please choose one

Which one of the following is an advantage of a moving average forecast?

- ▶ **All the values in the average are weighted equally**
- ▶ The method is reliable to forecast the demand accurately
- ▶ The method is easy to compute and easy to understand
- ▶ The most recent values are given the more weightage

Question No: 41 (Marks: 5)

Why some multinational corporations feel that globalization is not a good option?

Question No: 42 (Marks: 5)

Do you perceive that operation management and operation research for more contents visit

MIDTERM EXAMINATION

Spring 2010

MGT613- Production / Operations Management

Time: 60 min

Marks: 44

Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ **Strategic decision**
- ▶ Tactical decision

Question No: 2 (Marks: 1) - Please choose one

The management of systems or processes that creates goods and provides services is known as:

- ▶ **Operation Management**
- ▶ Operation/production Management
- ▶ Operation/Research Management
- ▶ Production/Research Management

Question No: 3 (Marks: 1) - Please choose one

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ **Which market areas to manufacture the products for?**

Question No: 4 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

- ▶ Are specific to the operations function
- ▶ Are specific to the marketing function
- ▶ **Are interdependent with other processes**
- ▶ Have exactly the same performance measures for any process

Question No: 5 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

- ▶ Flexibility + profit+ operations
- ▶ Work + profit + value
- ▶ **Quality + speed + flexibility**
- ▶ Profit + Incentives + standards

Question No: 6 (Marks: 1) - Please choose one

Which of the following statements describes an order-qualifier characteristic?

- ▶ A competitive dimension used to make final decision among competitors
 - ▶ A factor which directly and significantly contribute to winning business
 - ▶ A factor which increases the profitability of the organization
 - ▶ **A factor perceived as a minimum standard as a potential for purchase**
- <http://www.vustudents.net>

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

- ▶ **Associative forecast**
- ▶ Time series forecast
- ▶ Consumer survey
- ▶ Executive opinion

Question No: 8 (Marks: 1) - Please choose one

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

- ▶ Risk
- ▶ Bounded rationality
- ▶ Certainty
- ▶ **Uncertainty**

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is an implication of laplace approach of decision making?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff
- ▶ **The best average payoff**
- ▶ The least of the worst regrets

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an outcome of MINIMAX regret?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff
- ▶ The best average payoff
- ▶ **The least of the worst regret**

Question No: 11 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ **The forecast lags behind the actual**
- ▶ The forecast represents demand more accurately

- ▶ The forecast will not be accurate
- ▶ The forecast will not be reliable

Question No: 12 (Marks: 1) - Please choose one

Which one of the following refers to the maximum output that a firm can produce under ideal conditions?

▶ **Design capacity**

- ▶ Effective capacity
- ▶ Capacity planning
- ▶ Utilization rate

Question No: 13 (Marks: 1) - Please choose one

Which one of the following is a characteristic of continuous process?

- ▶ High lead times
- ▶ Short process times
- ▶ The ability to handle high variety
- ▶ **The ability to handle high volumes**

Question No: 14 (Marks: 1) - Please choose one

Which of the following is an example of a business that uses assembly line process structure?

▶ **Automobile assembly**

- ▶ Sugar refinery
- ▶ Heavy equipment
- ▶ French restaurants

Question No: 15 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

▶ **Process layout**

- ▶ Fixed position layout
- ▶ Product layout
- ▶ Cellular layout

Question No: 16 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

▶ **Product layout**

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Hybrid layout

Question No: 17 (Marks: 1) - Please choose one

A department store discovered that in a four-month period, the best forecast can be determined by using 50 percent of the sales for the most recent month, 20 percent of the sales of two months ago, 10 percent of the sales of three months ago, and 20 percent of the sales of four months ago. Which forecasting method should the store use to forecast demand? <http://www.vustudents.net>

- ▶ Simple Moving Average
- ▶ Linear Regression
- ▶ Time Series Analysis
- ▶ **Weighted Moving Average**

Question No: 18 (Marks: 1) - Please choose one

Which one of the following is an application of simple exponential smoothing?

- ▶ Establishing durability
- ▶ Finding reliability
- ▶ **Scheduling services (not sure)**
- ▶ Quality improvement

Question No: 19 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of aesthetics of the product?

- ▶ Functional design
- ▶ Production design
- ▶ Service design
- ▶ **Product design**

Question No: 20 (Marks: 1) - Please choose one

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels
- ▶ **It depicts demand of a product with respect to time**
- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is TRUE about Taguchi approach?

- ▶ **To test the robustness of a design**
- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Question No: 22 (Marks: 1) - Please choose one

Which one of the following is a curve showing failure rate over time?

- ▶ Cost curve
- ▶ **Bath tub curve**
- ▶ Fish bone diagram
- ▶ Reliability curve

Question No: 23 (Marks: 1) - Please choose one

Which of following statement is true about effective capacity?

- ▶ It is the actual output achieved
- ▶ It is always less than actual output
- ▶ **It is the maximum output that a firm can produce**
- ▶ It is always less than designed capacity

Question No: 24 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- ▶ Job shop

- ▶ Batch processing
- ▶ Assembly line
- ▶ **Continuous processing**

Question No: 25 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ **Operational strategy**
- ▶ Tectical strategy

Question No: 26 (Marks: 1) - Please choose one

Which one of the following refers to bringing together engineering design and manufacturing personnel early in the design phase.

- ▶ Reverse engineering
- ▶ **Concurrent engineering**
- ▶ Manufacturability
- ▶ Serviceability

Question No: 27 (Marks: 1) - Please choose one

Which of the following refers to the way an organization chooses to produce its goods or services?

- ▶ **Process selection**
- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

Question No: 28 (Marks: 1) - Please choose one

Which one of the following is the first step in line balancing?

- ▶ To specify the sequential relationship among tasks.
- ▶ **To determine the required cycle time.**
- ▶ To determine the minimum number of workstations.
- ▶ To determine the desired output

Question No: 29 (Marks: 3)

Write down at least three ways of improving reliability of a system.

[Answer](#)

<http://www.vustudents.net>

Question No: 30 (Marks: 3)

What qualities does a successful job design contain? (solution provided by Maria Iqbal)

A successful Job Design must have the following qualities

1. Carried out by experienced personnel who have the necessary training and background.
2. Consistent with the goals of the organization.

- 3. In documented form.
- 4. Understood and agreed by both management and employees.
- 5. Shared with the new employees.

6. Factors that affect Job Design

Question No: 31 (Marks: 5)

Suppose you are the operations manager of ABC Corporation. To develop competence in business operations, you have to decide either to rely on the facilities available in-house or outsource. What are some of the factors you would base the decision on?

Question No: 32 (Marks: 5)

“Standardization plays an important role in product design”. How will you describe

POMA QUIZZES

The goal of Total Quality Management is:

- a) **Customer satisfaction**
- b) Product differentiation
- c) Brand equity
- d) Acting globally

1. The most common form of quality control includes:

- a) Planning
- b) Organizing
- c) **Inspection**
- d) Directing

1. Process selection is primarily considered during:

- a) **Planning**
- b) Organizing
- c) Leading
- d) Controlling

1. The type of operation being carried out by an organization depends upon:

- a) Degree of standardization
- b) Volume of output
- c) Demand
- d) Both (a) and (b)**

1. Repetitive processing results in output that is:

- a) Highly standardized
- b) Highly customized
- c) Partially customized**
- d) None of the given options

6. Job shop and batch processing are differentiated on the basis of:

- a) Job requirements**
- b) Degree of standardization
- c) Volume of output
- d) Both (b) and (c)

7. Automation is preferred because it:

- a) Offers lesser dependence on workers
- b) Results in reduction in variable cost
- c) Offers easy handling of repetitive work
- d) All of the given options**

8. Product layout is preferably used for:

- a) Repetitive processing**
- b) Intermittent processing

- c) Both (a) and (b)
- d) Neither (a) nor (b)

9. Process layout is used for:

- a) Repetitive processing
- b) Intermittent processing**
- c) Both (a) and (b)
- d) Neither (a) nor (b)

10. The most significant advantage of U-shaped layout is:

- a) Cost minimization
- b) Easy handling of process
- c) Increased flexibility in work**
- d) All of the given options

11. The goal of motion study is to achieve:

- a) Cost minimization
- b) Maximum efficiency**
- c) Profitability
- d) All of the given options

12. Location decisions are viewed primarily as part of:

- a) Marketing strategy
- b) Growth factors
- c) Financial aspect
- d) Both (a) and (b)**

13. Regional factors for location planning include all of the following except:

- a) Raw materials
- b) Markets
- c) Labor considerations
- d) Attitudes**

14. Transportation method is a _____ approach.

- a) Quantitative**
- b) Qualitative
- c) Scientific
- d) All of the given options

15. Fredrick Taylor's concern for quality includes:

- a) Product inspection
- b) Gauging system
- c) Statistical control chart
- d) Both (a) and (b)**

16. Kaoru Ishikawa is famous for:

- a) Statistical quality control
- b) Fish bone diagram**
- c) Loss function concept
- d) All of the given options

17. Poor quality adversely affects:

- a) Costs
- b) Productivity

- c) Profitability
- d) All of the given options**

18. _____ is intended to assess a company's performance In terms of environmental performance:

- a) ISO 14000**
- b) ISO 9000
- c) Six sigma
- d) All of the given options

19. The purpose of ISO 9000 is to:

- a) Promote quality standards to improve efficiency and productivity**
- b) Earn high profit
- c) Avoid unfavorable outcomes
- d) Gain high market share

20. A product performing consistently refers to which of the following dimensions of quality:

- a) Safety
- b) Conformance
- c) Durability
- d) Reliability**

Production & Operations Management

Quiz No.1

Choose the most appropriate answers in each of the following questions:

1. All of the following are the major factors affecting design strategy except:
 - Cost
 - Market
 - Time-to-market
 - **Revenue**

2. All of the following are the primary reasons for design process except:
 - Economic
 - Social and demographic
 - Political, liability, or legal
 - **Personal**

3. _____ refers to a manufacturer being liable for an injury or damage caused by a faulty product.
 - **Product liability**
 - Manufacturer's liability
 - Organizational liability
 - All of the given options

4. _____ is the postponement tactic.
 - Product differentiation
 - **Delayed differentiation**
 - Service differentiation
 - All of the given options

5. The situation in which a product, part or system does not perform as intended is referred to as:

- Reliability
 - Durability
 - **Failure**
 - Maturity
6. DFA stands for:
- Design for Assurance
 - Design for Accuracy
 - Design for Authenticity
 - **Design for Assembly**
7. Taguchi approach helps in determining:
- Controllable factors only
 - Un -controllable factors only
 - **Both controllable factors and un -controllable factors**
 - None of the given options
8. _____ is the bringing together of engineering, design and manufacturing personnel together early in the design phase.
- Robust design
 - **Concurrent engineering**
 - Canabalization
 - Design for Manufacturing (DFM)
9. Reliability can be measured effectively by using:
- **Probability**
 - Durability
 - Failure

- Forecasting

10. _____ determines the best possible outcome.

- Maximum
- Minimax
- **Maximax**
- Laplace

11. Decision tree is analyzed from:

- Left to right
- **Right to left**
- Any side
- All of the above

12. Judgmental forecasts include all of the following except:

- Executive opinion
- Consumer surveys
- Delphi method
- **Regression analysis**

13. In order to design a new product or service, an organization takes into account:

- External factors
- Internal factors
- **a & b**
- Economic, social and demographic conditions

14. FDA, OSHA and CRS resolve:

- **Legal issues**

- Political issues
- Ethical issues
- Environmental issues

15. Design that results in products or services that can function over a broad range of conditions is called:

- Computer Aided Design
- **Robust design**
- Design for remanufacturing
- Modular design

16. Which of the following is wrong with respect to Naïve forecast?

- Quick and easy to prepare
- **Provides high accuracy**
- Simple to use
- Can be a standard for accuracy

17. Steps in CPFR include all of the following except:

- Creation of a front end partnership agreement
- Sharing forecast
- Inventory replenishment
- **Development of supply forecasts**

18. Identify the right sequence in product or service life cycle.

- Introduction, Maturity, Growth, Decline, Saturation
- **Introduction, Growth, Maturity, Saturation, Decline**

- Introduction, Growth, Saturation, Maturity, Decline
- Introduction, Saturation, Growth, Maturity, Decline

19. In the absence of enough time, _____ forecasts are preferred.

- **Qualitative**
- Quantitative
- Naïve forecasts
- None of the given options

20. _____ are based on samples taken from potential customers.

- Executive opinion
- **Consumer surveys**
- Delphi method
- All of the given options

e: MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 67

sec(s)

Question # 1 of 15 (Start time: 09:25:35 AM) Total Marks: 1

Organizations that produce something other than physical products are called:

Select correct option:

- Cultural goods transformation
- Data transfer groups
- Transformation organizations
- Service organizations

4

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 78

sec(s)

Question # 2 of 15 (Start time: 09:26:18 AM) Total Marks: 1

In operations management the time required to react appropriately to a competitor's strategies or technology up gradation is called:

Select correct option:

- Processing time
- Changeover time
- Response Time
- Planning time

4

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 77

sec(s)

Question # 3 of 15 (Start time: 09:26:52 AM) Total Marks: 1

Organization whether manufacturing product or delivering a service are made to operate in three dimensions that are:

Select correct option:

- Legal, Ethical, and Environmental
- Legal, Environmental, Social
- Legal, Ethical, Social
- Ethical, Environmental, Social

1

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 66

sec(s)

Question # 4 of 15 (Start time: 09:27:29 AM) Total Marks: 1

Which one of the following is an outcome of Maximin criterion?

Select correct option:

- The best of the worst possible payoff
- The best possible payoff
- The best average payoff
- The least of the worst regrets

1

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 66

sec(s)

Question # 5 of 15 (Start time: 09:28:09 AM) Total Marks: 1

Which of the following is a technique for fitting a line to a set of points?

Select correct option:

Regression

Trend

Cycle

Moving average

1

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 78

sec(s)

Question # 6 of 15 (Start time: 09:28:49 AM) Total Marks: 1

Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs

Qualitative technique

Quantitative technique

Delphi method

3

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 65

sec(s)

Question # 7 of 15 (Start time: 09:29:14 AM) Total Marks: 1

Which one of the following correctly explains the elements of a good forecast?

Select correct option:

Timely, having a purpose, accurate, written, reliable, meaningful

Timely, accurate, judgmental, correctness, verbal, simple to use

Timely, accurate, reliable, meaningful, written, simple to use

Timely, accurate, reliable, consistent, meaningful, written, simple to use

3

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 75

sec(s)

Question # 8 of 15 (Start time: 09:29:56 AM) Total Marks: 1

Which one of the following management functions is based on forecasting?

Select correct option:

- Planning
- Organizing
- Leading
- Controlling

1

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 77

sec(s)

Question # 9 of 15 (Start time: 09:30:27 AM) Total Marks: 1

Which one of the following is a productivity measure based on all inputs?

Select correct option:

- Capital productivity
- Multifactor productivity
- Partial productivity
- Total productivity

4

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 69

sec(s)

Question # 10 of 15 (Start time: 09:30:52 AM) Total Marks: 1

With regard to a regression-based forecast, the standard error of the estimate gives a measure of:

Select correct option:

- Required time to derive the forecast equation
- Validation time period of the forecast
- The maximum error of the forecast
- Variability around the regression line

4

Sent at 9:31 AM on Friday

me: MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 65

sec(s)

Question # 12 of 15 (Start time: 09:32:00 AM) Total Marks: 1

To make operations strategy effective it should be:

Select correct option:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time dimension

2

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 71

sec(s)

Question # 13 of 15 (Start time: 09:32:40 AM) Total Marks: 1

Sequence of data points that are measured typically at successive times at regular time intervals is known as:

Select correct option:

Moving average

Weighted moving average

Time series

Forecasts

3

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 73

sec(s)

Question # 14 of 15 (Start time: 09:33:15 AM) Total Marks: 1

Overall broad picture of the organization is depicted by its _____ that provides detailed and broader scope.

Select correct option:

Operations strategy

Organizational strategy

Marketing strategy

Manufacturing units

2

MC100203380 : Muhammad Ahmad

Quiz Start Time: 09:25 AM

Time Left 78

sec(s)

Question # 15 of 15 (Start time: 09:33:47 AM) Total Marks: 1

Increases in productivity are difficult to achieve if one of the following situation occurs

Select correct option:

The task is more intellectual and personal

The task is more quantitative and repetitive

The task is more physical and tangible

The task is more good-producing and standardized

1

My Quiz Mc090401849

MC090401849 : Muhammad Danish

Time Left **41**
sec(s)

Quiz Start Time: 07:18 PM

Question # 1 of 15 (Start time: 07:18:51 PM)

Total Marks: 1

Which one of the following forecasts is quick and easy to prepare?

Select correct option:

- Time series
- Delphi
- Naïve
- Associative

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 07:18 PM

Question # 2 of 15 (Start time: 07:19:47 PM)

Total Marks: 1

Which one of the following forecasting techniques is used to identify a trend when data is neither growing nor declining rapidly and has no seasonal characteristics.

Select correct option:

- Simple moving average
- Delphi method
- Trend adjusted forecast
- Naïve forecast

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 07:18 PM

Question # 3 of 15 (Start time: 07:20:24 PM)

Total Marks: 1

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

Select correct option:

- Certainty

Uncertainty

Risk

Bounded rationality

Click here to Save Answer & Move to Next Question

MC090401849 : Muhammad Danish

Time Left **30**
sec(s)

Quiz Start Time: 07:18 PM

Question # 4 of 15 (Start time: 07:21:08 PM)

Total Marks: 1

To make operations strategy effective it should be:

Select correct option:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time dimension

Click here to Save Answer & Move to Next Question

MC090401849 : Muhammad Danish

Time Left **12**
sec(s)

Quiz Start Time: 07:18 PM

Question # 5 of 15 (Start time: 07:22:16 PM)

Total Marks: 1

Those significant characteristics that service customers perceive as minimum standards of acceptability to be considered as a potential purchase is called:

Select correct option:

- Order Winners
- Order Qualifiers
- Order Takers
- None of the above

[Click here to Save Answer & Move to Next Question](#)

MC090401849 : Muhammad Danish

Time Left **54**
sec(s)

Quiz Start Time: 07:18 PM

Question # 6 of 15 (Start time: 07:23:44 PM)

Total Marks: 1

Which one of the following is an implication of laplace approach of decision making?

Select correct option:

- The best of the worst possible payoff

- The best possible payoff
- The best average payoff
- The least of the worst regrets

Click here to Save Answer & Move to Next Question

MC090401849 : Muhammad Danish

Time Left **48**
sec(s)

Quiz Start Time: 07:18 PM

Question # 7 of 15 (**Start time: 07:24:28 PM**)

Total Marks: 1

More routine purchasing, handling and inspection is an example of:

Select correct option:

- Customization
- Mass Customization
- Standardization
- None of the above

Click here to Save Answer & Move to Next Question

Quiz Start Time: 07:18 PM

Question # 8 of 15 (Start time: 07:25:54 PM)

Total Marks: 1

Which of the following provide guidance and directions for carrying out operations?

Select correct option:

- Tactics
- Strategies
- Policies
- Mission

Click here to [Save Answer & Move to Next Question](#)

Quiz Start Time: 07:18 PM

Question # 9 of 15 (Start time: 07:26:42 PM)

Total Marks: 1

_____ is a wave like variations of more than one year's duration.

Select correct option:

- Cycle
- Trend

Seasonality

Random variation

Click here to Save Answer & Move to Next Question

MC090401849 : Muhammad Danish

Time Left **49**
sec(s)

Quiz Start Time: 07:18 PM

Question # 10 of 15 (**Start time: 07:27:20 PM**)

Total Marks: 1

Which one of the following correctly represents a set of time series forecasts?

Select correct option:

Averaging, cycle, seasonality, random variations

Trend, seasonality, exponential smoothing

Trend, cycle, seasonality, moving average

Trend, cycle, seasonality, random variations

Click here to Save Answer & Move to Next Question

MC090401849 : Muhammad Danish

Time Left **26**
sec(s)

Quiz Start Time: 07:18 PM

Question # 11 of 15 (**Start time: 07:28:15 PM**)

Total Marks: 1

Which of the following forecasting techniques induce personal bias in a forecast?

Select correct option:

- Qualitative
- Quantitative
- Associative
- Trend forecast

[Click here to Save Answer & Move to Next Question](#)

MC090401849 : Muhammad Danish

Time Left **17**
sec(s)

Quiz Start Time: 07:18 PM

Question # 12 of 15 (Start time: 07:29:27 PM)

Total Marks: 1

All of the following are examples of Qualitative forecasting except:

Select correct option:

- Judgmental
- Delphi Method
- Consumer Survey

[Click here to Save Answer & Move to Next Question](#)

MC090401849 : Muhammad Danish

Time Left **38**
sec(s)

Quiz Start Time: 07:18 PM

Question # 13 of 15 (**Start time: 07:30:48 PM**)

Total Marks: 1

Operational strategies mostly function on two dimensions that are:

Select correct option:

[Click here to Save Answer & Move to Next Question](#)

MC090401849 : Muhammad Danish

Time Left **50**
sec(s)

Quiz Start Time: 07:18 PM

Question # 14 of 15 (**Start time: 07:32:15 PM**)

Total Marks: 1

_____ means that the relevant parameters such as cost, capacity and demand have known values.

Select correct option:

- Risk
- Certainty
- Uncertainty
- None of above

[Click here to Save Answer & Move to Next Question](#)

MC090401849 : Muhammad Danish

Time Left **26**
sec(s)

Quiz Start Time: 07:18 PM

Question # 15 of 15 (Start time: 07:33:39 PM)

Total Marks: 1

The productivity measure output/ (labor + machine) will be named as:

Select correct option:

- Partial measure
- Multifactor measure
- Total measure
- None of the above

Quiz

1. Who advocated the concept of “zero defects”?

- Edwards. Deming
- Joseph Juran
- Kaoru Ishikawa
- **Philip Crosby**

2. Which of the following is the origin of the term “Poka –Yoke”?

- America
- China
- Spain
- **Japan**

3. Which of the following is INCORRECT about TQM?

- Meeting the needs and expectations of customers
- **Primarily a “worker” rather than a management activity**
- Inclusion of every person in the organization
- Covering all the functional areas of the organization

4. Which of the following is a unit of measurement as specified in Six Sigma quality?

- Defects per hundred
- Defects per thousand
- Defects per hundred thousand
- **Defects per million**

5. Which of the following is a descriptive technique that is used by a decision maker to evaluate the behavior of a model under various conditions?

- Linear programming
- **Simulation**
- Critical path method
- PERT

6. EF stands for which of the following?

- Equal Finish
- Economic Finish
- **Early Finish**
- Easy Finish

7. Which of the following refers to unnecessary extension of the project scope that hinders in-time completion of the project?

- Work creep
- Plan creep

➤ **Scope creep**

➤ Budget creep

8. Which of the following relates to monitoring the objectives of cost, time and quality as the project progresses?

➤ Project estimating

➤ Project planning

➤ **Project control**

➤ Project crashing

9. Which one the following is focused to reduce the incidence of failures in the plant or equipment to avoid the associated costs?

➤ **Preventive maintenance**

➤ Predictive maintenance

➤ Reactive maintenance

➤ Total productive maintenance

10. Which of the following refers to the length of time a job is in the shop at a particular workstation?

➤ Job lateness

➤ **Job flow time**

➤ Make-span

➤ Slack time

Quiz

1. Who introduced the use of statistical control charts for monitoring production?

➤ G.S. Radford

➤ **Walter Shewhart**

➤ Frederick Taylor

➤ Kaoru Ishikawa

1. Which of the following quality gurus advocated the “cost of quality” concept?

➤ Edwards. Deming

➤ **Joseph Juran**

➤ Kaoru Ishikawa

➤ Philip Crosby

2. If you go to dine out at McDonalds and you observe a very cool and pleasant atmosphere over there. It depicts which of the following dimensions of quality?

➤ Performance

- **Aesthetics**
 - Reliability
 - Conformance
3. Mr. Ali purchased a TV set. After a period of a year, the picture quality started deteriorating. He went to the company and complained. The company responded subsequently. Which of the following dimensions of quality would come into play?
- Reliability
 - Conformance
 - **Serviceability**
 - Aesthetics
4. Which of the following reflects the meaning of the word “Poka –Yoke”?
- **Mistake proof**
 - Low quality
 - Defective
 - Expensive
5. Which one of the following denotes QFD?
- Quality Function Development
 - Quality Foundation Development
 - Quality Foundation Deployment
 - **Quality Function Deployment**
6. Which of the following terms best defines the nature of Total Quality Management?
- An art
 - **A philosophy**
 - A science
 - A social activity
8. Which of the following terms reflects Japanese view of continuous improvement?
- **Kaizen**
 - Poka-yoke
 - Six sigma
 - Control limits
9. Which of the following is NOT an element of TQM?
- Leadership
 - **Perceived quality**
 - Employee empowerment
 - Customer focus
10. Which of the following is an example of appraisal cost?
- Rework costs

- Returned goods
 - **Testing labs**
 - Quality improvement programs
11. Warranty cost is an example of which of the following?
- Internal failure cost
 - **External failure cost**
 - Prevention cost
 - Appraisal cost
12. Refer to the stage of PDCA (Plan, Do, Check, Act) cycle that involves evaluating the improvement plan.
- Plan
 - Do
 - **Check**
 - Act
13. Which of the following refers to a continuous measurement of an organization's products and processes against a company recognized as a leader in that industry?
- **Benchmarking**
 - Gap analysis
 - Statistical process control
 - Continuous improvement
 -
14. Which of the following is the focus of statistical process control?
- Determining the efficiency of an operations system
 - Measuring the amount of re-work required to rectify faulty goods
 - Identifying the security needs of an operations system
 - **Measuring and controlling process variations**
15. Which of the following is a measure of how closely a product or service meets the specifications?
- **Quality of Conformance**
 - Continuous improvement
 - Competitive benchmarking
 - Statistical process control

Quiz

1. ----- is the maximum output rate or service capacity an operation, process or facility.
- Efficiency
 - Effective Capacity
 - **Design Capacity**

2. ----- is the rate of output actually achieved.
 - **Actual Output**
 - Design Capacity
 - Utilization

3. A knowledge of economies and diseconomies of scale is -----
 - **Important for operations manager**
 - Not Important for operations manager
 - It makes no difference

4. If the output rate is less than the optimal level, increasing output rate results in ----
----- average unit cost
 - Increasing
 - **Decreasing**
 - Stabilizing

5. As the output is increased, the unit cost is decreased because
 - Of external factors
 - **Because there are more units to absorb the fixed costs**
 - None of the above

6. as the general capacity of the plant increased, the optimal output rate increases and the minimal cost for the optimal rate
 - **Decreases**
 - Increases
 - It has no effect with the output rate

7. The primary purpose of cost- volume analysis is
 - **To estimate the income of an organization**
 - To analyze initial costs incurred under different operating conditions
 - Both A and B

8. variable costs vary ----- with volume of output
 - Inversely
 - **Directly**

9. ----- refers to the way, an organization chooses to produce its goods or services
 - **Process selection**
 - Capacity planning
 - Cost volume analysis

10. Ice cream is an example of
 - **Batch processing**

- Job shop
- Repetitive processing

Quiz

1. The prime determinants of choosing a sampling plan include:

- Cost
- Time
- Environment
- **Both cost and time**

2. The ideal sampling plan requires _____ inspection of each lot.

- **100%**
- 50%
- 10%
- 25%

3. As the lot quality decreases, the probability _____.

- Increases
- **Decreases**
- Remains neutral
- None of the given options

4. _____ represents maximum AOQ for a range of fractions defective.

- Acceptable Quality Level (AQL)
- **Average Outgoing Quality Limit (AOQL)**
- Lot Tolerance Percent Defective (LTPD)
- None of the given options

5. _____ refers to intermediate range capacity planning, usually covering 2 to 12 months.

- **Aggregate planning**
- Moderate planning
- Long range planning
- Short range planning

6. _____ is an optimizing technique that seeks to minimize combined costs, using a set of cost-approximating functions to obtain a single quadratic equation.

- Linear programming
- **Linear decision rule**
- Aggregate planning

- Lot Tolerance Percent Defective (LTPD)
7. _____ takes physical count of items at periodic intervals.
- **Periodic inventory system**
 - Perpetual inventory system
 - Two-bin system
 - Universal bar code system
8. _____ refers to the cost to carry an item in inventory for a length of time.
- Shortage cost
 - Ordering cost
 - **Holding cost**
 - None of the given options
9. Inputs to MRP include all of the following except:
- Master schedule plan
 - Bill of materials
 - Inventory records
 - **Control charts**
10. _____ represents the process of determining short-range capacity requirements.
- **Capacity requirements planning**
 - Aggregate planning
 - Capacity planning
 - Schedule planning

Quiz

1. Which of the following forecasting techniques generates trend forecasts?
- Delphi method
 - Moving averages
 - Single exponential smoothing
 - **Naïve forecast**
2. Which of the following smoothing constants would make an exponential smoothing forecast equivalent to a naive forecast?
- 0
 - 0.01
 - 0.5
 - **1.0**
3. The temperature on Tuesday was 80 degrees, on Wednesday it was 82 degrees, on Thursday it was 78 degrees. A naive forecast for the temperature on Friday would be:

➤ **78 degrees**

- 80 degrees
- 82 degrees
- 84 degrees

4. A design that focuses on reducing the number of parts in a product and on assembly methods and sequence is known as:

- Design for manufacturing
- Design for recycling
- **Design for assembly**
- Design for disassembly

5. DFM stands for:

- Design for Maintenance
- **Design for Manufacturing**
- Design for Management
- Design for Manpower

6. As the number of components in a series increases, the reliability of the system:

- Increases
- **Decreases**
- Remains the same
- Becomes zero

7. The purpose of _____ is to arrive at a consensus forecast.

- Naïve forecast
- Associative models
- Time series forecast
- **Delphi method**

8. A system is composed of components A, B, C and D. The overall reliability of the system is a measure of the reliability of the individual components. Listed below are a few ways to improve reliability of the system:

- Improve component design
- Improve testing
- Use backup components
- Improve strategy formulation
- Quality assurance

Which of the following combinations would be the best to improve reliability of the system?

- 1,2, 5
- **1,2,3**
- 1,4,5
- 3,4,5

9. As time horizon increases, forecast accuracy:

- Increases
- **Decreases**
- Levels off
- Becomes zero

10. If demand of a product 'A' is 30 units, 45 units and 75 units in week 1, 2 and 3 respectively, the demand for week 4 according to moving average method would be:

- 105 units
- 75 units
- 40 units
- **50 units**

Quiz

Choose the most appropriate answers in each of the following questions:

1. All of the following are the major factors affecting design strategy except:
 - Cost
 - Market
 - Time-to-market
 - **Revenue**
2. All of the following are the primary reasons for design process except:
 - Economic
 - Social and demographic
 - Political, liability, or legal
 - **Personal**
3. _____ refers to a manufacturer being liable for an injury or damage caused by a faulty product.
 - **Product liability**
 - Manufacturer's liability
 - Organizational liability
 - All of the given options
4. _____ is the postponement tactic.
 - Product differentiation
 - **Delayed differentiation**

- Service differentiation
 - All of the given options
5. The situation in which a product, part or system does not perform as intended is referred to as:
- Reliability
 - Durability
 - **Failure**
 - Maturity
6. DFA stands for:
- Design for Assurance
 - Design for Accuracy
 - Design for Authenticity
 - **Design for Assembly**
7. Taguchi approach helps in determining:
- Controllable factors only
 - Un -controllable factors only
 - **Both controllable factors and un -controllable factors**
 - None of the given options
8. _____ is the bringing together of engineering, design and manufacturing personnel together early in the design phase.
- Robust design
 - **Concurrent engineering**
 - Canabalization
 - Design for Manufacturing (DFM)
9. Reliability can be measured effectively by using:
- **Probability**
 - Durability
 - Failure
 - Forecasting
10. _____ determines the best possible outcome.
- Maximum
 - Minimax
 - **Maximax**
 - Laplace
11. Decision tree is analyzed from:
- Left to right
 - **Right to left**
 - Any side
 - All of the above

12. Judgmental forecasts include all of the following except:

- Executive opinion
- Consumer surveys
- Delphi method
- **Regression analysis**

13. In order to design a new product or service, an organization takes into account:

- External factors
- Internal factors
- **a & b**
- Economic, social and demographic conditions

14. FDA, OSHA and CRS resolve:

- **Legal issues**
- Political issues
- Ethical issues
- Environmental issues

15. Design that results in products or services that can function over a broad range of conditions is called:

- Computer Aided Design
- **Robust design**
- Design for remanufacturing
- Modular design

16. Which of the following is wrong with respect to Naïve forecast?

- Quick and easy to prepare
- **Provides high accuracy**
- Simple to use
- Can be a standard for accuracy

17. Steps in CPFR include all of the following except:

- Creation of a front end partnership agreement
- Sharing forecast
- Inventory replenishment
- **Development of supply forecasts**

18. Identify the right sequence in product or service life cycle.

- Introduction, Maturity, Growth, Decline, Saturation
- **Introduction, Growth, Maturity, Saturation, Decline**
- Introduction, Growth, Saturation, Maturity, Decline
- Introduction, Saturation, Growth, Maturity, Decline

19. In the absence of enough time, _____ forecasts are preferred.

➤ **Qualitative**

- Quantitative
- Naïve forecasts
- None of the given options

20. _____ are based on samples taken from potential customers.

- Executive opinion
- **Consumer surveys**
- Delphi method
- All of the given options

Quiz

1. _____ allows the manager to anticipate the future so then can plan accordingly.

- **Forecasting**
- Planning
- Organizing
- Leading

2. Forecasts are rarely perfect because of:

- Internal factors
- **Randomness**
- External factors
- All of the given options

3. Forecast accuracy _____ as time horizon increases.

- Increases
- **Decreases**
- Remains the same
- None of the given options

4. _____ use explanatory variables to predict the future.

- Judgmental forecasts
- Time series forecasts
- **Associative models**
- All of the given options

5. All of the following are examples of judgmental forecasts except:

- Executive opinions
- Consumer surveys
- Delphi method
- **Naïve forecasts**

6. _____ requires completing a series of questionnaires, each developed from the previous one, to achieve a consensus forecast.

- Naïve forecast
- Time series analysis
- Associative models
- **Delphi method**

7. One of the drawbacks of naïve forecasts is:

- **Low accuracy**
- High cost
- No ease at using
- None of the given options

8. All of the following are responsible for irregular variations except:

- Severe weather
- Earthquake
- Worker strikes
- **Cultural changes**

9. _____ is a technique that averages a number of recent actual values, updated as new values.

- **Moving average**
- Weighted moving average
- Simple moving average
- Exponential smoothing

10. MAPE stands for:

- Measure Actual Performance Error
- **Mean Absolute Percent Error**
- Mean Actual Percent Error
- Mean Absolute Performance Error

Quiz

1. Who introduced the use of statistical control charts for monitoring production?

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- **Walter Shewhart**
- Frederick Taylor
- Kaoru Ishikawa

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 - Six sigma
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- **Perceived quality**
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 - Returned goods
 - **Testing labs**
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 - Do
 - **Check**
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13. Which of the following refers to a continuous measurement of an organization's products and processes against a company recognized as a leader in that industry?
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 - Gap analysis
 - Statistical process control
 - Continuous improvement
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15. Which of the following is a measure of how closely a product or service meets the specifications?
- **Quality of Conformance**
 - Continuous improvement
 - Competitive benchmarking
 - Statistical process control

Quiz

1. The goal of Total Quality Management is:
 - **Customer satisfaction**
 - Product differentiation
 - Brand equity
 - Acting globally

2. The most common form of quality control includes:
 - Planning
 - Organizing
 - **Inspection**
 - Directing

3. Process selection is primarily considered during:
 - **Planning**
 - Organizing
 - Leading
 - Controlling

4. The type of operation being carried out by an organization depends upon:
 - Degree of standardization
 - Volume of output
 - Demand
 - **Both (a) and (b)**

5. Repetitive processing results in output that is:
 - Highly standardized
 - Highly customized
 - **Partially customized**
 - None of the given options

6. Job shop and batch processing are differentiated on the basis of:
 - **Job requirements**
 - Degree of standardization
 - Volume of output
 - Both (b) and (c)

7. Automation is preferred because it:
 - Offers lesser dependence on workers
 - Results in reduction in variable cost
 - Offers easy handling of repetitive work
 - **All of the given options**

8. Product layout is preferably used for:
 - **Repetitive processing**
 - Intermittent processing
 - Both (a) and (b)

- Neither (a) nor (b)

9. Process layout is used for:

- Repetitive processing
- **Intermittent processing**
- Both (a) and (b)
- Neither (a) nor (b)

10. The most significant advantage of U-shaped layout is:

- Cost minimization
- Easy handling of process
- **Increased flexibility in work**
- All of the given options

11. The goal of motion study is to achieve:

- Cost minimization
- **Maximum efficiency**
- Profitability
- All of the given options

12. Location decisions are viewed primarily as part of:

- Marketing strategy
- Growth factors
- Financial aspect
- **Both (a) and (b)**

13. Regional factors for location planning include all of the following except:

- Raw materials
- Markets
- Labor considerations
- **Attitudes**

14. Transportation method is a _____ approach.

- **Quantitative**
- Qualitative
- Scientific
- All of the given options

15. Fredrick Taylor's concern for quality includes:

- Product inspection
- Gauging system
- Statistical control chart
- **Both (a) and (b)**

16. Kaoru Ishikawa is famous for:

- Statistical quality control

- **Fish bone diagram**
- Loss function concept
- All of the given options

17. Poor quality adversely affects:

- Costs
- Productivity
- Profitability
- **All of the given options**

18. _____ is intended to assess a company's performance In terms of environmental performance:

- **ISO 14000**
- ISO 9000
- Six sigma
- All of the given options

19. The purpose of ISO 9000 is to:

- **Promote quality standards to improve efficiency and productivity**
- Earn high profit
- Avoid unfavorable outcomes
- Gain high market share

20. A product performing consistently refers to which of the following dimensions of quality:

- Safety
- Conformance
- Durability
- **Reliability**

Quiz

1. **Fixed Position Layouts** are used when size, fragility, cost or other factors make it undesirable or impractical to move a product through a system.
2. The design of work systems involves job design, **work measurements** and compensation

3. The primary location options available to an existing organization include expanding the existing location, move to a new location, maintain existing facilities while adding additional facility or **do nothing.**
4. Most organizations are influenced by location of raw materials, **labor supply,** market considerations, community related factors, site related factors and climate.
5. ISO 9000 and ISO 14000 represent quality standards and **environment standards** respectively.
6. Two basic tools of process control are control charts and run tests.
7. The decision to shift or convert from Traditional Manufacturing System to Just in Time or Lean Systems could be **sequential** in order to help management have better control, first hand learning experience and more time for conversion from one system type to another.
8. The ultimate goal of a Just in Time System is to achieve a **balanced,** smooth flow of production.
9. **Logistics** involve movement of materials to and from the organization including shipment and distribution.
10. **Electronic Data Interchange** has increased productivity and accuracy in Supply Chain Management Systems.

Quiz

11. Key issues in inspection include where to inspect, how often to inspect and whether to inspect on site or **in a lab.**
12. Total Quality Management TQM has two important aspects first being **problem solving** and second being process improvement
13. **Sampling Plans** specify lot size, sample size, number of samples and acceptance/rejection criteria.
14. Aggregate planning establishes general level of employment, output and inventories for periods of **2 to 12 Months.**

15. Master schedule is prepared by desegregating the **Aggregate Plan.**
16. Inventory levels must be carefully planned in order to balance the **Holding Costs** of inventory and cost of providing levels of customer service
17. Economic Order Quantity (EOQ) and **Economic Production Quantity (EPO)** make use of the same set of assumptions except orders are received incrementally during production. .
18. To be successful MRP requires a computer program, accurate master schedule, **bills of material,** and inventory data.
19. Manufacturing Resources Planning (MRP II) and **Enterprise Resource Planning (ERP)** are natural extensions of MRP, which cover broader scopes as well as Supply Chain Managements.
20. **Process Layouts** group similar activities into departments or other work centers.

Quiz

6. The goal of Total Quality Management is:
 - **Customer satisfaction**
 - Product differentiation
 - Brand equity
 - Acting globally
7. The most common form of quality control includes:
 - Planning
 - Organizing
 - **Inspection**
 - Directing
8. Process selection is primarily considered during:
 - **Planning**
 - Organizing
 - Leading
 - Controlling
9. The type of operation being carried out by an organization depends upon:
 - Degree of standardization
 - Volume of output

➤ Demand

➤ **Both (a) and (b)**

10. Repetitive processing results in output that is:

➤ Highly standardized

➤ Highly customized

➤ **Partially customized**

➤ None of the given options

6. Job shop and batch processing are differentiated on the basis of:

➤ **Job requirements**

➤ Degree of standardization

➤ Volume of output

➤ Both (b) and (c)

7. Automation is preferred because it:

➤ Offers lesser dependence on workers

➤ Results in reduction in variable cost

➤ Offers easy handling of repetitive work

➤ **All of the given options**

8. Product layout is preferably used for:

➤ **Repetitive processing**

➤ Intermittent processing

➤ Both (a) and (b)

➤ Neither (a) nor (b)

9. Process layout is used for:

➤ Repetitive processing

➤ **Intermittent processing**

➤ Both (a) and (b)

➤ Neither (a) nor (b)

10. The most significant advantage of U-shaped layout is:

➤ Cost minimization

➤ Easy handling of process

➤ **Increased flexibility in work**

➤ All of the given options

11. The goal of motion study is to achieve:

➤ Cost minimization

➤ **Maximum efficiency**

➤ Profitability

➤ All of the given options

12. Location decisions are viewed primarily as part of:

- Marketing strategy
- Growth factors
- Financial aspect
- **Both (a) and (b)**

13. Regional factors for location planning include all of the following except:

- Raw materials
- Markets
- Labor considerations
- **Attitudes**

14. Transportation method is a _____ approach.

- **Quantitative**
- Qualitative
- Scientific
- All of the given options

15. Fredrick Taylor's concern for quality includes:

- Product inspection
- Gauging system
- Statistical control chart
- **Both (a) and (b)**

16. Kaoru Ishikawa is famous for:

- Statistical quality control
- **Fish bone diagram**
- Loss function concept
- All of the given options

17. Poor quality adversely affects:

- Costs
- Productivity
- Profitability
- **All of the given options**

18. _____ is intended to assess a company's performance In terms of environmental performance:

- **ISO 14000**
- ISO 9000
- Six sigma
- All of the given options

19. The purpose of ISO 9000 is to:

- **Promote quality standards to improve efficiency and productivity**
- Earn high profit
- Avoid unfavorable outcomes

- Gain high market share

20. A product performing consistently refers to which of the following dimensions of quality:

- Safety
- Conformance
- Durability
- **Reliability**

Quiz

21. Which of the following activities is unnecessary, when an organization decides to design its new product or service or refine its existing product or service:
- Translate customer wants and needs into product and service requirements
 - Refine existing products and services
 - Develop new products and services
 - **Manage the purchasing activities religiously and diligently.**
22. While focusing on capacity planning, organizations look for which of the following alternatives.
- **How much will it cost**
 - How much holidays the workers can enjoy.
 - How much compensation they need to pay to their CEO.
 - None of the above
23. Which of the following is not one of the assumptions for Cost Volume Analysis
- **One product is not involved**
 - Everything produced can be sold
 - Variable cost per unit is the same regardless of volume
 - Fixed costs do not change with volume
24. Which of the following does not fall under Economic Production Quantity (EPQ)
- **Only two or more items are involved**
 - Annual demand is known
 - Usage rate is constant
 - Usage occurs continually

25. Advantages of Process Layout Include
- **Equipment used is less costly**
 - Low unit cost.
 - Labor specialization.
 - Low material handling cost
26. Common types of Operations include
- Continuous Processing.
 - Intermittent Processing.
 - Automation
 - **All of the above**
27. System performance is measured by
- Average number of customers being refused service
 - Average time customers wait
 - System utilization
 - **b and c.**
28. Inventory carrying costs are influenced by:
- Order Quantity in Units
 - Holding carrying cost per unit.
 - Demand
 - **a and b only.**
29. Bar coding helps in determining the :
- Status of the inventory of an item in warehouse
 - Price of the product
 - Size of the lot as well as the size and specifications of the product
 - **All of the above**
30. Therbligs are basic elemental motions which include:
- Search
 - Select
 - Throw
 - **a and b only**

Quiz

Question # 1

Which of the following is not an attribute to classify services?

- Tangibility
- **Perish ability**
- Simultaneity
- Degree of Customer Contact

Question # 2

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

- Collecting and analyzing the appropriate data
- Determining the purpose of the forecast
- Choosing a forecasting technique
- **Setting up a time horizon or a time limit**

Question # 3

Forecasting accuracy has _____ relation with time horizon.

- **Inverse**
- Linear
- Direct
- Parallel

Question # 4

_____ is a wave like variations of more than one year's duration.

- **Cycle**
- Trend
- Seasonality
- Random variation

Question # 5

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

- Certainty
- **Uncertainty**
- Risk
- Bounded rationality

Question # 6

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

- Choose a forecasting technique.
- **Determine the purpose of the forecast.**
- **Set up a time horizon or a time limit**
- Collect and analyze the appropriate data.

Question # 7

Which one of the following forms of productivity has units of output per dollar input?

- **Capital**
- Energy
- Labor
- Machine

Question # 8

Which one of the following refers to a decision environment in which relevant parameters have known values?

- **Certainty**
- Uncertainty
- Risk
- Bounded rationality

Question # 9

To make operations strategy effective it should be:

- Independent of the organization's strategy
- **Consistent with the organization's strategy**
- Developed by a first line manager
- Independent of time dimension

Question # 10

Organizational strategies relate to which of the following sets of factors?

- Survival, profitability, growth rate and market share
- Profitability, survival, lead times and target market
- Quality, operating resources, growth rate and market share
- Scheduling, profitability, lead times and survival

Question # 11

All of the following are steps in forecasting process EXCEPT:

- Determine the purpose of the forecast
- Establish a time horizon
- **Assigning weights to the criteria**
- Monitor the forecast

Question # 12

Which one of the following is a pessimistic approach in decision making theory?

- **Maximin**
- Maximax
- Minimax regret
- Laplace

Question # 13

Which one of the following is used to generate consensus forecast?

- **Delphi method**
- Time series method
- Exponential smoothing
- Associative model

Question # 14

All of the following are examples of transformation process EXCEPT:

- Cutting

- Packing not sure
- Facilitating
- Labeling not sure

Question # 15

All of the following are examples of Qualitative forecasting except:

- Judgmental
- Delphi Method
- Consumer Survey
- Naïve Forecasting

MIDTERM EXAMINATION

FALL 2007

MGT613 - PRODUCTION / OPERATIONS

MANAGEMENT (Session - 5)

StudentID/LoginID: _____

Student Name: _____

Center Name/Code: _____

Exam Date: Wednesday, November 21, 2007

Marks: 40

Time: 120min

Question No: 1 (Marks: 1) - Please choose one

Operations manager is responsible for all of the following except:

- Forecasting
- Capacity planning
- Inventory management
- Distribution of organizations' goods

Question No: 2 (Marks: 1) - Please choose one

The sources of competitive advantage include :

- Price
- Quality
- Location
- All of the given options

Question No: 3 (Marks: 1) - Please choose one

External factors include all of the following except:

- Economic conditions

- Political conditions
- Competitive forces
- Human resources

Question No: 4 (Marks: 1) - Please choose one

A 35% chance of demand of 3000 units, 40% chance of demand of 2000 units and 25% chance of demand of 1000 units represent a state of:

- Certainty
 - Uncertainty
 - Risk
- None of the given options

Question No: 5 (Marks: 1) - Please choose one

_____ is an optimistic approach.

- Maximin
- Maximax
- Laplace
- Minimax regret

Question No: 6 (Marks: 1) - Please choose one

Using a simple three-period moving average forecast model, what would the forecast of demand be for the upcoming week 6? The historical demands are shown below:

Week	Demand
1	21
2	25
3	20
4	13
5	15

- 22 units
- 18.25 units
- 18.8 units
- 16 units

Question No: 7 (Marks: 1) - Please choose one

Technique for fitting a line to a set of points is called _____.

- Least square line
- Mean Squared Error (MSE)
- Mean absolute Deviation (MAD)
- Regression

Question No: 8 (Marks: 1) - Please choose one

Availability can be calculated by the formula:

- $(MTBF)/(MTBF+MTR)$
- $MTR/MTBF$
- $(MTBF)/(MTBF-MTR)$
- $(MTR)/(MTR-MTBF)$

Question No: 9 (Marks: 1) - Please choose one

The formula to calculate breakeven quantity is:

- $FC+ R+VC$
- $R/(FC-VC)$
- $FC/ (R-VC)$
- $VC / (R-FC)$

Question No: 10 (Marks: 1) - Please choose one

_____ is a user of resources to transform inputs into some desired outputs.

- **Productive system**
- Production system
- Supply chain management
- Lean production system

MC090410309 : Imran Ali Time Left 72 sec(s)

Quiz Start Time: 09:21 PM

Question # 1 of 15 (Start time: 09:21:04 PM) Total Marks: 1

Which one of the following is the overall objective of product and service design?

Select correct option:

Customer satisfaction and variety

Reliability and variety

Quality and reliability

Customer satisfaction and profitability

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 2 of 15 (Start time: 09:21:32 PM)

Total Marks: 1

Most of the organizations adopt a defensive design R&D Strategy in an attempt to prolong the life of the product by employing new packaging, redesigning it, improving its reliability. This is _____ phase in product life cycle.

Select correct option:

- Growth
- Maturity
- Saturation
- Decline

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 3 of 15 (Start time: 09:21:57 PM)

Total Marks: 1

Which one of the following is NOT a business application of forecasting?

Select correct option:

- Budgeting
- Capacity planning
- Inventory management
- Quality control

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 4 of 15 (Start time: 09:22:18 PM)

Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Select correct option:

- Multifactor
- Partial
- Single
- Total

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 5 of 15 (Start time: 09:22:53 PM)

Total Marks: 1

Flexible operations comes under the example of:

Select correct option:

- Strategy
- Tactics
- Mission
- Goals

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox
http://quiz.vu.edu.pk/QuizQuestion.aspx?ver=49874503-2178-4ae9-b2e1-9ad95d72d95f

MC090410309 : Imran Ali

Time Left 75 sec(s)

Quiz Start Time: 09:21 PM

Question # 6 of 15 (Start time: 09:24:05 PM) Total Marks: 1

A strategy that is narrower in scope and in more detail is:

Select correct option:

- Organizational Strategy
- Time and Quality Strategy
- Operational Strategy
- Manufacturing/Service Strategy

Click here to Save Answer & Move to Next Question

MC090410309 : Imran Ali

Time Left 76 sec(s)

Quiz Start Time: 09:21 PM

Question # 7 of 15 (Start time: 09:24:55 PM) Total Marks: 1

Materials, land, energy and human and capital resources are the examples of:

Select correct option:

- Inputs
- Transformation
- Outputs
- Productivity

Click here to Save Answer & Move to Next Question

MC090410309 : Imran Ali

Time Left 77 sec(s)

Quiz Start Time: 09:21 PM

Question # 8 of 15 (Start time: 09:25:18 PM)

Total Marks: 1

How organizations assure that the designed strategy is giving the required output or results?

Select correct option:

- Increase in demand of the product
- By measuring the productivity
- Environmental scanning
- Raw materials are effectively used

[Click here to Save Answer & Move to Next Question](#)

MC090410309 : Imran Ali

Time Left 77 sec(s)

Quiz Start Time: 09:21 PM

Question # 9 of 15 (Start time: 09:25:41 PM)

Total Marks: 1

Which of the following statements is TRUE about production system?

Select correct option:

- A user of resources to transform inputs into some desired outputs
- Enhancing value added services
- Only desired output in the form of products or manufactured goods
- Making efficient use of Internet technology

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 10 of 15 (Start time: 09:26:03 PM)

Total Marks: 1

The main constituents of the Quantitative methods of forecasting are?

Select correct option:

- Sales force composite
- Panel of executive opinion
- Consumer market survey
- Exponential smoothing

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 11 of 15 (Start time: 09:26:25 PM)

Total Marks: 1

Which one of the following is an outcome of Maximin criterion?

Select correct option:

- The best of the worst possible payoff
- The best possible payoff
- The best average payoff
- The least of the worst regrets

[Click here to Save Answer & Move to Next Question](#)

MC090410309 : Imran Ali

Time Left 78
sec(s)

Quiz Start Time: 09:21 PM

Question # 12 of 15 (Start time: 09:26:58 PM)

Total Marks: 1

Which one of the following refers to a decision environment in which relevant parameters have known values?

Select correct option:

- Certainty
- Uncertainty
- Risk
- Bounded rationality

[Click here to Save Answer & Move to Next Question](#)

MC090410309 : Imran Ali

Time Left 76
sec(s)

Quiz Start Time: 09:21 PM

Question # 13 of 15 (Start time: 09:27:21 PM)

Total Marks: 1

_____ allows the managers to anticipate the future so that they can plan accordingly.

Select correct option:

- Planning
- Controlling
- Forecasting
- Organizing

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 14 of 15 (Start time: 09:27:45 PM)

Total Marks: 1

Forecasts help managers by reducing the degree of:

Select correct option:

- Accuracy
- Precision
- Uncertainty
- Reliability

[Click here to Save Answer & Move to Next Question](#)

Quiz Start Time: 09:21 PM

Question # 15 of 15 (Start time: 09:28:07 PM)

Total Marks: 1

A gradual, long term upward or downward movement in data is referred to as:

Select correct option:

- Cycle
- Trend
- Seasonality
- Random variation

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

http://quiz.vu.edu.pk/QuizQuestion.aspx?ver=5d0d73dc-d3d5-49bf-8f9f-bdc79fdb602f

MC090410307 : Muhammad Ibrahim

Time Left 63 sec(s)

Quiz Start Time: 09:10 PM

Question # 1 of 15 (Start time: 09:10:57 PM) Total Marks: 1

As the size of the smoothing constant increases:

Select correct option:

- More weight is put on historic demand data.
- More weight is put on recent demand data.
- The sensitivity of the model decreases.
- The stability of the model increases.

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox
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MC090410307 : Muhammad Ibrahim

Time Left 61 sec(s)

Quiz Start Time: 09:10 PM

Question # 2 of 15 (Start time: 09:11:36 PM) Total Marks: 1

Which of the following statements describes an order-qualifier characteristic?

Select correct option:

- A competitive dimension used to make final decision among competitors
- A factor which directly and significantly contribute to winning business
- A factor which increases the profitability of the organization
- A factor perceived as a minimum standard as a potential for purchase

[Click here to Save Answer & Move to Next Question](#)

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MC090410307 : Muhammad Ibrahim

Time Left 73 sec(s)

Quiz Start Time: 09:10 PM

Question # 3 of 15 (Start time: 09:12:17 PM) Total Marks: 1

In exponential smoothing model, α denotes:

Select correct option:

- Smoothing constant
- Previous forecast
- Forecast error
- Actual forecast

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 69 sec(s)

Quiz Start Time: 09:10 PM

Question # 4 of 15 (Start time: 09:12:46 PM) Total Marks: 1

Which one of the following is the final stage of product life cycle?

Select correct option:

- Growth
- Decline
- Maturity
- Planning

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

http://quiz.vu.edu.pk/QuizQuestion.aspx?ver=b1e01140-c9a9-4d60-9de4-619e7415a7c0

MC090410307 : Muhammad Ibrahim

Time Left 75 sec(s)

Quiz Start Time: 09:10 PM

Question # 5 of 15 (Start time: 09:13:17 PM) **Total Marks: 1**

An organization has described its distinctive characteristics. So, what is the next step in formulating the strategy?

Select correct option:

- Productivity Measures
- Environmental scanning
- Selecting the market segment
- Competitor's distinctiveness

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 7 sec(s)

Quiz Start Time: 09:10 PM

Question # 6 of 15 (Start time: 09:13:42 PM) **Total Marks: 1**

Product life cycle is based on:

Select correct option:

- Price
- Place
- Demand
- Supply

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 61 sec(s)

Quiz Start Time: 09:10 PM

Question # 7 of 15 (Start time: 09:15:07 PM) Total Marks: 1

Which one of the following is an implication of laplace approach of decision making?

Select correct option:

- The best of the worst possible payoff
- The best possible payoff
- The best average payoff
- The least of the worst regrets

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 65 sec(s)

Quiz Start Time: 09:10 PM

Question # 8 of 15 (Start time: 09:15:48 PM) **Total Marks: 1**

Which of the following influences on the sales of a product is the most difficult to forecast?

Select correct option:

- Seasonal
- Trend
- Nonlinear trend
- Cyclical

[Click here to Save Answer & Move to Next Question](#)

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MC090410307 : Muhammad Ibrahim

Time Left 61 sec(s)

Quiz Start Time: 09:10 PM

Question # 9 of 15 (Start time: 09:16:24 PM) Total Marks: 1

The systematic plan of action with defined resources is called:

Select correct option:

- Competitiveness
- Strategy
- Productivity
- Flexibility

Click here to Save Answer & Move to Next Question

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 71 sec(s)

Quiz Start Time: 09:10 PM

Question # 10 of 15 (Start time: 09:17:03 PM) Total Marks: 1

Which one of the following strategies specifies how the firm will employ its production capabilities to support its corporate strategy?

Select correct option:

- Tactical
- Operations
- Manufacturing
- Production

Click here to Save Answer & Move to Next Question

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 67 sec(s)

Quiz Start Time: 09:10 PM

Question # 11 of 15 (Start time: 09:17:34 PM) Total Marks: 1

Within the operations function, which one of the following is a long-term management decision?

Select correct option:

- Control decision
- Non-operational decision
- Strategic decision
- Tactical decision

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 72 sec(s)

Quiz Start Time: 09:10 PM

Question # 12 of 15 (Start time: 09:18:07 PM) Total Marks: 1

Which of the following is not the true representation the concept of time series model?

Select correct option:

- Exponential smoothing
- Moving averages
- Naïve approach
- Linear regression

Click here to Save Answer & Move to Next Question

Quiz - Mozilla Firefox

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MC090410307 : Muhammad Ibrahim

Time Left 74 sec(s)

Quiz Start Time: 09:10 PM

Question # 13 of 15 (Start time: 09:18:34 PM) **Total Marks: 1**

All of the following are examples of transformation process EXCEPT:

Select correct option:

- Cutting
- Packing
- Facilitating
- Labeling

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox

http://quiz.vu.edu.pk/QuizQuestion.aspx?ver=57f9cdc6-dba7-4b1d-a754-108d085cdb62

MC090410307 : Muhammad Ibrahim

Time Left 67 sec(s)

Quiz Start Time: 09:10 PM

Question # 14 of 15 (Start time: 09:19:00 PM) Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Select correct option:

- Multifactor
- Partial
- Single
- Total

[Click here to Save Answer & Move to Next Question](#)

Quiz - Mozilla Firefox
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MC090410307 : Muhammad Ibrahim

Time Left 79 sec(s)

Quiz Start Time: 09:10 PM

Question # 15 of 15 (Start time: 09:19:37 PM) Total Marks: 1

Sequence of data points that are measured typically at successive times at regular time intervals is known as:

Select correct option:

- Moving average
- Weighted moving average
- Time series
- Forecasts

[Click here to Save Answer & Move to Next Question](#)

Production Operations Management - MGT613
Lecture no.01 to 19
Mehreen Humayun

Question # 1 of 15 (Start time: 03:51:48 PM) Total Marks: 1

When using exponential smoothing how the smoothing constant can be determined?

With the help of the accuracy of the previous forecasts

By using MAD (Mean Absolute deviation)

By choosing to maximize positive bias

By using random variations

Question # 2 of 15 (Start time: 03:53:21 PM) Total Marks: 1

Which of the following statements describes an order-qualifier characteristic?

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Question # 3 of 15 (Start time: 03:53:55 PM) Total Marks: 1

Decision Tree is read from:

Right to left

Left to right

Top to bottom

Bottom to top

Question # 4 of 15 (Start time: 03:54:43 PM) Total Marks: 1

Which one of the following formula can be used to compute break even point?

$$Q = FC / (R + VC)$$

$$Q = VC / (R + FC)$$

$$Q = VC / (R - VC)$$

$$**Q = FC / (R - VC)**$$

Question # 5 of 15 (Start time: 03:56:05 PM) Total Marks: 1

Which of the following is NOT usually considered a general characteristic of a service?

Degree of customer contact is high

Production and sales cannot easily be separated functionally

Many services involve both tangible and intangible outputs

Production and consumption can always be separated

Question # 6 of 15 (Start time: 03:57:27 PM) Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Multifactor

Partial

Single

Total

Question # 7 of 15 (Start time: 03:57:52 PM) Total Marks: 1

A strategy that is narrower in scope and in more detail is:

Organizational Strategy

Time and Quality Strategy

Operational Strategy

Manufacturing/Service Strategy

Question # 8 of 15 (Start time: 03:58:29 PM) Total Marks: 1

Services differ from manufacturing in all the following ways EXCEPT:

Customers typically interact directly with the service delivery process
Consumption and production take place simultaneously.
Services are intangible.
Services can be stored.

Question # 9 of 15 (Start time: 03:58:52 PM) Total Marks: 1

In terms of operations management the forecast which projects a company's sales is called:

Economic forecast
Technological forecast
Demand forecast
Associative model

Question # 10 of 15 (Start time: 04:00:13 PM) Total Marks: 1

More routine purchasing, handling and inspection is an example of:

Customization
Mass Customization
Standardization
None of the above

Question # 11 of 15 (Start time: 04:00:48 PM) Total Marks: 1

Forecasting or prediction for organizations will always be:

Failure
Success
Sometimes failure and sometimes success
Complex

Question # 12 of 15 (Start time: 04:01:27 PM) Total Marks: 1

How organizations assure that the designed strategy is giving the required output or results?

Increase in demand of the product
By measuring the productivity
Environmental scanning
Raw materials are effectively used

Question # 13 of 15 (Start time: 04:02:24 PM) Total Marks: 1

Which one of the following refers to the volume of output at which total cost equals total revenue?

Optimal operating rate
Break even point
Feasible volume

Utilization

Question # 14 of 15 (Start time: 04:02:54 PM) Total Marks: 1

“Business forecasting is only used for predicting demand”. This statement is

Totally right

Totally wrong

Partially right

None of the above

Question # 15 of 15 (Start time: 04:04:23 PM) Total Marks: 1

Which one of the following is a characteristic of a continuous process?

High lead times

Short process times

The ability to handle high variety

The ability to handle high volumes

Quiz

Question # 1

Organizational strategy is different from operations strategy because it is:

- Prepared by middle managers
- Narrower in scope
- **Longer in time horizon**
- All of the above

Question # 2

Which of the following influences on the sales of a product is the most difficult to forecast?

- Seasonal
- Trend
- Nonlinear trend
- Cyclical

Question # 3

A tool to measure effective use of resources and usually expressed as the ratio of output to input is known as:

- Production ratio
- **Productivity**
- Reliability
- Operations ratio

Question # 4

Which of the following favors adopting a " to for it " strategy?

- Maximin
- **Maximax**

- Minimax regret
- Laplace

Question # 5

Which one of the following refers to a decision environment in which relevant parameters have known values?

- **Certainty**
- Uncertainty
- Risk
- Bounded rationality

Question # 6

All of the following are examples of transformation process EXCEPT:

- **Cutting**
- Packing
- Facilitating
- Labeling

Question # 7

Which one of the following is NOT used for decision making under uncertainty?

- Maximax
- Maximin
- **Minimax regret**
- EMV criterion

Question # 8

Which of the following statements corresponds to an order-winning characteristic?

- A factor which may be significant in other parts of the organization
- **A factor which gives an organization a competitive edge**
- A factor which serves as a minimum standard for purchase
- A factor which increases the profitability of the organization

Quiz

Question # 1

Which one of the following is an implication of Laplace approach of decision making?

- The best of the worst possible payoff
- The best possible payoff
- **The best average payoff**
- The least of the worst regrets

Question # 2

Which of the following functions of an organization consists of all activities directly related to production of goods or services?

- **Operations**

- Marketing
- Accounting
- Finance

Question # 3

The role of a ----- manager is to sustain, protect, and project the company's operations side.

- Project manager
- **Operations manager**
- Finance manager
- Marketing manager

Question # 4

Which ONE of the following forms a bridge between two islands of Engineering and Management?

- Production Engineering
- **Operations Management**
- Industrial Management
- Operations Engineering

Question #5

The forecasting model that attempts to predict the future value based on the past data is known as:

- Delphi Method
- **Time series Analysis**
- Associative Models
- Naïve Forecasting

Question # 6

Which one of the following forecasting techniques is used to identify a trend when data is neither growing nor declining rapidly and has no seasonal characteristics.

- Simple moving average
- Delphi method
- Trend adjusted forecast
- Naïve Forecast

Question #7

How organizations assure that the designed strategy is giving the required output or results?

- Increase in demand of the product
- By measuring the productivity
- Environmental scanning
- Raw materials are effectively used

Question #8

Services differ from manufacturing in all the following ways EXCEPT:

- Customers typically interact directly with the service delivery process
- Consumption and production take place simultaneously
- **Services are intangible**
- Services can be stored

Question # 9

Which one of the following formula of function can be used to measure the performance?

- Flexibility + profit + operations
- Work + profit + value
- **Quality + speed + flexibility**
- Profit + incentives + standards

Question # 10

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- Multifactor
- Partial
- Single
- **Total**

Question # 11

Within the operations function which one of the following is a long-term management decision?

- Control decision
- Non-operational decision
- **Strategic decision**
- Tactical decision

Question # 12

Which one of the following forms of productivity has units of output per dollar input?

- **Capital**
- Energy
- Labor
- Machine

LATEST QUIZ OF MIAN ADEEL SOLVED BY Admin Binish

During online quiz conference help of mgt613

aadi.mian: MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 1 of 15 (Start time: 09:22:27 PM) Total Marks: 1

Which of the following is an internal failure cost?

Select correct option:

Liability cost
Interest cost
Rework cost
Loss of future business cost

REFERENCE by ADMIN BINISH DURING CONFERENCE

Internal Failure Costs Internal Failure Costs: costs incurred when substandard products are produced but discovered before shipping to customer

Types of Internal Failure Costs: yield losses: material, labour, capacity, etc., that is lost when a defective item must be scrapped

rework costs: the cost of correcting a defective item by reworking it

aadi.mian: MCo90204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 2 of 15 (Start time: 09:23:48 PM) Total Marks: 1

Which one of the following manufacturing process is associated with high volume car manufacture?

Select correct option:

Job shop

Assembly line

Batch

Automation

reference by Admin Binish during conference:

The process structure/process life cycle dimension describes the process choice (job shop, batch, assembly line, and continuous flow) and process structure (jumbled flow, disconnected line flow, connected line flow and continuous flow) while the product structure/product life cycle describes the four stages of the product life cycle (low volume to high volume) and product structure (low to high standardization).

aadi.mian: MCo90204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 3 of 15 (Start time: 09:24:35 PM) Total Marks: 1

Which method of forecasting is the most widely used?

Select correct option:

Regression analysis

Adaptive forecasting

Weighted moving average

Exponential smoothing

reference by Admin Binish during conference
Exponential smoothing is a widely method used of forecasting

aadi.mian: MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 89

sec(s)

Question # 4 of 15 (Start time: 09:25:44 PM) Total Marks: 1

A product 'A' is specified to work well up to 30 degree Celsius temperature and 30% humidity. What would these specifications represent?

Select correct option:

Reliability factor

Standard conditions

Normal operating conditions

Standard operating procedure

reference by Admin Binish during conference

Ref: The ability of a product, part, or system to perform its intended function under a prescribed set of conditions. Page No.49

aadi.mian: MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 5 of 15 (Start time: 09:26:54 PM) Total Marks: 1

Which one of the following correctly explains the elements of a good forecast?

Select correct option:

Timely, having a purpose, accurate, written, reliable, meaningful

Timely, accurate, judgmental, correctness, verbal, simple to use

Timely, accurate, reliable, meaningful, written, simple to use

Timely, accurate, reliable, consistent, meaningful, written, simple to use

reference by Admin Binish during conference

element of a good forecasting

1-timely

2-accurate

3- reliable

4-meaningfull units

5-in writing

6-simple to under stand and use

7-cost-effective

aadi.mian: MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 89

sec(s)

Question # 6 of 15 (Start time: 09:27:43 PM) Total Marks: 1

_____ method of evaluation of quality allows the inspectors to make decisions about whether a product / service meets the specifications?

Select correct option:

Measuring attributes

Measuring variables

Measuring dimensions

None of the above

reference by Admin Binish Awais in conference

The other way to measure conformance to specifications is to use variables, i.e., characteristics such as weight, length, volume, or time that can be measured on a continuous scale. Sampling plans based on variables also help assess problems with the production process being used.

aadi.mian: MCo90204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 87

sec(s)

Question # 7 of 15 (Start time: 09:29:15 PM) Total Marks: 1

Which one of the following is a curve showing failure rate over time?

Select correct option:

Cost curve

Bath tub curve

Fish bone diagram

Reliability curve

reference by Admin Binish Awais during conference

A plot of the failure rate over time for most products yields a curve that looks like a drawing of a bathtub.

aadi.mian: MCo90204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 90

sec(s)

Question # 8 of 15 (Start time: 09:30:16 PM) Total Marks: 1

In six sigma process, _____ stage comes after the "Analyze" stage

Select correct option:

Control

Improve

Choose

reference by Admin Binish Awais during conference

Define, Measure, Analyze, Improve, Control

MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 87

sec(s)

Question # 9 of 15 (Start time: 09:31:48 PM) Total Marks: 1

ABC organization, actively engaged in continuous improvements, trains its work teams to use the PDCA for problem solving. The documentation of process by analyzing data, setting of qualitative goals comes in which of the following stage of PDCA?

Select correct option:

Plan

Do

Check

Act

Reference by Admin Binish during conference

: Reference: PLAN STAGE

Ø Study & Document the existing process.

Ø Collect data to identify problems.

Ø Survey data and develop a plan for improvement.

Ø Specify measures for evaluating the plan.

aadi.mian: MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 10 of 15 (Start time: 09:34:00 PM) Total Marks: 1

Which of the following is NOT usually considered a general characteristic of a service?

Select correct option:

Degree of customer contact is high

Production and sales cannot easily be separated functionally

Many services involve both tangible and intangible outputs

Production and consumption can always be separated

aadi.mian: MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 11 of 15 (Start time: 09:35:29 PM) Total Marks: 1

Which one the following is an assumption of center of gravity method?

Select correct option:

The quantity to be shipped is variable

The quantity to be shipped is fixed

The quantity carries no value

The quantity to be shipped should be extraordinarily high

reference by Admin Binish during conference

Slide 27

- **ref:-Center of Gravity Method *assumption is that (The quantity to be shipped to each destination is assumed to be fixed)**

aadi.mian: MC090204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 12 of 15 (Start time: 09:36:25 PM) Total Marks: 1

The industrial revolution came into;

Select correct option:

1770

1920

1911

1815

reference by Admin Binish during conference

1770 – 1775

With the Industrial Revolution and the development of factories, people were transitioning from country life to industrial centers as mass production became popular.

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Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 13 of 15 (Start time: 09:37:14 PM) Total Marks: 1

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

Select correct option:

Multifactor

Partial

Single

Total

Reference by Admin Binish during conference

multifactor productivity looks at a combination of production inputs (or factors): labor, materials, and capital. In theory, it's a more comprehensive measure than labor productivity,

aadi.mian: MCo90204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 14 of 15 (Start time: 09:38:13 PM) Total Marks: 1

Which of the following management level is responsible for long-range capacity planning?

Select correct option:

Lower management

Middle management

Top management

All the management levels

reference by Admin Binish during conference top management level is responsible for long-range capacity planning

aadi.mian: MCo90204289 : Mian Adeel

Quiz Start Time: 09:22 PM

Time Left 88

sec(s)

Question # 15 of 15 (Start time: 09:38:59 PM) Total Marks: 1

In _____ sampling, one random sample is drawn from each lot

Select correct option:

Single

Double

Multiple

None of the above

MGT613 QUIZ

Which of the following is not an attribute to classify services?

Select correct option:

Tangibility

Perish ability

Simultaneity

Degree of Customer Contact

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

Select correct option:

Collecting and analyzing the appropriate data

Determining the purpose of the forecast

Choosing a forecasting technique

Setting up a time horizon or a time limit

Forecasting accuracy has _____ relation with time horizon.

Select correct option:

Inverse

Linear

Direct

Parallel

_____ is a wave like variations of more than one year's duration.

Select correct option:

Cycle

Trend

Seasonality

Random variation

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

Select correct option:

Certainty

Uncertainty

Risk

Bounded rationality

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

Select correct option:

Choose a forecasting technique.

Determine the purpose of the forecast.

Set up a time horizon or a time limit

Collect and analyze the appropriate data.

Which one of the following forms of productivity has units of output per dollar input?

Select correct option:

Capital

Energy

Labor

Machine

Which one of the following refers to a decision environment in which relevant parameters have known values?

Select correct option:

Certainty

Uncertainty

Risk

Bounded rationality

To make operations strategy effective it should be:

Select correct option:

- Independent of the organization's strategy
- Consistent with the organization's strategy
- Developed by a first line manager
- Independent of time dimension

Organizational strategies relate to which of the following sets of factors?

Select correct option:

- Survival, profitability, growth rate and market share
- Profitability, survival, lead times and target market
- Quality, operating resources, growth rate and market share
- Scheduling, profitability, lead times and survival
- All of the following are steps in forecasting process EXCEPT:

Select correct option:

- Determine the purpose of the forecast
- Establish a time horizon
- Assigning weights to the criteria
- Monitor the forecast

Which one of the following is a pessimistic approach in decision making theory?

Select correct option:

- Maximin
- Maximax
- Minimax regret
- Laplace

Which one of the following is used to generate consensus forecast?

Select correct option:

- Delphi method
- Time series method
- Exponential smoothing
- Associative model

All of the following are examples of transformation process EXCEPT:

Select correct option:

- Cutting
- Packing not sure
- Facilitating
- Labeling not sure

All of the following are examples of Qualitative forecasting except:

Select correct option:

Judgmental
Delphi Method
Consumer Survey
Naïve Forecasting not sure

MGT613 _Solved Quiz

1. ----- is the maximum output rate or service capacity an operation, process or facility.
 1. Efficiency
 2. Effective Capacity
 3. **Design Capacity**
2. ----- is the rate of output actually achieved.
 1. **Actual Output**
 2. Design Capacity
 3. Utilization
3. A knowledge of economies and diseconomies of scale is -----
 1. **Important for operations manager**
 2. Not Important for operations manager
 3. It makes no difference
4. If the output rate is less than the optimal level, increasing output rate results in ----
----- average unit cost
 1. Increasing
 2. **Decreasing**
 3. Stabilizing
5. As the output is increased, the unit cost is decreased because
 1. Of external factors
 2. **Because there are more units to absorb the fixed costs**
 3. None of the above
6. as the general capacity of the plant increased, the optimal output rate increases and the minimal cost for the optimal rate
 1. **Decreases**
 2. Increases
 3. It has no effect with the output rate
7. The primary purpose of cost- volume analysis is
 1. **To estimate the income of an organization**
 2. To analyze initial costs incurred under different operating conditions
 3. Both A and B
8. variable costs vary ----- with volume of output
 1. Inversely
 2. **Directly**
9. ----- refers to the way, an organization chooses to produce its goods or services
 1. **Process selection**
 2. Capacity planning
 3. Cost volume analysis

10. Ice cream is an example of
1. **Batch processing**
 2. Job shop
 3. Repetitive processing

2010 sec 6

Question No: 1 (Marks: 1) - Please choose one

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ Which market areas to manufacture the products for?

Question No: 2 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ Multifactor
- ▶ Partial
- ▶ Single
- ▶ Total

...

Question No: 3 (Marks: 1) - Please choose one

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

- ▶ Operations
- ▶ Marketing
- ▶ Accounting
- ▶ Finance

Question No: 4 (Marks: 1) - Please choose one

Which of the following is NOT a decision to be made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ Which market areas to manufacture the products for?

Question No: 5 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

- ▶ Independent of the organization's strategy
- ▶ Consistent with the organization's strategy
- ▶ Developed by a first line manager
- ▶ Independent of time dimension

Question No: 6 (Marks: 1) - Please choose one

Which one of the following factors provides a basis for comparing alternative forecasting techniques?

- ▶ Time dimension
- ▶ Reliability factor
- ▶ Degree of accuracy
- ▶ Measuring units

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting technique is based on historical data?

- ▶ Time series
- ▶ Qualitative
- ▶ Judgmental
- ▶ Associative

(Zh,vuzs, nov10)

Question No: 8 (Marks: 1) - Please choose one

Which one of the following involves completing a series of questionnaires each developed from the previous one, to achieve a consensus forecast?

- ▶ Consumer surveys
- ▶ Executive opinion
- ▶ Time series forecast
- ▶ Delphi method

Question No: 9 (Marks: 1) - Please choose one

In which one of the following situations, the use of a decision tree is required instead of a payoff table?

- ▶ When there are more than three states of nature
- ▶ When there are more than three decision payoffs
- ▶ When the decision situation encompasses an extended time period
- ▶ When a series of decisions is required

Page:28 under the heading of decision tree

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an index used to measure actual output relative to design capacity?

- ▶ Efficiency
- ▶ Effective capacity
- ▶ Effectiveness
- ▶ Utilization

Question No: 11 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

- ▶ Introduction
- ▶ Growth
- ▶ Maturity
- ▶ Decline

Question No: 12 (Marks: 1) - Please choose one

Which of the following statements is correct about capacity evaluating alternatives?

- ▶ Minimum cost and optimal operating rate are functions of size of plant.
- ▶ Minimum cost and optimal operating rate are functions of fixed cost.
- ▶ Minimum cost and productivity are functions of size of plant.
- ▶ Maximum cost and optimal operating rate are functions of size of plant.

Question No: 13 (Marks: 1) - Please choose one

What would be the required cycle time for a process that operates 9 hours daily with a desired output of 300 units per day?

- ▶ 0.03 minutes
- ▶ 1.8 minutes
- ▶ 2700 minutes
- ▶ 291 minutes

Question No: 14 (Marks: 1) - Please choose one

Which of the following factors are considered in product and service design?

- ▶ Customer satisfaction, quality, and improvement costs
- ▶ Employee motivation, quality, and production costs
- ▶ Customer satisfaction, flexibility, and production costs
- ▶ Customer satisfaction, quality, and production costs

Question No: 15 (Marks: 1) - Please choose one

Which one of the following mathematical expressions can be used to compute availability?

- ▶ $(MTBF) / (MTBF + MTR)$
- ▶ $(MTBF) / (MTBF - MTR)$
- ▶ $(MTR) / (MTBF + MTR)$
- ▶ $(MTR) / (MTBF - MTR)$

Question No: 16 (Marks: 1) - Please choose one

The advantages of specialization to management include all of the following EXCEPT:

- ▶ Rapid training of the workforce
- ▶ Ease in recruiting new workers
- ▶ Fewer turnovers
- ▶ Less boredom for workers

Question No: 17 (Marks: 1) - Please choose one

Which one of the following refers to the length of time needed to complete a job?

- ▶ Work sampling methods
- ▶ Work measurement
- ▶ Job design
- ▶ Methods analysis

Question No: 18 (Marks: 1) - Please choose one

Which one of the following management functions is based on forecasting?

- ▶ Planning
- ▶ Organizing
- ▶ Leading
- ▶ Controlling

Question No: 19 (Marks: 1) - Please choose one

Which one of the following is TRUE about the importance of capacity planning?

- ▶ It is profitable
- ▶ It increase the capacity of productive unit
- ▶ It helps managers quantify production capability
- ▶ It establishes good relationship with the customer

(Zk,vuzs,nov10)

Question No: 20 (Marks: 1) - Please choose one

The type of processing structure that is used for producing discrete products at higher volume is:

- ▶ Continuous Flow
- ▶ Assembly Line
- ▶ Batch
- ▶ Job shop

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is TRUE about work sampling?

- ▶ It describes individual human motions that are used in a job task
- ▶ It involves determining the length of time it will take to undertake a particular task
- ▶ It involves determining the amount of time a worker spends on various activities
- ▶ It provides standard times for micro motions such as reach, move and release

Question No: 22 (Marks: 1) - Please choose one

Which of the following best describes the concept of the value chain?

- ▶ The step-wise increases in product prices as raw materials are turned into goods/services
- ▶ Adding financial value to an organization through the acquisition of other firms
- ▶ A sequence of activities that involve movement of materials in a production facility
- ▶ All steps in the transformation process that add value even if they don't come from manufacturing

Question No: 23 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ Operational strategy
- ▶ Tectical strategy

Question No: 24 (Marks: 1) - Please choose one

Which one of the following represents the series of a time forecast?

- ▶ Averaging, cycle, seasonality, random variations
- ▶ Trend, seasonality, exponential smoothing
- ▶ Trend, cycle, seasonality, moving average
- ▶ Trend, cycle, seasonality, random variations \

(zh,vuzs, handouts. Nov10)

Question No: 25 (Marks: 1) - Please choose one

The purpose of _____ is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

- ▶ Total quality control
- ▶ Demand management
- ▶ Forecasting
- ▶ Operations management

Question No: 26 (Marks: 1) - Please choose one

Which relationship exists between the robustness of a product and the probability of failure?

- ▶ Positive relation
- ▶ Direct relation
- ▶ Inverse relation
- ▶ Negative relation

Question No: 27 (Marks: 1) - Please choose one

Which of the following refers to the way an organization chooses to produce its goods or services?

- ▶ Process selection
- ▶ Process reengineering
- ▶ Process redesign
- ▶ Process design

Question No: 28 (Marks: 1) - Please choose one

The formula for determining the required cycle time is operation time per day divided by:

- ▶ Sum of task times
- ▶ Actual output per day (in units)
- ▶ Number of workstations
- ▶ Desired output (in units)

Question No: 29 (Marks: 3)

Write down the characteristics of well designed service system?

ANS

1. A well designed system should be well versed with organization vision & mission.
2. It should cost effective
3. User friendly & sustainable.
4. It should have ability to make effective link between front & backend operations.

5. Accommodation of variable changes in future.
6. Simple requirements & handling few customer at every customer centre.

Question No: 30 (Marks: 3)

What qualities does a successful job design contain?

ANS: A successful job design contains following qualities.

1. Carried out by experience personal who have necessary training & background.
2. Consistent with goals of organization
3. Shared with new employees
4. In documented Form
5. Understood & agreed by both management & employees
6. Factors that affect job design.

Question No: 31 (Marks: 5)

Suppose you want to estimate the time required to perform a certain task by the two employees. One employee's study yielded a mean of 6.4 minutes and standard deviation of 2.1 minutes with 95% confidence Interval. Other employee's study yielded a mean of 2.1 minutes and standard deviation of 6.4 minutes with confidence interval of 95%. Now how many observations you will need if desired maximum error is 10% of sample mean?(z= 1.96) Do both the employees have same number of observations?

ANS:

Employee # 1 :

Mean time = X = 6.4mints

Standard Deviation = S = 2.1mint.

z = 1.96

error = A = 10% = 0.1

$n = (zs/ax)^2$

$= [(1.96) (2.1)/(0.1)(6.4)]^2$

$= [4.116/0.64]^2$

$= (6.43125)^2$

$= 41.36$

41 observations

Employee # 2 :

Mean time = X = 2.1mints

Standard Deviation = S = 6.4mint.

z = 1.96

error = A = 10% = 0.1

$n = (zs/ax)^2$

$$= [(1.96) (6.4)/(0.1)(2.1)]^2$$

$$= [12.544/0.21]^2$$

$$= (59.733)^2$$

$$= 3568.03$$

3568 observations

Question No: 32 (Marks: 5)

In some organizations capacity planning takes place very regularly and in some it takes place seldom. What are the factors that influence the frequency of capacity planning?

2010 sec 5

MIDTERM EXAMINATION

Spring 2010

MGT613- Production / Operations Management (Session - 5)

Time: 60 min

Question No: 1 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

- ▶ Capital
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 2 (Marks: 1) - Please choose one

Operations manager is responsible for all of the following EXCEPT:

- ▶ Forecasting
- ▶ Capacity planning
- ▶ Inventory management
- ▶ Distributing organizations' goods

Question No: 3 (Marks: 1) - Please choose one

Which of the following is NOT a decision to be made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ Which market areas to manufacture the products for?

Question No: 4 (Marks: 1) - Please choose one

All of the following are the decision areas of an operations manager EXCEPT:

- ▶ Inventory management
- ▶ Scheduling tasks
- ▶ Supply chain management
- ▶ Financial reporting

Question No: 5 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ (Quality + Speed – Flexibility) / Cost
- ▶ (Quality + Speed+ Flexibility) / Cost
- ▶ (Quality + Speed - Cost) / Flexibility
- ▶ (Quality + Speed+ Cost) / Flexibility

Question No: 6 (Marks: 1) - Please choose one

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

- ▶ Quantitative forecast
- ▶ Time series forecast
- ▶ Consumer survey
- ▶ Executive opinion

Question No: 7 (Marks: 1) - Please choose one

Which one of the following involves completing a series of questionnaires each developed from the previous one, to achieve a consensus forecast?

- ▶ Consumer surveys
- ▶ Executive opinion
- ▶ Time series forecast
- ▶ Delphi method

Question No: 8 (Marks: 1) - Please choose one

In which one of the following situations, the use of a decision tree is required instead of a payoff table?

- ▶ When there are more than three states of nature
- ▶

When there are more than three decision payoffs

- ▶ When the decision situation encompasses an extended time period
- ▶ When a series of decisions is required

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is an implication of laplace approach of decision making?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff
- ▶ The best average payoff
- ▶ The least of the worst regrets

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ The forecast lags behind the actual
- ▶ The forecast represents demand more accurately
- ▶ The forecast will not be accurate

▶ The forecast will not be reliable

Question No: 11 (Marks: 1) - Please choose one

Which of the following is a system designed to coordinate all activities and information needed to complete business processes?

- ▶ Enterprise resource planning
- ▶ Supply chain management
- ▶ New product development
- ▶ Customer relationship management

Question No: 12 (Marks: 1) - Please choose one

Which of the following is NOT a characteristic of product layouts?

- ▶ High material handling costs
- ▶ Sequential arrangement of machines
- ▶ Standardized output
- ▶ Continuous production system

Question No: 13 (Marks: 1) - Please choose one

What would be the required cycle time for a process that operates 9 hours daily with a desired output of 300 units per day?

- ▶ 0.03 minutes
- ▶ 1.8 minutes
- ▶ 2700 minutes
- ▶ 291 minutes

Question No: 14 (Marks: 1) - Please choose one

Which of the following factors are considered in product and service design?

- ▶ Customer satisfaction, quality, and improvement costs
- ▶ Employee motivation, quality, and production costs
- ▶ Customer satisfaction, flexibility, and production costs
- ▶ Customer satisfaction, quality, and production costs

Question No: 15 (Marks: 1) - Please choose one

In order to comply with the environmental standards, an organization ABC has to implement Occupational Safety Hygiene Administration (OSHA). Which one of the following is a way to accomplish this task?

- ▶ Promoting friendly relations among employees
- ▶ Installing safety guards and devices to reduce the risk of potential accidents
- ▶ Installing machinery to make the process speedy
- ▶ Installing machinery that provides cost effective output

Question No: 16 (Marks: 1) - Please choose one

Which one of the following is TRUE about Taguchi approach?

- ▶ To test the robustness of a design
- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Question No: 17 (Marks: 1) - Please choose one

Which one of the following refers to a design that takes into account organization's operational capabilities, when designing a product?

- ▶ Design for assembly
- ▶ Design for manufacturing
- ▶ Design for recycling
- ▶ Design for disassembly

Question No: 18 (Marks: 1) - Please choose one

Which one of the following mathematical expressions can be used to compute availability?

- ▶ $(MTBF) / (MTBF + MTR)$
- ▶ $(MTBF) / (MTBF - MTR)$
- ▶ $(MTR) / (MTBF + MTR)$
- ▶ $(MTR) / (MTBF - MTR)$

Question No: 19 (Marks: 1) - Please choose one

Forecasting accuracy has _____ relation with time horizon.

- ▶ Inverse
- ▶ Linear
- ▶ Direct
- ▶ Parallel

Question No: 20 (Marks: 1) - Please choose one

Which one of the following factors makes a forecast LESS perfect?

- ▶ Randomness
- ▶ Non serious attitude
- ▶ Non availability of data
- ▶ Un qualified personnel

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is a key benefit of process plant strategy?

- ▶ Economies of scale
- ▶ Diseconomies of scale
- ▶ Product variety
- ▶ Task specialization

Question No: 22 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- ▶ Job shop
- ▶ Batch processing
- ▶ Assembly line
- ▶ Continuous processing

Question No: 23 (Marks: 1) - Please choose one

Which of the following is NOT mark of a good layout in manufacturing?

- ▶ Bottleneck operations
- ▶ Straight line flow pattern (or adaption)
- ▶ Work stations close together
- ▶ Open plant floors (high visibility)

Question No: 24 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

- ▶ Customers typically interact directly with the service delivery process.
- ▶ Consumption and production take place simultaneously.
- ▶ Services are intangible.
- ▶ Services can be stored.

Question No: 25 (Marks: 1) - Please choose one

All of the following are examples of time based strategies EXCEPT:

- ▶ Products /service design time
- ▶ Processing time
- ▶ Response time for complaints
- ▶ Response time for innovation

Question No: 26 (Marks: 1) - Please choose one

Which one of the following statements relates to the final stage of product life cycle?

- ▶ Improve reliability, and reduce production costs
- ▶ Improve packaging, and reliability
- ▶ Improve reliability, and reduce quality
- ▶ Improve reliability, and reduce promotion costs

Question No: 27 (Marks: 1) - Please choose one

Which one of the following is responsible for administering environmental issues about product and service design?

- ▶ Central Board of Revenue
- ▶ Environmental Protection Agency
- ▶ Federal Drug Agency
- ▶ Occupational Safety Hygiene Administration

Question No: 28 (Marks: 1) - Please choose one

Which of the following layouts facilitates the handling of varied processing requirements?

- ▶ **Product layout**
- ▶ **Process layout**
- ▶ **Fixed-position layout**
- ▶ **Hybrid/Combination layout**

Question No: 29 (Marks: 3)

How many multiple plant strategies are used in a company having multiple manufacturing facilities?

Answer:

Mostly following are the below given multiple manufacturing facilities are used With combination in plant strategies;

- **Product plant strategy**
- **Market area plant strategy**
- **Process plant strategy**

Question No: 30 (Marks: 3)

What are the key steps involved in formulating a capacity planning strategy?

Answer:

Following are the key steps involved in formulating a capacity planning strategy;

Steps for formulating a Capacity Planning Strategy

1. **Estimate future capacity requirements**
2. **Evaluate existing capacity**
3. **Identify alternatives**
4. **Conduct financial analysis**
5. **Assess key qualitative issues**
6. **Select one alternative**
7. **Implement alternative chosen**
8. **Monitor results**

Question No: 31 (Marks: 5)

Suppose you are the operations manager of ABC Corporation. To develop competence in business operations, you have to decide either to rely on the facilities available in-house or outsource. What are some of the factors you would base the decision on?

Answer:

Following are the factors which are available to us in order to decide whether to develop a competence in house or outsource competent organization to supply that product, service or particular expertise.

1. Available capacity if an organization has the equipment, necessary skills and time, it often makes sense to produce an item or perform a service in house. The additional costs would be relatively small compared with those required to buy items or subcontract them.

2. Expertise. If a firm lacks the expertise to do a job satisfactorily, buying might be a reasonable alternative.

3. Quality considerations. Firms that specialize can usually offer higher quality than an organization can attain itself. Conversely, special quality requirements or the ability to closely monitor quality may cause an organization to perform a job itself.

4. Nature of demand. When demand for an item is high and steady, the organization is often better off doing the work itself. However, wide fluctuations in demand or small orders are usually better handled by specialists, who are able to combine orders from multiple sources, which results in higher volume and tend to offset individual buyer fluctuation.

5. Cost. Any cost savings achieved from buying or making must be weighed against the preceding factors. Cost savings might come from the item itself or from transportation cost savings.

6. Risk. Outsourcing or buying the services carries risk; often companies retain flexibility by carrying out certain critical activities in house and repetitive menial activities through outsourcing.

Question No: 32 (Marks: 5)

“Standardization plays an important role in product design”. How will you describe this role?

Answer:

Standardization plays an important role in product design, because Standardization is the extent to which there is an absence of variety in a product, service or process.

- Opportunities for long production runs and automation .Uninterrupted stock of components available, so production can be controlled and if possible a demand forecast may be used.

- Need for fewer parts justify increased expenditures on perfecting designs and improving quality control procedures. The company can free up its inventory carrying costs and use it on increasing its long term tangible and intangible quality standards

- Reduced training costs and time. An important advantage and can improve productivity.

2010 sec 1

MIDTERM EXAMINATION 2010 - 1

MGT613- Production and operation management

Question No: 1 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

- ▶ Capital
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 2 (Marks: 1) - Please choose one

All of the following are the decision areas of an operations manager EXCEPT:

- ▶ Inventory management
- ▶ Scheduling tasks
- ▶ Supply chain management
- ▶ Financial reporting

Question No: 3 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$
- ▶ $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

Question No: 4 (Marks: 1) - Please choose one

Which of the following refers to the essential elements of operations strategy?

- ▶ Policies, tactics and objectives
- ▶ Plans, strategies and vision
- ▶ Mission, goals and plans
- ▶ Mission, policies and distinctive competencies

Question No: 5 (Marks: 1) - Please choose one

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

- ▶ Choose a forecasting technique.
- ▶ Determine the purpose of the forecast.
- ▶ Set up a time horizon or a time limit.
- ▶ Collect and analyze the appropriate data.

Question No: 6 (Marks: 1) - Please choose one

Which one of the following forecasting techniques is used to identify a trend when data is neither growing nor declining rapidly and has no seasonal characteristics?

- ▶ Simple moving average
- ▶ Delphi method
- ▶ Trend adjusted forecast
- ▶ Naïve forecast

Question No: 7 (Marks: 1) - Please choose one

Which one of the following mathematical expressions is used to compute utilization?

- ▶ Actual output / effective capacity
- ▶ Actual output / design capacity
- ▶ Actual output + effective capacity
- ▶ Actual output - design capacity

Question No: 8 (Marks: 1) - Please choose one

Effective capacity is influenced by all of the following factors EXCEPT:

- ▶ Facilities
- ▶ Product mix
- ▶ Processes
- ▶ Operations

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is concerned with short term capacity needs?

- ▶ Cycle
- ▶ Trends
- ▶ Seasonality
- ▶ Average

Question No: 10 (Marks: 1) - Please choose one

Which of the following statements is correct about capacity evaluating alternatives?

- ▶ Minimum cost and optimal operating rate are functions of size of plant.
- ▶ Minimum cost and optimal operating rate are functions of fixed cost.
- ▶ Minimum cost and productivity are functions of size of plant.
- ▶ Maximum cost and optimal operating rate are functions of size of plant.

Question No: 11 (Marks: 1) - Please choose one

Which of the following is an example of a business that uses assembly line process structure?

- ▶ Automobile assembly
- ▶ Sugar refinery
- ▶ Heavy equipment
- ▶ French restaurants

Referenced by vuzs

Question No: 12 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Cellular layout

Referene: By www.vuzs.net

Question No: 13 (Marks: 1) - Please choose one

Which one of the following defines the range of the smoothing constant (Alpha)?

- ▶ 2 and -2
- ▶ 1 and -1
- ▶ 0 and -1
- ▶ 0 and 1

Question No: 14 (Marks: 1) - Please choose one

Which method of forecasting is most widely used?

- ▶ Regression analysis
- ▶ Adaptive forecasting
- ▶ Weighted moving average
- ▶ Exponential smoothing

Question No: 15 (Marks: 1) - Please choose one

Which one of the following refers to a design that takes into account organization's operational capabilities, when designing a product?

- ▶ Design for assembly
- ▶ Design for manufacturing
- ▶ Design for recycling
- ▶ Design for disassembly

Question No: 16 (Marks: 1) - Please choose one

What would be the availability if a carpenter is expected to be able to operate for 300 hours between repairs, and the mean repair time is expected to be 2 hours?

- ▶ 6.02
- ▶ 2.0
- ▶ 0.99
- ▶ 0.006

Question No: 17 (Marks: 1) - Please choose one

Which of the following management level is responsible for long-range capacity planning?

- ▶ Lower management
- ▶ Middle management
- ▶ Top management
- ▶ Non managerial employees

Referenced by vuzs

Question No: 18 (Marks: 1) - Please choose one

Which of the following is NOT an emerging trend in the workplace?

- ▶ Increasing workplace diversity
- ▶ Decreasing work schedule flexibility
- ▶ Increasing number of part time jobs

▶ Increasing use of temporary labor

(Zh,vuzs, nov10)

Question No: 19 (Marks: 1) - Please choose one

Which one of the following is NOT a business application of forecasting?

- ▶ Budgeting
- ▶ Capacity planning
- ▶ Inventory management
- ▶ Quality control

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is an example of site related factors that affect location decision?

- ▶ Transportation
- ▶ Quality of life
- ▶ Location of new markets
- ▶ Location of raw materials

Ref: Site Related Factors

- Land
- Transportation
- Environmental
- Legal

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is TRUE about work sampling?

- ▶ It describes individual human motions that are used in a job task
- ▶ It involves determining the length of time it will take to undertake a particular task
- ▶ It involves determining the amount of time a worker spends on various activities
- ▶ It provides standard times for micro motions such as reach, move and release

Reference

Question No: 22 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

- ▶ Customers typically interact directly with the service delivery process.
- ▶ Consumption and production take place simultaneously.
- ▶ Services are intangible.
- ▶ Services can be stored.

Question No: 23 (Marks: 1) - Please choose one

Which of the following is NOT an attribute to classify services?

- ▶ Tangibility
- ▶ Perishability
- ▶ Simultaneity
- ▶ Courtesy

ref:www.vuzs.net

Question No: 24 (Marks: 1) - Please choose one

Organizational strategies relate to which of the following sets of factors?

- ▶ Survival, profitability, growth rate and market share
- ▶ Profitability, survival, lead times and target market
- ▶ Quality, operating resources, growth rate and market share

► Scheduling, profitability, lead times and survival

Question No: 25 (Marks: 1) - Please choose one

The purpose of _____ is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

► Total quality control

► Demand management

► Forecasting

► Operations management

Referenced by vuzs

Question No: 26 (Marks: 1) - Please choose one

Which one of the following forecasting methods uses subjective inputs such as opinions from consumer surveys, sales staff, managers and experts?

► Time series model

► Least Square method

► Judgmental forecasting model

► Associative forecasting model

Referenced by vuzs

Question No: 27 (Marks: 1) - Please choose one

Which one of the following refers to translating the voice of the customer into technical design requirements?

► Concurrent design

► Design for manufacture

► Robust design

► Quality function deployment

Referenced by vuzs

Question No: 28 (Marks: 1) - Please choose one

Which one of the following statements represents use of cost-volume analysis?

► It is a tool for reliability measurement

► It provides a base for marketing research

► It helps in comparing capacity alternatives

► It is important in product design

Referenced by vuzs

Question No: 29 (Marks: 3)

What are the reasons that support the use of process layout?

Question No: 30 (Marks: 3)

Suppose you are the operations manager of a manufacturing firm, why would you perceive concurrent engineering as a suitable approach with reference to product design?

Question No: 31 (Marks: 5)

Which process system would you suggest for the following business/industry?

French restaurants

Heavy equipment

Sugar refinery

Automobile assembly

Commercial printer

Question No: 32 (Marks: 5)

In some organizations capacity planning takes place very regularly and in some it takes place seldom. What are the factors that influence the frequency of capacity planning?

2010 secv

MIDTERM EXAMINATION

Spring 2010

MGT613- Production / Operations Management

<http://vuzs.net/>

Time: 60 min

Marks: 44

Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ Strategic decision
- ▶ Tactical decision

Question No: 2 (Marks: 1) - Please choose one

The management of systems or processes that creates goods and provides services is known as:

- ▶ Operation Management
- ▶ Operation/production Management
- ▶ Operation/Research Management
- ▶ Production/Research Management

<http://vuzs.net/>

Question No: 3 (Marks: 1) - Please choose one

Which one of the following decision is NOT made by operations managers?

- ▶ How much capacity is required to balance demand?
- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ Which market areas to manufacture the products for?

Question No: 4 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

- ▶ Are specific to the operations function
- ▶ Are specific to the marketing function
- ▶ Are interdependent with other processes

▶ Have exactly the same performance measures for any process

Question No: 5 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

- ▶ Flexibility + profit+ operations
- ▶ Work + profit + value
- ▶ Quality + speed + flexibility
- ▶ Profit + Incentives + standards

Question No: 6 (Marks: 1) - Please choose one

Which of the following statements describes an order-qualifier characteristic?

- ▶ A competitive dimension used to make final decision among competitors
- ▶ A factor which directly and significantly contribute to winning business
- ▶ A factor which increases the profitability of the organization
- ▶ A factor perceived as a minimum standard as a potential for purchase

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

- ▶ Associative forecast
- ▶ Time series forecast
- ▶ Consumer survey
- ▶ Executive opinion

Referece: By www.vuzs.net

Question No: 8 (Marks: 1) - Please choose one

In which one of the following decision environments it is impossible to assess the likelihood of various future events?

- ▶ Risk
- ▶ Bounded rationality
- ▶ Certainty
- ▶ Uncertainty

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is an implication of laplace approach of decision making?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff
- ▶ The best average payoff
- ▶ The least of the worst regrets

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an outcome of MINIMAX regret?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff

- ▶ The best average payoff
- ▶ The least of the worst regret

Referece: By www.vuzs.net

Question No: 11 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ The forecast lags behind the actual
- ▶ The forecast represents demand more accurately
- ▶ The forecast will not be accurate
- ▶ The forecast will not be reliable

Question No: 12 (Marks: 1) - Please choose one

Which one of the following refers to the maximum output that a firm can produce under ideal conditions?

- ▶ Design capacity
- ▶ Effective capacity
- ▶ Capacity planning
- ▶ Utilization rate

Referece: By www.vuzs.net

Question No: 13 (Marks: 1) - Please choose one

Which one of the following is a characteristic of continuous process?

- ▶ High lead times
- ▶ Short process times
- ▶ The ability to handle high variety
- ▶ The ability to handle high volumes

Question No: 14 (Marks: 1) - Please choose one

Which of the following is an example of a business that uses assembly line process structure?

- ▶ Automobile assembly
- ▶ Sugar refinery
- ▶ Heavy equipment
- ▶ French restaurants

Question No: 15 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Cellular layout

Referece: By www.vuzs.net

Question No: 16 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Hybrid layout

Referece: By www.vuzs.net

Question No: 17 (Marks: 1) - Please choose one

A department store discovered that in a four-month period, the best forecast can be determined by using 50 percent of the sales for the most recent month, 20 percent of the sales of two months ago, 10 percent of the sales of three months ago, and 20 percent of the sales of four months ago. Which forecasting method should the store use to forecast demand?

- ▶ Simple Moving Average
- ▶ Linear Regression
- ▶ Time Series Analysis
- ▶ Weighted Moving Average

Question No: 18 (Marks: 1) - Please choose one

Which one of the following is an application of simple exponential smoothing?

- ▶ Establishing durability
- ▶ Finding reliability
- ▶ Scheduling services
- ▶ Quality improvement

Question No: 19 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of aesthetics of the product?

- ▶ Functional design
- ▶ Production design
- ▶ Service design
- ▶ Product design

Question No: 20 (Marks: 1) - Please choose one

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels
- ▶ It depicts demand of a product with respect to time
- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is TRUE about Taguchi approach?

- ▶ To test the robustness of a design
- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Referece: By www.vuzs.net

Question No: 22 (Marks: 1) - Please choose one

Which one of the following is a curve showing failure rate over time?

- ▶ Cost curve
- ▶ Bath tub curve
- ▶ Fish bone diagram
- ▶ Reliability curve

Question No: 23 (Marks: 1) - Please choose one

Which of following statement is true about effective capacity?

- ▶ It is the actual output achieved
- ▶ It is always less than actual output
- ▶ It is the maximum output that a firm can produce
- ▶ It is always less than designed capacity

Question No: 24 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- ▶ Job shop
- ▶ Batch processing
- ▶ Assembly line
- ▶ Continuous processing

Referece: By www.vuzs.net

Question No: 25 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ Operational strategy
- ▶ Tectical strategy

Referece: By www.vuzs.net

Question No: 26 (Marks: 1) - Please choose one

Which one of the following refers to bringing together engineering design and manufacturing personnel early in the design phase.

- ▶ Reverse engineering
- ▶ Concurrent engineering
- ▶ Manufacturability
- ▶ Serviceability

Referece: By www.vuzs.net

Question No: 27 (Marks: 1) - Please choose one

Which of the following refers to the way an organization chooses to produce its goods or services?

- ▶ Process selection
- ▶ Process reengineering

▶ Process redesign

▶ Process design

Referece: By www.vuzs.net

Question No: 28 (Marks: 1) - Please choose one

Which one of the following is the first step in line balancing?

▶ To specify the sequential relationship among tasks.

▶ To determine the required cycle time.

▶ To determine the minimum number of workstations.

▶ To determine the desired output

Referece: By www.vuzs.net

Question No: 29 (Marks: 3)

Write down at least three ways of improving reliability of a system.

Answer

Question No: 30 (Marks: 3)

What qualities does a successful job design contain? (solution provided by Maria Iqbal)

A successful Job Design must have the following qualities

1.Carried out by experienced personnel who have the necessary training and background.

2.Consistent with the goals of the organization.

3.In documented form.

4.Understood and agreed by both management and employees.

5.Shared with the new employees.

6.Factors that affect Job Design

Question No: 31 (Marks: 5)

Suppose you are the operations manager of ABC Corporation. To develop competence in business operations, you have to decide either to rely on the facilities available in-house or outsource. What are some of the factors you would base the decision on?

Question No: 32 (Marks: 5)

“Standardization plays an important role in product design”. How will you describe this role?

2010

Question No: 1 (Marks: 1) - Please choose one

Who developed the use of standardization in large-scale mass production using a moving assembly line?

▶ Frederick Winslow Taylor

▶ Frank Gilbreth

▶ Adam Smith

▶ Henry Ford

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

▶ Capital

▶ Energy

▶ Labor

▶ Machine

Question No: 3 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

▶ Capital

▶ Energy

▶ Labor

▶ Machine

|

Question No: 4 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

▶ Multifactor

▶ Partial

▶ Single

▶ Total

|

Question No: 5 (Marks: 1) - Please choose one

What would be the productivity if 9 workers installed 650 square yards of carpeting in 6 hours?

- ▶ 12.03 square yards/hr
- ▶ 72.20 square yards/hr
- ▶ 108.30 square yards/hr
- ▶ 5850 square yards/hr

$$650/6*9$$

www.vuzs.net

Question No: 6 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ (Quality + Speed – Flexibility) / Cost
- ▶ (Quality + Speed+ Flexibility) / Cost
- ▶ (Quality + Speed - Cost) / Flexibility
- ▶ (Quality + Speed+ Cost) / Flexibility

|

Question No: 7 (Marks: 1) - Please choose one

All of the following are examples of quantitative forecasting EXCEPT:

- ▶ Delphi method
- ▶ Time series analysis
- ▶ Associative models
- ▶ Naïve forecasting

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ The forecast lags behind the actual
- ▶ The forecast represents demand more accurately
- ▶ The forecast will not be accurate
- ▶ The forecast will not be reliable

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an index used to measure actual output relative to design capacity?

▶ Efficiency

▶ Effective capacity

▶ Effectiveness

▶ Utilization

Question No: 11 (Marks: 1) - Please choose one

What would be the utilization, if 34 cars are produced in a day with a design capacity of 50 cars per day?

▶ 68%

▶ 1.47%

▶ 84%

▶ 16%

Question No: 12 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

▶ Introduction

▶ Growth

▶ Maturity

▶ Decline

Question No: 13 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

▶ Fixed position layout

▶ Process layout

▶ Product layout

▶ Hybrid layout

|

Question No: 14 (Marks: 1) - Please choose one

Which of the following probability distribution is used most extensively in dealing with forecasting errors?

▶ Normal

▶ Exponential

▶ Beta

▶ Pareto

|

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is an application of simple exponential smoothing?

▶ Establishing durability

▶ Finding reliability

▶ Scheduling services (not sure)

▶ Quality improvement

|

Question No: 16 (Marks: 1) - Please choose one

Which of the following forecasting technique is based on the assumption that past data is more indicative of the future than the most recent occurrences?

▶ Naive forecast

▶ Exponential smoothing

▶ Linear regression

▶ Judgmental forecast

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Question No: 17 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of aesthetics of the product?

- ▶ Functional design
- ▶ Production design
- ▶ Service design
- ▶ Product design

Question No: 18 (Marks: 1) - Please choose one

Which one of the following is the overall objective of product and service design?

- ▶ Customer satisfaction and variety
- ▶ Customer satisfaction and profitability
- ▶ Reliability and variety
- ▶ Quality and reliability

Question No: 19 (Marks: 1) - Please choose one

Which one of the following is the final stage of product life cycle?

- ▶ Growth
- ▶ Decline
- ▶ Maturity
- ▶ Planning

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is the goal of method analysis?

- ▶ Dividing and analyzing a job
- ▶ Check individual human motions used to perform an operation
- ▶ Determining the length of time it will take to undertake a particular task

▶ Determining the amount of time a worker spends on various activities

|

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is the focus of predetermined motion time system?

▶ Individual human motions that are used in a job task

▶ Determining the length of time it will take to undertake a particular task

▶ Determining the amount of time a worker spends on various activities

▶ Providing standard times for micro motions such as reach, move and release

|

|

Question No: 22 (Marks: 1) - Please choose one

Which one of the following location strategies follows a decentralized approach?

▶ Process plant strategy

▶ Market area plant strategy

▶ Cost conservation strategy

▶ Product plant strategy

|

Question No: 23 (Marks: 1) - Please choose one

Which one of the following location strategies is favored by automobile manufacturers?

|

▶ Product plant strategy

▶ Process plant strategy

▶ Market area plant strategy

▶ Cost conservation strategy

[Referenced by vuzs](#)

|

Question No: 24 (Marks: 1) - Please choose one

In which of the following approaches location decision is based on personal opinions and quantitative information?

- ▶ Factor rating
- ▶ Market area plant strategy
- ▶ Currency fluctuations
- ▶ Product plant strategy

[Referenced by vuzs](#)

|

Question No: 25 (Marks: 1) - Please choose one

Which one of the following is TRUE about the importance of capacity planning?

- ▶ It is profitable
- ▶ It increase the capacity of productive unit
- ▶ It helps managers quantify production capability
- ▶ It establishes good relationship with the customer

[Referenced by vuzs](#)

|

Question No: 26 (Marks: 1) - Please choose one

Organizational strategies relate to which of the following sets of factors?

- ▶ Survival, profitability, growth rate and market share
- ▶ Profitability, survival, lead times and target market
- ▶ Quality, operating resources, growth rate and market share
- ▶ Scheduling, profitability, lead times and survival

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Question No: 27 (Marks: 1) - Please choose one

Which one of the following forecasting methods uses subjective inputs such as opinions from consumer surveys, sales staff, managers and experts?

- ▶ Time series model
- ▶ Least Square method
- ▶ Judgmental forecasting model
- ▶ Associative forecasting model

|

Question No: 28 (Marks: 1) - Please choose one

Transportation method helps in solving which of the following problems?

- ▶ Facility location problems
- ▶ Allocation of cost problems
- ▶ Workforce management problems
- ▶ Unfamiliar laws and regulations problems

2010

Question No: 1 (Marks: 1) - Please choose one

Who developed the use of standardization in large-scale mass production using a moving assembly line?

- ▶ Frederick Winslow Taylor
- ▶ Frank Gilbreth
- ▶ Adam Smith
- ▶ Henry Ford

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

- ▶ Capital
- ▶ Energy
- ▶ **Labor**
- ▶ Machine

Question No: 3 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

- ▶ **Capital**
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 4 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ **Multifactor**
- ▶ Partial
- ▶ Single
- ▶ Total

Question No: 5 (Marks: 1) - Please choose one

What would be the productivity if 9 workers installed 650 square yards of carpeting in 6 hours?

- ▶ 12.03 square yards/hr
- ▶ 72.20 square yards/hr
- ▶ 108.30 square yards/hr
- ▶ 5850 square yards/hr

$650/6*9$

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Question No: 6 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ (Quality + Speed – Flexibility) / Cost
- ▶ **(Quality + Speed+ Flexibility) / Cost**
- ▶ (Quality + Speed - Cost) / Flexibility
- ▶ (Quality + Speed+ Cost) / Flexibility

Question No: 7 (Marks: 1) - Please choose one

All of the following are examples of quantitative forecasting EXCEPT:

- ▶ **Delphi method**
- ▶ Time series analysis
- ▶ Associative models
- ▶ Naïve forecasting

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ **The forecast lags behind the actual**
- ▶ The forecast represents demand more accurately
- ▶ The forecast will not be accurate
- ▶ The forecast will not be reliable

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an index used to measure actual output relative to design capacity?

- ▶ Efficiency
- ▶ Effective capacity
- ▶ Effectiveness

► **Utilization**

Question No: 11 (Marks: 1) - Please choose one

What would be the utilization, if 34 cars are produced in a day with a design capacity of 50 cars per day?

► **68%**

- 1.47%
- 84%
- 16%

Question No: 12 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

- Introduction
- Growth

► **Maturity**

- Decline

Question No: 13 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

- Fixed position layout
- Process layout

► **Product layout**

- Hybrid layout

Question No: 14 (Marks: 1) - Please choose one

Which of the following probability distribution is used most extensively in dealing with forecasting errors?

► **Normal**

- Exponential

- ▶ Beta
- ▶ Pareto

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is an application of simple exponential smoothing?

- ▶ Establishing durability
- ▶ Finding reliability
- ▶ **Scheduling services (not sure)**
- ▶ Quality improvement

Question No: 16 (Marks: 1) - Please choose one

Which of the following forecasting technique is based on the assumption that past data is more indicative of the future than the most recent occurrences?

- ▶ Naive forecast
- ▶ **Exponential smoothing**
- ▶ Linear regression
- ▶ Judgmental forecast

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Question No: 17 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of aesthetics of the product?

- ▶ Functional design
- ▶ Production design
- ▶ Service design

▶ **Product design**

Question No: 18 (Marks: 1) - Please choose one

Which one of the following is the overall objective of product and service design?

- ▶ Customer satisfaction and variety
- ▶ **Customer satisfaction and profitability**
- ▶ Reliability and variety
- ▶ Quality and reliability

Question No: 19 (Marks: 1) - Please choose one

Which one of the following is the final stage of product life cycle?

- ▶ Growth
- ▶ **Decline**
- ▶ Maturity
- ▶ Planning

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is the goal of method analysis?

- ▶ **Dividing and analyzing a job**
- ▶ Check individual human motions used to perform an operation
- ▶ Determining the length of time it will take to undertake a particular task
- ▶ Determining the amount of time a worker spends on various activities

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is the focus of predetermined motion time system?

- ▶ Individual human motions that are used in a job task
- ▶ **Determining the length of time it will take to undertake a particular task**
- ▶ Determining the amount of time a worker spends on various activities
- ▶ Providing standard times for micro motions such as reach, move and release

Question No: 22 (Marks: 1) - Please choose one

Which one of the following location strategies follows a decentralized approach?

- ▶ Process plant strategy
- ▶ Market area plant strategy
- ▶ Cost conservation strategy
- ▶ **Product plant strategy**

Question No: 23 (Marks: 1) - Please choose one

Which one of the following location strategies is favored by automobile manufacturers?

- ▶ Product plant strategy
- ▶ **Process plant strategy**
- ▶ Market area plant strategy
- ▶ Cost conservation strategy

[Referenced by vuzs](#)

Question No: 24 (Marks: 1) - Please choose one

In which of the following approaches location decision is based on personal opinions and quantitative information?

- ▶ **Factor rating**
- ▶ Market area plant strategy
- ▶ Currency fluctuations
- ▶ Product plant strategy

[Referenced by vuzs](#)

Question No: 25 (Marks: 1) - Please choose one

Which one of the following is **TRUE** about the importance of capacity planning?

- ▶ It is profitable
- ▶ It increase the capacity of productive unit
- ▶ **It helps managers quantify production capability**
- ▶ It establishes good relationship with the customer

[Referenced by vuzs](#)

Question No: 26 (Marks: 1) - Please choose one

Organizational strategies relate to which of the following sets of factors?

- ▶ **Survival, profitability, growth rate and market share**
- ▶ Profitability, survival, lead times and target market
- ▶ Quality, operating resources, growth rate and market share
- ▶ Scheduling, profitability, lead times and survival

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Question No: 27 (Marks: 1) - Please choose one

Which one of the following forecasting methods uses subjective inputs such as opinions from consumer surveys, sales staff, managers and experts?

- ▶ Time series model
- ▶ Least Square method
- ▶ **Judgmental forecasting model**
- ▶ Associative forecasting model

Question No: 28 (Marks: 1) - Please choose one

Transportation method helps in solving which of the following problems?

- ▶ **Facility location problems**

- ▶ Allocation of cost problems
- ▶ Workforce management problems
- ▶ Unfamiliar laws and regulations problems

MIDTERM EXAMINATION

Spring 2009 MGT613- Production / Operations Management (Session - 2)

Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ **Strategic decision**
- ▶ Tactical decision

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

- ▶ **Capital**
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 3 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

▶ Multifactor

▶ Partial

▶ Single

▶ Total

Question No: 4 (Marks: 1) - Please choose one

The major business function consisting of research and development, product design, manufacturing, marketing, distribution, and customer service is refers to:

▶ Value chain

▶ The transformation process

▶ Quality control

▶ Life cycle

Question No: 5 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

▶ Are specific to the operations function

▶ Are specific to the marketing function

▶ Are interdependent with other processes

▶ Have exactly the same performance measures for any process

[Reference](#)

Question No: 6 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$
- ▶ **$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$**
- ▶ $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

Question No: 7 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

- ▶ Flexibility + profit+ operations
- ▶ Work + profit + value
- ▶ **Quality + speed + flexibility**
- ▶ Profit + Incentives + standards

Question No: 8 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?

- ▶ A factor which may be significant in other parts of the organization
- ▶ **A factor which gives an organization a competitive edge**
- ▶ A factor which serves as a minimum standard for purchase
- ▶ A factor which increases the profitability of the organization

Question No: 9 (Marks: 1) - Please choose one

As a manager, you have defined the purpose of the forecasts. What should be the **next** step in forecasting process?

- ▶ Choose a forecasting technique.
- ▶ Determine the purpose of the forecast.
- ▶ **Set up a time horizon or a time limit.**
- ▶ Collect and analyze the appropriate data.

Question No: 10 (Marks: 1) - Please choose one

Which one of the following forecasting technique is based on historical data?

- ▶ Judgmental
- ▶ Associative
- ▶ **Time series**
- ▶ Qualitative

Question No: 11 (Marks: 1) - Please choose one

Which one of the following forecasting techniques use subjective inputs from consumer surveys, sales staff, managers and experts?

- ▶ Time series
- ▶ Quantitative
- ▶ **Judgmental**
- ▶ Associative

Question No: 12 (Marks: 1) - Please choose one

Which of the following approaches favors adopting a “go for it” strategy?

- ▶ Maximin

▶ Maximax

▶ Minimax

regret

▶ Laplace

Question No: 13 (Marks: 1) - Please choose one

Possible future demand	
Low (Rs.)	High (Rs.)
10,000	8,000
12,000	20,000
18,000	15,000

Given the table:

Alternatives

Which one of the following is the correct payoff under MAXIMAX approach?

▶ Rs. 10,000

▶ Rs. 18,000

▶ Rs. 20,000

▶ Rs. 32,000

Question No: 14 (Marks: 1) - Please choose one

Which one of the following is NOT a step of decision making process?

▶ Develop alternatives

▶ Monitor results

▶ Consider risk averseness strategies

- ▶ Specify criteria for decision

Question No: 15 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

- ▶ Introduction

- ▶ Growth

- ▶ Maturity

- ▶ Decline

Question No: 16 (Marks: 1) - Please choose one

Which one of the following statement is TRUE about cost-volume relationship?

- ▶ It represents the relationship between cost, revenue and volume of output.

- ▶ It represents the relationship between cost and volume of output.

- ▶ It represents the relationship between cost and revenue.

- ▶ It represents the relationship between inputs, cost and volume of output.

Ref: Cost Volume Relationship focuses on relationships between costs, revenue and volume of output. The primary purpose of cost volume analysis is to estimate the income of an organization.

Question No: 17 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute break even point?

- ▶ $Q = VC / (R - VC)$

- ▶ $Q = FC / (R - VC)$

▶ $Q = VC / (R + FC)$

▶ $Q = FC / (R + VC)$

Question No: 18 (Marks: 1) - Please choose one

ABC Corporation has planned to purchase a new machine. Total annual fixed cost is Rs. 10,000, variable cost is Rs. 5 per unit and revenue is Rs. 7 per unit. What would be the break even point?

▶ 833 units

▶ 2000 units

▶ **5000 units**

▶ 1012 units

Question No: 19 (Marks: 1) - Please choose one

Which of the following terms of financial analysis are important for the organization to proceed with a capacity alternative decision?

▶ Cash flow and fixed cost

▶ Present value and fixed cost

▶ **Cash flow and present value**

▶ Cash flow and profit

Question No: 20 (Marks: 1) - Please choose one

Which of the following is a system designed to coordinate all activities and information needed to complete business processes?

▶ **Enterprise resource planning**

- ▶ Supply chain management
- ▶ New product development
- ▶ Customer relationship management

Question No: 21 (Marks: 1) - Please choose one

Which of the following is **NOT** a characteristic of product layouts?

- ▶ High material handling costs
- ▶ Sequential arrangement of machines
- ▶ Standardized output
- ▶ Continuous production system

Question No: 22 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Hybrid layout

Question No: 23 (Marks: 1) - Please choose one

In exponential smoothing model, α denotes:

- ▶ Smoothing constant
- ▶ Actual forecast
- ▶ Forecast error

- ▶ Previous forecast

Question No: 24 (Marks: 1) - Please choose one

Which one of the following designs resists modifications?

▶ **Frozen design**

- ▶ Product design
- ▶ Service design
- ▶ Robust design

Question No: 28 (Marks: 1) - Please choose one_____

Which one of the following is TRUE about Taguchi approach

▶ **To test the robustness of a design**

- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Question No: 26 (Marks: 1) - Please choose one

Which one of the following refers to using some of the components of old products in the manufacturing of new products?

- ▶ Manufacturability
- ▶ **Remanufacturing**
- ▶ Robust design
- ▶ Automation

Question No: 27 (Marks: 1) - Please choose one

Which one of the following is a curve showing failure rate over time?

- ▶ Cost curve
- ▶ **Bath tub curve**
- ▶ Fish bone diagram
- ▶ Reliability curve

Question No: 28 (Marks: 1) - Please choose one
ble to operate for 250

What would be the availability if a carpehours between repairs, and the mean rep

- ▶ 1.01
- ▶ 5.03
- ▶ 3.0
- ▶ **0.98**

Question No: 29 (Marks: 1) - Please choose one

Which one of the following is the goal of method analysis?

- ▶ **Dividing and analyzing a job**
- ▶ Check individual human motions used to perform an operation
- ▶ Determining the length of time it will take to undertake a particular task

- ▶ Determining the amount of time a worker spends on various activities

Question No: 30 (Marks: 1) - Please choose one

Which one of the following is an example of regional factors that affect location decisions?

- ▶ Transportation
- ▶ Quality of life
- ▶ Development support
- ▶ **Location of new markets**

Question No: 31 (Marks: 1) - Please choose one

Which one of the following is an example of site related factors that affect location decision?

- ▶ **Transportation**
- ▶ Quality of life
- ▶ Location of new markets
- ▶ Location of raw materials

Question No: 32 (Marks: 1) - Please choose one

Which one of the following statements is **true** about Occupational Safety Hygiene Administration (OSHA)?

- ▶ **To safeguard against potential hazards**
- ▶ To develop cost effective processes
- ▶ To implement legal standards
- ▶ To carry out implication of manufacturability and fitness

Question No: 33 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- ▶ Job shop
- ▶ Batch processing
- ▶ Assembly line
- ▶ **Continuous processing**

Question No: 34 (Marks: 1)

- Please choose one

The type of processing structure that is used for producing discrete products at higher volume is:

- ▶ Continuous Flow
- ▶ **Assembly Line**
- ▶ Batch
- ▶ Job shop

Question No: 35 (Marks: 1) - Please choose one

An example of a business/industry that uses batch flow process structure is:

- ▶ Commercial printer
- ▶ **Heavy equipment**
- ▶ Automobile assembly
- ▶ Sugar refinery

Question No: 36 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

- ▶ Customers typically interact directly with the service delivery process.
- ▶ Consumption and production take place simultaneously.
- ▶ Services are intangible.
- ▶ **Services can be stored.**

Question No: 37 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ **Operational strategy**
- ▶ Tactical strategy

Question No: 38 (Marks: 1) - Please choose one

All of the following are examples of the transformation process EXCEPT:

- ▶ Cutting
- ▶ Packing
- ▶ **Facilitating**
- ▶ Labeling

Question No: 39 (Marks: 1) - Please choose one

_____ purpose is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.

▶ Total quality control's

▶ Demand management's

▶ Forecasting's

▶ Operations management's

Question No: 40 (Marks: 1) - Please choose one

Which of the following is a characteristic of linear regression?

It is superior to a moving average

▶ It is a causal forecasting model

▶ It compensates for both trend and season

▶ It is superior to an exponential smoothing

Question No: 41 (Marks: 5)

Differentiate between order qualifier and order winner with an example.

Question No: 42 (Marks: 5)

Why some multinational corporations feel that globalization is not a good option?

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 2)

Question No: 1 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

Capital

Energy

Labor

Machine

Question No: 2 (Marks: 1) - Please choose one

What would be the productivity if a machine produced 50 units in 3 hours?

0.066 units per hr

16.66 units per hr

6.766 units per hr

60.66 units per hr

Question No: 3 (Marks: 1) - Please choose one

The major business function consisting of research and development, product design, manufacturing, marketing, distribution, and customer service is refers to:

Value chain
The transformation process
Quality control
Life cycle

Question No: 4 (Marks: 1) - Please choose one

Which of the following is NOT usually considered a general characteristic of a service?

Production and sales cannot easily be separated functionally
Many services involve both tangible and intangible outputs
Production and consumption can always be separated
Degree of customer contact is high

Question No: 5 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?
A factor which may be significant in other parts of the organization
A factor which gives an organization a competitive edge
A factor which serves as a minimum standard for purchase
A factor which increases the profitability of the organization

Question No: 6 (Marks: 1) - Please choose one

Which one of the following is an implication of Laplace approach of decision making?

The best of the worst possible payoff
The best possible payoff
The best average payoff
The least of the worst regrets

Question No: 7 (Marks: 1) - Please choose one

Which one of the following is an outcome of Maximin criterion?

The best of the worst possible payoff
The best possible payoff
The best average payoff
The least of the worst regrets

Question No: 8 (Marks: 1) - Please choose one

Given the table:

Possible Alternatives future demand
Low (Rs.) High (Rs.)

Small facility 10,000 8,000
Medium facility 12,000 20,000

Large facility 18,000 15,000

Which one of the following is the correct payoff under MAXIMIN approach?

Rs. 8,000

Rs. 12,000

Rs. 18,000

Rs. 20,000

Question No: 9 (Marks: 1) - Please choose one

Which one of the following forecasting techniques is used to identify a trend when data is neither growing nor declining rapidly and has no seasonal characteristics?

Simple moving average

Delphi method

Trend adjusted forecast

Naïve forecast

Question No: 10 (Marks: 1) - Please choose one

Which one of the following refers to the maximum output that a firm can produce under ideal conditions?

Design capacity

Effective capacity

Capacity planning

Utilization rate

Question No: 11 (Marks: 1) - Please choose one

Which one of the following perspectives is the most obvious to be considered while evaluating alternatives for future capacity?

Social

Political

Economic

Legal

Question No: 12 (Marks: 1) - Please choose one

Which of the following terms of financial analysis are important for the organization to proceed with a capacity alternative decision?

Cash flow and fixed cost

Present value and fixed cost

Cash flow and present value

Cash flow and profit

Question No: 13 (Marks: 1) - Please choose one

Which one of the following manufacturing process is associated with high volume car manufacture?

- Job shop
- Assembly line**
- Batch
- Automation

Question No: 14 (Marks: 1) - Please choose one

The formula for determining the required cycle time is operation time per day divided by:

- Sum of task times
- Actual output per day (in units)
- Number of workstation
- Desired output (in units)**

Question No: 15 (Marks: 1) - Please choose one

Assembly lines relate most closely to a:

- Functional layout
- Product layout**
- Process layout
- Departmental layout

Question No: 16 (Marks: 1) - Please choose one

Which one of the following layout type is associated with a restaurant?

- Fixed position layout**
- Process layout
- Product layout
- Hybrid layout

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Which of the following forecasting technique is based on the assumption that past data is more indicative of the future than the most recent occurrences?

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- Actual forecast

Forecast error
Previous forecast

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Which of the following takes into consideration the design of aesthetics of the product?

Functional design
Production design
Service design
Product design

Question No: 20 (Marks: 1) - Please choose one
Which of the following factors are considered in product and service design?

Customer satisfaction, quality, and improvement costs
Employee motivation, quality, and production costs
Customer satisfaction, flexibility, and production costs
Customer satisfaction, quality, and production costs

Question No: 21 (Marks: 1) - Please choose one
Which one of the following is the overall objective of product and service design?

Customer satisfaction and variety
Customer satisfaction and profitability
Reliability and variety
Quality and reliability

Question No: 22 (Marks: 1) - Please choose one
CBR stands for which one of the following?

Commercial board of revenue
Central board of recycling
Central board of renovation
Central board of revenue

Question No: 23 (Marks: 1) - Please choose one

Which one of the following designs resists modifications?

Frozen design
Product design
Service design
Robust design

Question No: 24 (Marks: 1) - Please choose one
Which one of the following is a curve showing failure rate over time?

Cost curve

Bath tub curve

Fish bone diagram

Reliability curve

Question No: 25 (Marks: 1) - Please choose one

Which of the following management level is responsible for long-range capacity planning?

Lower management

Middle management

Top management

Non managerial employees

Question No: 26 (Marks: 1) - Please choose one

Capacity planning involves answering all of the following questions EXCEPT:

What kind of capacity is needed?

How much is needed?

When is it needed?

Who is going to decide?

Question No: 27 (Marks: 1) - Please choose one

The advantages of specialization to management include all of the following EXCEPT:

Rapid training of the workforce

Ease in recruiting new workers

Fewer turnovers

Less boredom for workers

Question No: 28 (Marks: 1) - Please choose one

The disadvantages of specialization to management include all of the following EXCEPT:

More absenteeism

Minimum responsibility

More turnovers

More difficult to teach the job

Question No: 29 (Marks: 1) - Please choose one

Technology has impacted the work place by:

Adding to the existing geographical barriers for recruiting

Increasing the cost of telecommuting

Increasing the amount required to be spent on training

Unifying the workforce to a common skill level

Question No: 30 (Marks: 1) - Please choose one

Which of the following can be used to compute standard time?

Multiplying the elemental average time by the rating factor

Dividing the average elemental time by the rating factor

Multiplying the normal cycle time by the rating factor

Multiplying the normal cycle time by one plus the allowance factor

Question No: 31 (Marks: 1) - Please choose one

Which one of the following is the focus of predetermined motion time system?

Individual human motions that are used in a job task

Determining the length of time it will take to undertake a particular task

Determining the amount of time a worker spends on various activities

Providing standard times for micro motions such as reach, move and release

Question No: 32 (Marks: 1) - Please choose one

Which one of the following is an example of community factors that affect location decisions?

Transportation

Quality of life

Location of new markets

Location of raw materials

Question No: 33 (Marks: 1) - Please choose one Which one of the following is an example of site related factors that affect location decision?

Transportation

Quality of life

Location of new markets

Location of raw materials

Question No: 34 (Marks: 1) - Please choose one

Which one of the following location strategies follows a decentralized approach?

Process plant strategy

Market area plant strategy

Cost conservation strategy

Product plant strategy

Question No: 35 (Marks: 1) - Please choose one

Which of the following is the primary input in capacity planning?

Supply chain capabilities

Competitors' strengths
Demand forecasts
Overall cost estimates

Question No: 36 (Marks: 1) - Please choose one

Which of the following statements would generally be considered as correct job shop?

A continuous process has lower output volume as compared to job shop
Equipment flexibility is lower in job shop than that of a continuous process
Labour costs are higher in a Job Shop operation than in most other processes
Batch processing produces a more standard range of products than continuous flow processes

Question No: 37 (Marks: 1) - Please choose one

Which one of the following is TRUE about work sampling?

It describes individual human motions that are used in a job task
It involves determining the length of time it will take to undertake a particular task
It involves determining the amount of time a worker spends on various activities
It provides standard times for micro motions such as reach, move and release

Question No: 38 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

Customers typically interact directly with the service delivery process.
Consumption and production take place simultaneously. Services are intangible.
Services can be stored.

Question No: 39 (Marks: 1) - Please choose one

purpose is to coordinate and control all the required sources so that productive system can be used efficiently and to ensure the delivery of product in time.
Total quality control's
Demand management's
Forecasting's
Operations management's

Question No: 40 (Marks: 1) - Please choose one

Forecasting for groups tend to be more accurate than forecasting for individual items because:

A group is composed of a number of items
A group exhibits a uniform behavior
A group cancels the forecasting errors among items
A group behavior is relatively less uncertain

Question No: 41 (Marks: 5)

Operations management does not work in isolation within an organization. How would you relate marketing, finance and other functions to operations function?

Question No: 42 (Marks: 5)

Suppose you want to estimate the time required to perform a certain task by the two employees. One employee's study yielded a mean of 6.4 minutes and standard deviation of 2.1 minutes with 95% confidence Interval. Other employee's study yielded a mean of 2.1 minutes and standard deviation of 6.4 minutes with confidence interval of 95%. Now how many observations you will need if desired maximum error is 10% of sample mean?($z= 1.96$) Do both the employees have same number of observations?

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 1)

Question No: 1 (Marks: 1) - Please choose one

The management of systems or processes that creates goods and provides services is known as:

Operation Management

Operation/production Management

Operation/Research Management

Production/Research Management

Question No: 2 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

Capital

Energy

Labor

Machine

Question No: 3 (Marks: 1) - Please choose one

Which one of the following forms of productivity is expressed as dollar value of output per kilowatt hour?

Machine

Capital

Energy

Labor

Question No: 4 (Marks: 1) - Please choose one

What would be the productivity if a machine produced 50 units in 3 hours?

0.066 units per hr

16.66 units per hr

6.766 units per hr

60.66 units per hr

Question No: 5 (Marks: 1) - Please choose one

Which of the following functions of an organization consists of all activities directly related to production of a good or service?

Operations

Marketing

Accounting

Finance

Question No: 6 (Marks: 1) - Please choose one

Which of the following is NOT a decision to be made by operations managers?

How much capacity is required to balance demand?

What should be the location and layout of a facility?

How to improve operational efficiency?

Which market areas to manufacture the products for?

Question No: 7 (Marks: 1) - Please choose one

All of the following are the decision areas of an operations manager EXCEPT:

Financial reporting

Inventory management

Scheduling tasks

Supply chain management

Question No: 8 (Marks: 1) - Please choose one

Organizational strategies relate to which of the following sets of factors?

Survival, profitability, growth rate and market share

Profitability, survival, leads times and target market

Quality, operating resources, growth rate and market share

Scheduling, profitability, lead times and survival

Question No: 9 (Marks: 1) - Please choose one

Which of the following statements describes an order-qualifier characteristic?

A competitive dimension used to make final decision among competitors

A factor which directly and significantly contribute to winning business

A factor which increases the profitability of the organization

A factor perceived as a minimum standard as a potential for purchase

Question No: 10 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time

Question No: 11 (Marks: 1) - Please choose one

Which one of the following correctly explains the qualitative forecasting technique?

It consists mainly of numerical descriptions and defies subjective inputs of managers.

It consists mainly of subjective inputs and defies particular numerical descriptions.

It consists mainly of subjective inputs and defies human factor, personal opinions.

It consists mainly of analyzing objective and hard data and defies human factor, opinion.

Question No: 12 (Marks: 1) - Please choose one

Which one of the following correctly explains the quantitative forecasting technique?

It consists mainly of numerical descriptions and resist subjective inputs of managers.

It consists mainly of subjective inputs and resist particular numerical descriptions.

It consists mainly of subjective inputs and resisit human factor, personal opinions.

It consists mainly of analyzing objective and hard data and resist human factor, opinion.

Question No: 14 (Marks: 1) - Please choose one

Given the table:

Alternatives Possible future demand

Low (Rs.) High (Rs.)

Small facility 10,000 8,000

Medium facility

12,000 20,000

Large facility **18,000** 15,000

Which one of the following is the correct payoff under LAPLACE approach?

Rs. 9,000

Rs. 16,000

Rs. 33,000

Rs. 16,500

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is NOT a step of decision making process?

Develop alternatives

Monitor results

Consider risk averseness strategies

Specify criteria for decision

Question No: 16 (Marks: 1) - Please choose one

As an operations manager you have collected data about the demand of certain product "P" over time "t". The data shows short-term fairly regular variations over the time period "t". Which one of the following is correctly explaining the behavior of the data?

Cycle

Random variation

Seasonality

Trend

Question No: 17 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute break even point?

$$Q = VC / (R - VC)$$

$$**Q = FC / (R - VC)**$$

$$Q = VC / (R + FC)$$

$$Q = FC / (R + VC)$$

Question No: 18 (Marks: 1) - Please choose one

ABC Corporation has planned to purchase a new machine. Total annual fixed cost is Rs. 10,000, variable cost is Rs. 5 per unit and revenue is Rs. 7 per unit. What would be the break even point?

833 units

2000 units

5000 units

1012 units

Question No: 19 (Marks: 1) - Please choose one

Which one of the following manufacturing process is associated with high volume car manufacture?

Job shop

Assembly line

Batch

Automation

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is a characteristic of continuous process?

High lead times

Short process times

The ability to handle high variety

The ability to handle high volumes

Question No: 21 (Marks: 1) - Please choose one

Which of the following refers the way an organization chooses to produce its good or services?

Process selection

Process reengineering
Process redesign
Process design

Question No: 22 (Marks: 1) - Please choose one

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Which one of the following is an example of business that uses job shop process structure?

French restaurants

Heavy equipment

Sugar refinery

Automobile assembly

Question No: 23 (Marks: 1) - Please choose one

In which of the following layouts, work stations are arranged according to the general function they perform without regard to any particular product?

Product

Process

Fixed-position

Storage

Question No: 24 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

Fixed position layout

Process layout

Product layout

Cellular layout

Question No: 25 (Marks: 1) - Please choose one

OSHA stands for which one of the following?

Occupational stock hygiene administration

Occupational safety hygiene administration

Occupational safety hygiene agency

Occupational science hygiene administration

Question No: 26 (Marks: 1) - Please choose one

In order to comply with the environmental standards, an organization ABC has to implement Occupational Safety Hygiene Administration (OSHA). Which one of the following is a way to accomplish this task?

Promoting friendly relations among employees

Installing safety guards and devices to reduce the risk of potential accidents

Installing machinery to make the process speedy

Installing machinery that provides cost effective output

Question No: 27 (Marks: 1) - Please choose one

Which one of the following statements is TRUE about product life cycle?

It depicts demand of a product at various price levels

It depicts demand of a product with respect to time

It relates demand of a product to quality

It relates demand of a product to market share

Question No: 28 (Marks: 1) - Please choose one

Which one of the following is TRUE about Taguchi approach?

To test the robustness of a design

To articulate the “voice of the customer”

To reduce the degree of automation

To create a concurrent design

Question No: 29 (Marks: 1) - Please choose one

The disadvantages of specialization to management include all of the following EXCEPT:

More absenteeism

Minimum responsibility

More turnovers

More difficult to teach the job

Question No: 30 (Marks: 1) - Please choose one

Technology has impacted the work place by:

Adding to the existing geographical barriers for recruiting

Increasing the cost of telecommuting

Increasing the amount required to be spent on training

Unifying the workforce to a common skill level

Question No: 31 (Marks: 1) - Please choose one

Which one of the following refers to a team having representatives from different functional areas of the organization?

Traditional work group

Self-directed

Cross-functional team

Self motivated team

Question No: 32 (Marks: 1) - Please choose one

Which one of the following is NOT a business application of forecasting?

Budgeting

Capacity planning

Inventory management

Quality control

Question No: 33 (Marks: 1) - Please choose one

Which one of the following factors makes a forecast LESS perfect?

- Randomness
- Non serious attitude
- Non availability of data
- Un qualified personnel**

Question No: 34 (Marks: 1) - Please choose one

Which one of the following is an example of community factors that affect location decisions?

- Transportation
- Quality of life**
- Location of new markets
- Location of raw materials

Question No: 35 (Marks: 1) - Please choose one

Which one of the following location strategies is favored by automobile manufacturers?

- Product plant strategy
- Process plant strategy**
- Market area plant strategy**
- Cost conservation strategy

Question No: 36 (Marks: 1) - Please choose one

Which one the following is an assumption of center of gravity method?

- The quantity to be shipped is variable
- The quantity to be shipped is fixed**
- The quantity carries no value
- The quantity to be shipped should be extraordinarily high

Question No: 37 (Marks: 1) - Please choose one

Which of the following statements would generally be considered as correct job shop?

- A continuous process has lower output volume as compared to job shop
- Equipment flexibility is lower in job shop than that of a continuous process
- Labor costs are higher in a Job Shop operation than in most other processes**
- Batch processing produces a more standard range of products than continuous flow processes

Question No: 38 (Marks: 1) - Please choose one

Which one of the following is NOT an input in the transformation process?

- Information**
- Services
- Facilities

Materials

Question No: 39 (Marks: 1) - Please choose one

Which one of the following describes the Naïve forecast?

Attempt to predict the future value based on the past data.

Determine long term upward or downward movement in data.

Forecast for any period equals the previous period's actual value.

Collect outside opinion of consumer and potential customers.

Question No: 40 (Marks: 1) - Please choose one

Which one of the following is an advantage of a moving average forecast?

All the values in the average are weighted equally

The method is reliable to forecast the demand accurately

The method is easy to compute and easy to understand

The most recent values are given the more weight age

Question No: 41 (Marks: 5)

Why some multinational corporations feel that globalization is not a good option?

Question No: 42 (Marks: 5)

Do you perceive that operation management and operation research are the same concepts?

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 1)

Question No: 1 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

Are specific to the operations function

Are specific to the marketing function

Are interdependent with other processes

Have exactly the same performance measures for any process

Question No: 2 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

$(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$

$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$

$(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$

$(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

Question No: 3 (Marks: 1) - Please choose one

Which of the following is referred to as plans for achieving goals?

Rules

Strategies

Policies

Mission

Question No: 4 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?

A factor which may be significant in other parts of the organization

A factor which gives an organization a competitive edge

A factor which serves as a minimum standard for purchase

A factor which increases the profitability of the organization

Question No: 5 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time dimension

Question No: 6 (Marks: 1) - Please choose one

Which one of the following techniques uses historical data to predict future value of a variable of interest?

Time series method

Causal forecasting method

Qualitative forecasting method

Intuitive forecasting method

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

Associative forecast

Time series forecast

Consumer survey

Executive opinion

Question No: 8 (Marks: 1) - Please choose one

Which one of the following involves completing a series of questionnaires each developed from the previous one, to achieve a consensus forecast?

Consumer surveys

Executive opinion

Time series forecast

Delphi method

Question No: 9 (Marks: 1) - Please choose one

In which one of the following situations, the use of a decision tree is required instead of a payoff table?

When there are more than three states of nature

When there are more than three decision payoffs

When the decision situation encompasses an extended time period

When a series of decisions is required

Question No: 10 (Marks: 1) - Please choose one

Which one of the following is an outcome of Maximin criterion?

The best of the worst possible payoff

The best possible payoff

The best average payoff

The least of the worst regrets

Question No: 11 (Marks: 1) - Please choose one

Given the table:

Possible Alternatives future demand

Low (Rs.) High (Rs.) Small facility 10,000 8,000

Medium facility 12,000 20,000

Large facility 18,000 15,000

Which one of the following is the correct payoff under LAPLACE approach?

Rs. 9,000

Rs. 16,000

Rs. 33,000

Rs. 16,500

Question No: 12 (Marks: 1) - Please choose one

Which one of the following is called as the difference between designed and utilized capacity?

Design capacity

Effective capacity

Buffer capacity

Utilization rate

Question No: 13 (Marks: 1) - Please choose one

Which one of the following mathematical expressions is used to compute utilization?

Actual output / effective capacity

Actual output / design capacity

Actual output + effective capacity

Actual output - design capacity

Question No: 14 (Marks: 1) - Please choose one

Which of the following terms of financial analysis are important for the organization to proceed with a capacity alternative decision?

Cash flow and fixed cost

Present value and fixed cost

Cash flow and present value

Cash flow and profit

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is the first step in line balancing?

Specify the sequential relationship among tasks.

Determine the required cycle time. P--85

Determine the minimum number of workstations.

Determine the desired output

Question No: 16 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

Fixed position layout

Process layout

Product layout

Hybrid layout

Question No: 17 (Marks: 1) - Please choose one

What would be the required cycle time for a process that operates 9 hours daily with a desired output of 300 units per day?

0.03 minutes

1.8 minutes

2700 minutes

291 minutes

Question No: 18 (Marks: 1) - Please choose one

What would be the output capacity if an assembly line operates for 7 hours per day with a cycle time of 2.0 minutes?

210 units per day

3.5 units per day

0.004 units per day

14 units per day

Question No: 19 (Marks: 1) - Please choose one

Which of the following probability distribution is used most extensively in dealing with forecasting errors?

Normal

Exponential

Beta

Pareto

Question No: 20 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of aesthetics of the product?

Functional design

Production design

Service design

Product design

Question No: 21 (Marks: 1) - Please choose one

Which of the following factors are considered in product and service design?

Customer satisfaction, quality, and improvement costs

Employee motivation, quality, and production costs

Customer satisfaction, flexibility, and production costs

Customer satisfaction, quality, and production costs

Question No: 22 (Marks: 1) - Please choose one

An automatic car wash is an example of which of the following?

Customized service

Batch processing

Intermittent processing

Standardized service

Question No: 23 (Marks: 1) - Please choose one

Which of the following is an advantage of standardization?

Frozen designs

Customized parts

Interchangeable parts

Reduced variety

Question No: 24 (Marks: 1) - Please choose one

Which one of the following is the most significant disadvantage of standardization?

Reduced design costs

Interchangeable parts

Reduced variety

Customized parts

Question No: 25 (Marks: 1) - Please choose one
Product life cycle is based on which of the following components?

Place

Demand

Supply

Price

Question No: 26 (Marks: 1) - Please choose one
Which one of the following is the final stage of product life cycle?

Growth

Decline

Maturity

Planning

Question No: 27 (Marks: 1) - Please choose one
Which one of the following statements relates to the final stage of product life cycle?

Improve reliability, and reduce production costs

Improve packaging, and reliability

Improve reliability, and reduce quality

Improve reliability, and reduce promotion costs

Question No: 28 (Marks: 1) - Please choose one
Which of the following refers to translate the voice of the customer into technical design requirements?

Concurrent design

Design for manufacture

Robust design

Quality functional deployment

Question No: 29 (Marks: 1) - Please choose one
Which one of the following is correct about the range of availability on a measuring index?

0.1 to 1.0

0 to 1.0

0.5 to 1.0

0.01 to 1.0

Question No: 30 (Marks: 1) - Please choose one
What would be the availability if a carpenter is expected to be able to operate for 250 hours between repairs, and the mean repair time is expected to be 3 hours?

1.01

5.03

3.0

0.98

Question No: 31 (Marks: 1) - Please choose one

Capacity planning involves answering all of the following questions EXCEPT:

What kind of capacity is needed?

How much is needed?

When is it needed?

Who is going to decide? P--64

Question No: 32 (Marks: 1) - Please choose one

The disadvantages of specialization to management include all of the following EXCEPT:

More absenteeism

Minimum responsibility

More turnovers

More difficult to teach the job

Question No: 33 (Marks: 1) - Please choose one

Which one of the following refers to a team having representatives from different functional areas of the organization?

Traditional work group

Self-directed team

Cross-functional team

Self motivated team

Question No: 34 (Marks: 1) - Please choose one

Which one of the following refers to the length of time needed to complete a job?

Work sampling methods

Work measurement p--93

Job design

Methods analysis

Question No: 35 (Marks: 1) - Please choose one

Which one of the following location strategies follows a decentralized approach?

Process plant strategy

Market area plant strategy

Cost conservation strategy

Product plant strategy

Question No: 36 (Marks: 1) - Please choose one

Which one of the following location strategies is favored by automobile manufacturers?

Product plant strategy
Process plant strategy
Market area plant strategy
Cost conservation strategy

Question No: 37 (Marks: 1) - Please choose one
Which of the following refers to bringing together engineering design and manufacturing personnel early in the design phase.

Reverse engineering
Concurrent engineering
Manufacturability
Serviceability

Question No: 38 (Marks: 1) - Please choose one
Which of the following is the primary input in capacity planning?

Supply chain capabilities
Competitors' strengths
Demand forecasts
Overall cost estimates

Question No: 39 (Marks: 1) - Please choose one
Which of the following best describes the concept of the value chain?

The step-wise increases in product prices as raw materials are turned into goods/services
Adding financial value to an organization through the acquisition of other firms
A sequence of activities that involve movement of materials in a production facility
All steps in the transformation process that add value even if they don't come from manufacturing

Question No: 40 (Marks: 1) - Please choose one
The Strategies which are more focused on maintaining or improving the quality of an organization's products or services are known as:

Quality at the source
Time based strategies
Cost leadership strategies
Quality-based strategies

Question No: 41 (Marks: 5)
What are some of the reasons that do not favor the use of process layout?

Question No: 42 (Marks: 5)
Do you perceive that operation management and operation research are the same concepts?

MIDTERM EXAMINATION

Spring 2009
MGT613- Production / Operations Management (Session - 1)

Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ **Strategic decision**
- ▶ Tactical decision

Question No: 2 (Marks: 1) - Please choose one

What would be the productivity if 9 workers installed 650 square yards of carpeting in 6 hours?

- ▶ 12.03 square yards/hr
- ▶ 72.20 square yards/hr
- ▶ 108.30 square yards/hr
- ▶ **5850 square yards/hr**

Question No: 3 (Marks: 1) - Please choose one

All of the following are the decision areas of an operations manager EXCEPT:

- ▶ **Financial reporting**
- ▶ Inventory management
- ▶ Scheduling tasks
- ▶ Supply chain management

Question No: 4 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?

- ▶ A factor which may be significant in other parts of the organization
- ▶ **A factor which gives an organization a competitive edge**
- ▶ A factor which serves as a minimum standard for purchase
- ▶ A factor which increases the profitability of the organization

Question No: 5 (Marks: 1) - Please choose one

Which one of the following correctly explains the elements of a good forecast?

- ▶ Timely, having a purpose, accurate, written, reliable, meaningful
- ▶ Timely, accurate, judgmental, correctness, verbal, simple to use
- ▶ **Timely, accurate, reliable, meaningful, written, simple to use**
- ▶ Timely, accurate, reliable, consistent, meaningful, written, simple to use

Question No: 6 (Marks: 1) - Please choose one

Which one of the following correctly explains the quantitative forecasting technique?

- ▶ It consists mainly of numerical descriptions and resist subjective inputs of managers.
- ▶ It consists mainly of subjective inputs and resist particular numerical descriptions.
- ▶ It consists mainly of subjective inputs and resisit human factor, personal opinions.
- ▶ It consists mainly of analyzing objective and hard data and resist human factor, opinion.

Question No: 7 (Marks: 1) - Please choose one

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

- ▶ Associative forecast
- ▶ Time series forecast
- ▶ Consumer survey
- ▶ Executive opinion

Question No: 8 (Marks: 1) - Please choose one

Which one of the following involves completing a series of questionnaires each developed from the previous one, to achieve a consensus forecast?

- ▶ Consumer surveys
- ▶ Executive opinion
- ▶ Time series forecast
- ▶ Delphi method

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ The forecast lags behind the actual
- ▶ The forecast represents demand more accurately
- ▶ The forecast will not be accurate
- ▶ The forecast will not be reliable

Question No: 10 (Marks: 1) - Please choose one

Which one of the following forecasting techniques is used to identify a trend when data is neither growing nor declining rapidly and has no seasonal characteristics?

- ▶ Simple moving average
- ▶ Delphi method
- ▶ Trend adjusted forecast
- ▶ Naïve forecast

Question No: 11 (Marks: 1) - Please choose one

Effective capacity is influenced by all of the following factors EXCEPT:

- ▶ Facilities
- ▶ **Product mix**
- ▶ Processes
- ▶ Operations

Question No: 12 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

- ▶ Introduction
- ▶ Growth
- ▶ **Maturity**
- ▶ Decline

Question No: 13 (Marks: 1) - Please choose one

Which one of the following statement is TRUE about cost-volume relationship?

- ▶ **It represents the relationship between cost, revenue and volume of output.**
- ▶ It represents the relationship between cost and volume of output.
- ▶ It represents the relationship between cost and revenue.
- ▶ It represents the relationship between inputs, cost and volume of output.

Question No: 14 (Marks: 1) - Please choose one

Which one of the following refers to the volume of output at which total cost equals total revenue?

- ▶ Optimal operating rate
- ▶ **Break even point**
- ▶ Feasible volume
- ▶ Utilization

Question No: 15 (Marks: 1) - Please choose one

Which one of the following manufacturing process is associated with high volume car manufacture?

- ▶ Job shop
- ▶ **Assembly line**
- ▶ Batch
- ▶ Automation

Question No: 16 (Marks: 1) - Please choose one

Which one of the following statements is NOT correct about cycle time?

- ▶ It represents daily operating time divided by desired production

- ▶ It is the maximum allowable time at each work station
- ▶ It determines the time often items take to roll off in assembly line
- ▶ It is the time required to complete a product from start to finish

Question No: 17 (Marks: 1) - Please choose one

Which one of the following layout type is associated with a restaurant?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Hybrid layout

Question No: 18 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Cellular layout

Question No: 19 (Marks: 1) - Please choose one

Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Hybrid layout

Question No: 20 (Marks: 1) - Please choose one

In which one of the following techniques, the least squares method models uses one dependent and one or more independent variables?

- ▶ Trend adjusted forecast
- ▶ Simple moving average
- ▶ Regression analysis
- ▶ Exponential smoothing

Question No: 21 (Marks: 1) - Please choose one

In exponential smoothing model, a denotes:

- ▶ Smoothing constant
- ▶ Actual forecast
- ▶ Forecast error
- ▶ Previous forecast

Question No: 22 (Marks: 1) - Please choose one

Which one of the following is responsible for administering environmental issues about product and service design?

- ▶ Central Board Revenue
- ▶ Environmental Protection Agency
- ▶ Federal Drug Agency
- ▶ Occupational Safety Hygiene Administration

Question No: 23 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of a esthetics of the product?

- ▶ Functional design
- ▶ Production design
- ▶ Service design
- ▶ Product design

Question No: 24 (Marks: 1) - Please choose one

Which of the following ensures that the design meets the performance characteristics that are specified in the product concept?

- ▶ Functional design
- ▶ Production design
- ▶ Service design
- ▶ Product design

Question No: 25 (Marks: 1) - Please choose one

Which of the following factors are considered in product and service design?

- ▶ Customer satisfaction, quality, and improvement costs
- ▶ Employee motivation, quality, and production costs
- ▶ Customer satisfaction, flexibility, and production costs
- ▶ Customer satisfaction, quality, and production costs

Question No: 26 (Marks: 1) - Please choose one

CBR stands for which one of the following?

- ▶ Commercial board of revenue
- ▶ Central board of recycling
- ▶ Central board of renovation
- ▶ Central board of revenue

Question No: 27 (Marks: 1) - Please choose one

An automatic car wash is an example of which of the following?

- ▶ Customized service

- ▶ Batch processing
- ▶ Intermittent processing
- ▶ Standardized service

Question No: 28 (Marks: 1) - Please choose one

Which one of the following statements relates to the final stage of product life cycle?

- ▶ Improve reliability, and reduce production costs
- ▶ Improve packaging, and reliability
- ▶ Improve reliability, and reduce quality
- ▶ Improve reliability, and reduce promotion costs

Question No: 29 (Marks: 1) - Please choose one

Which one of the following statements is TRUE about product life cycle?

- ▶ It depicts demand of a product at various price levels
- ▶ It depicts demand of a product with respect to time
- ▶ It relates demand of a product to quality
- ▶ It relates demand of a product to market share

Question No: 30 (Marks: 1) - Please choose one

Technology has impacted the work place by:

- ▶ Adding to the existing geographical barriers for recruiting
- ▶ Increasing the cost of telecommuting
- ▶ Increasing the amount required to be spent on training
- ▶ Unifying the workforce to a common skill level

Question No: 31 (Marks: 1) - Please choose one

CPFR stands for which of the following?

- ▶ Collaborative Promotion, Forecasting, and Replenishment
- ▶ Collaborative Planning, Forecasting, and Reactivity
- ▶ Co-operative Planning, Function, and Replenishment
- ▶ Collaborative Planning, Forecasting, and Replenishment

Question No: 32 (Marks: 1) - Please choose one

Forecasting accuracy has relation with time horizon.

- ▶ Inverse
- ▶ Linear
- ▶ Direct
- ▶ Parallel

Question No: 33 (Marks: 1) - Please choose one

Which one of the following is a key benefit of process plant strategy?

- ▶ Economies of scale
- ▶ Diseconomies of scale
- ▶ Product variety
- ▶ Task specialization

Question No: 34 (Marks: 1) - Please choose one

Which one the following is an assumption of center of gravity method?

- ▶ The quantity to be shipped is variable
- ▶ The quantity to be shipped is fixed
- ▶ The quantity carries no value
- ▶ The quantity to be shipped should be extraordinarily high

Question No: 35 (Marks: 1) - Please choose one

Which of the following is the primary input in capacity planning?

- ▶ Supply chain capabilities
- ▶ Competitors' strengths
- ▶ Demand forecasts
- ▶ Overall cost estimates

Question No: 36 (Marks: 1) - Please choose one

The type of processing structure that is used for producing discrete products at higher volume is:

- ▶ Continuous Flow
- ▶ Assembly Line
- ▶ Batch
- ▶ Job shop

Question No: 37 (Marks: 1) - Please choose one

Quality, costs, lead times, operating resources are all related to which one of the following strategies.

- ▶ Organizational strategy
- ▶ Financial strategy
- ▶ Operational strategy
- ▶ Tectical strategy

Question No: 38 (Marks: 1) - Please choose one

The Strategies which are more focused on maintaining or improving the quality of an organization's products or services are known as:

- ▶ Quality at the source
- ▶ Time based strategies

- ▶ Cost leadership strategies
- ▶ **Quality-based strategies**

Question No: 39 (Marks: 1) - Please choose one

Which of the following is NOT an attribute to classify services?

- ▶ **Tangibility**
- ▶ Perishability
- ▶ Simultaneity
- ▶ Courtesy

Question No: 40 (Marks: 1) - Please choose one

Forecasting for groups tend to be more accurate than forecasting for individual items because:

- ▶ **A group is composed of a number of items**
- ▶ A group exhibits a uniform behavior
- ▶ A group cancels the forecasting errors among items
- ▶ A group behavior is relatively less uncertain

Question No: 41 (Marks: 5)

How would you reveal the usefulness of naive forecasts?

Question No: 42 (Marks: 5)

Which process system would you suggest for the following business/industry?

French restaurants
Heavy equipment
Sugar refinery
Automobile assembly
Commercial printer

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 2)

Question No: 1 (Marks: 1) - Please choose one

Who developed the use of standardization in large-scale mass production using a moving assembly line?

- ▶ Frederick Winslow Taylor
- ▶ Frank Gilbreth
- ▶ Adam Smith
- ▶ **Henry Ford**

Question No: 2 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ **Strategic decision**
- ▶ Tactical decision

Question No: 3 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per shift?

- ▶ Capital
- ▶ Energy
- ▶ **Labor**
- ▶ Machine

Question No: 4 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

- ▶ **Capital**
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 5 (Marks: 1) - Please choose one

Operations manager is responsible for all of the following EXCEPT:

- ▶ Forecasting
- ▶ Capacity planning
- ▶ Inventory management
- ▶ **Distributing organizations' goods**

Question No: 6 (Marks: 1) - Please choose one

Which of the following is NOT usually considered a general characteristic of a service?

- ▶ Production and sales cannot easily be separated functionally
- ▶ Many services involve both tangible and intangible outputs
- ▶ Production and consumption can always be separated
- ▶ Degree of customer contact is high

Question No: 7 (Marks: 1) - Please choose one

Which of the following is NOT a decision to be made by operations managers?

- ▶ How much capacity is required to balance demand?

- ▶ What should be the location and layout of a facility?
- ▶ How to improve operational efficiency?
- ▶ Which market areas to manufacture the products for?

Question No: 8 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

- ▶ Are specific to the operations function
- ▶ Are specific to the marketing function
- ▶ Are interdependent with other processes
- ▶ Have exactly the same performance measures for any process

Question No: 9 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

- ▶ $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$
- ▶ $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$
- ▶ $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

Question No: 10 (Marks: 1) - Please choose one

Which of the following refers to the essential elements of operations strategy?

- ▶ Policies, tactics and objectives
- ▶ Plans, strategies and vision
- ▶ Mission, goals and plans
- ▶ Mission, policies and distinctive competencies

Question No: 11 (Marks: 1) - Please choose one

Which one of the following correctly explains the qualitative forecasting technique?

- ▶ It consists mainly of numerical descriptions and defies subjective inputs of managers.
- ▶ It consists mainly of subjective inputs and defies particular numerical descriptions.
- ▶ It consists mainly of subjective inputs and defies human factor, personal opinions.
- ▶ It consists mainly of analyzing objective and hard data and defies human factor, opinion.

Question No: 12 (Marks: 1) - Please choose one

Which of the following approaches favors adopting a “go for it” strategy?

- ▶ Maximin
- ▶ Maximax
- ▶ Minimax regret
- ▶ Laplace

Question No: 13 (Marks: 1) - Please choose one

Which one of the following is an outcome of Maximax?

- ▶ The best of the worst possible payoff
- ▶ **The best possible payoff**
- ▶ The best average payoff
- ▶ The least of the worst regrets

Question No: 14 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

- ▶ **The forecast lags behind the actual**
- ▶ The forecast represents demand more accurately
- ▶ The forecast will not be accurate
- ▶ The forecast will not be reliable

Question No: 15 (Marks: 1) - Please choose one

Which of the following is a technique that averages a number of recent actual values that are updated as new values become available?

- ▶ **Simple moving average**
- ▶ Delphi method
- ▶ Trend adjusted forecast
- ▶ Naïve forecast

Question No: 16 (Marks: 1) - Please choose one

A workers strike represents which of the following behaviors of a time series?

- ▶ Cycle
- ▶ Trend
- ▶ **Seasonality**
- ▶ Irregular variations

Question No: 17 (Marks: 1) - Please choose one

Which one of the following is called as the difference between designed and utilized capacity?

- ▶ **Design capacity**
- ▶ Effective capacity
- ▶ Buffer capacity
- ▶ Utilization rate

Question No: 18 (Marks: 1) - Please choose one

Which one of the following is an index used to measure actual output relative to design capacity?

- ▶ Utilization
- ▶ Efficiency
- ▶ Effective capacity
- ▶ Effectiveness

Question No: 19 (Marks: 1) - Please choose one

The formula for determining the required cycle time is operation time per day divided by:

- ▶ Sum of task times
- ▶ Actual output per day (in units)
- ▶ Number of workstation
- ▶ Desired output (in units)

Question No: 20 (Marks: 1) - Please choose one

Which one of the following layout type is associated with a restaurant?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ Product layout
- ▶ Hybrid layout

Question No: 21 (Marks: 1) - Please choose one

Which one of the following mathematical expressions can be used to compute output capacity?

- ▶ OT/CT
- ▶ CT/OT
- ▶ $CT+OT$
- ▶ $CT-OT$

Question No: 22 (Marks: 1) - Please choose one

What would be the output capacity if an assembly line operates for 7 hours per day with a cycle time of 2.0 minutes?

- ▶ 210 units per day
- ▶ 3.5 units per day
- ▶ 0.004 units per day
- ▶ 14 units per day

Question No: 23 (Marks: 1) - Please choose one

Which of the following forecasting technique is based on the assumption that past data is more indicative of the future than the most recent occurrences?

- ▶ Exponential smoothing

- ▶ Linear regression
- ▶ Judgmental forecast
- ▶ Naive forecast

Question No: 24 (Marks: 1) - Please choose one

Which of the following ensures that the design meets the performance characteristics that are specified in the product concept?

- ▶ Functional design
- ▶ Production design
- ▶ Service design
- ▶ Product design

Question No: 25 (Marks: 1) - Please choose one

CBR stands for which one of the following?

- ▶ Commercial board of revenue
- ▶ Central board of recycling
- ▶ Central board of renovation
- ▶ Central board of revenue

Question No: 26 (Marks: 1) - Please choose one

In order to comply with the environmental standards, an organization ABC has to implement Occupational Safety Hygiene Administration (OSHA). Which one of the following is a way to accomplish this task?

- ▶ Promoting friendly relations among employees
- ▶ Installing safety guards and devices to reduce the risk of potential accidents
- ▶ Installing machinery to make the process speedy
- ▶ Installing machinery that provides cost effective output

Question No: 27 (Marks: 1) - Please choose one

Which of the following is an advantage of standardization?

- ▶ Frozen designs
- ▶ Customized parts
- ▶ Interchangeable parts
- ▶ Reduced variety

Question No: 28 (Marks: 1) - Please choose one

Which of the following refers to translate the voice of the customer into technical design requirements?

- ▶ Concurrent design
- ▶ Design for manufacture
- ▶ Robust design

▶ Quality functional deployment

Question No: 29 (Marks: 1) - Please choose one

A product 'A' is specified to work well up to 30 degree Celsius temperature and 30% humidity. What would these specifications represent?

- ▶ Reliability factor
- ▶ Standard conditions
- ▶ Normal operating conditions
- ▶ Standard operating procedure

Question No: 30 (Marks: 1) - Please choose one

What would be the availability if a carpenter is expected to be able to operate for 350 hours between repairs, and the mean repair time is expected to be 3 hours?

- ▶ 0.99
- ▶ 1.0
- ▶ 3.0
- ▶ 7.03

Question No: 31 (Marks: 1) - Please choose one

What would be the availability if a carpenter is expected to be able to operate for 300 hours between repairs, and the mean repair time is expected to be 2 hours?

- ▶ 6.02
- ▶ 2.0
- ▶ 0.99
- ▶ 0.006

Question No: 32 (Marks: 1) - Please choose one

Which of the following management level is responsible for long-range capacity planning?

- ▶ Lower management
- ▶ Middle management
- ▶ Top management
- ▶ Non managerial employees

Question No: 33 (Marks: 1) - Please choose one

Capacity planning involves answering all of the following questions EXCEPT:

- ▶ What kind of capacity is needed?
- ▶ How much is needed?
- ▶ When is it needed?
- ▶ Who is going to decide?

Question No: 34 (Marks: 1) - Please choose one

The disadvantages of specialization to management include all of the following EXCEPT:

- ▶ More absenteeism
- ▶ **Minimum responsibility**
- ▶ More turnover
- ▶ More difficult to teach the job

Question No: 35 (Marks: 1) - Please choose one

Which of the following can be used to compute standard time?

- ▶ Multiplying the elemental average time by the rating factor
- ▶ Dividing the average elemental time by the rating factor
- ▶ Multiplying the normal cycle time by the rating factor
- ▶ **Multiplying the normal cycle time by one plus the allowance factor**

Question No: 36 (Marks: 1) - Please choose one

Which one of the following is an example of community factors that affect location decisions?

- ▶ Transportation
- ▶ Quality of life
- ▶ Location of new markets
- ▶ **Location of raw materials**

Question No: 37 (Marks: 1) - Please choose one

Which one of the following statements is true about Occupational Safety Hygiene Administration (OSHA)?

- ▶ To safeguard against potential hazards
- ▶ To develop cost effective processes
- ▶ To implement legal standards
- ▶ **To carry out implication of manufacturability and fitness**

Question No: 38 (Marks: 1) - Please choose one

Which of the following is the primary input in capacity planning?

- ▶ Supply chain capabilities
- ▶ Competitors' strengths
- ▶ **Demand forecasts**
- ▶ Overall cost estimates

Question No: 39 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

- ▶ Customers typically interact directly with the service delivery process.
- ▶ Consumption and production take place simultaneously.
- ▶ Services are intangible.
- ▶ Services can be stored.

Question No: 40 (Marks: 1) - Please choose one

Forecasting for groups tend to be more accurate than forecasting for individual items because:

- ▶ A group is composed of a number of items
- ▶ A group exhibits a uniform behavior
- ▶ A group cancels the forecasting errors among items
- ▶ A group behavior is relatively less uncertain

Question No: 41 (Marks: 5)

Given the table:

Alternatives Possible future demand
Low (Rs.) High (Rs.)

- ▶ Small facility 10,000 8,000
- ▶ Medium facility 12,000 20,000
- ▶ Large facility 18,000 15,000
- ▶ Calculate Maximax, Lapalace and Minimax regret?

Question No: 42 (Marks: 5)

Suppose you are working as an operation manager in an automobile company. Your company wants to move its manufacturing plant from one location to other location. What factors will affect the location decision according to your point of view?

MIDTERM EXAMINATION

Spring 2009

MGT613- Production / Operations Management (Session - 1)

Question No: 1 (Marks: 1) - Please choose one

Which ONE of the following statements correctly explains the role of operation's manager?

To coordinate the activities between marketing and finance department

To sustain, protect and project the company's long term strategies

To develop organizational strategy that reflects the operational strategy

To sustain, protect and project the company's operation/production side

Question No: 2 (Marks: 1) - Please choose one

What would be the productivity if a machine produced 50 units in 3 hours?

0.066 units per hr

16.66 units per hr

6.766 units per hr

60.66 units per hr

Question No: 3 (Marks: 1) - Please choose one

Operations manager is responsible for all of the following EXCEPT:

Forecasting

Capacity planning

Inventory management

Distributing organizations' goods

Question No: 4 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

$(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$

$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$

$(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$

(Quality + Speed+ Cost) / Flexibility

Question No: 5 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

Flexibility + profit+ operations

Work + profit + value

Quality + speed + flexibility

Profit + Incentives + standards

Question No: 6 (Marks: 1) – Please choose one

Organizational strategies relate to which of the following sets of factors?

Survival, profitability, growth rate and market share

Profitability, survival, leads times and target market

Quality, operating resources, growth rate and market share

Scheduling, profitability, lead times and survival

Question No: 7 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?

A factor which may be significant in other parts of the organization

A factor which gives an organization a competitive edge

A factor which serves as a minimum standard for purchase

A factor which increases the profitability of the organization

Question No: 8 (Marks: 1) - Please choose one

To make operations strategy effective it should be:

Independent of the organization's strategy

Consistent with the organization's strategy

Developed by a first line manager

Independent of time dimension

Question No: 9 (Marks: 1) - Please choose one

Which one of the following correctly explains the elements of a good forecast?

Timely, having a purpose, accurate, written, reliable, meaningful

Timely, accurate, judgmental, correctness, verbal, simple to use

Timely, accurate, reliable, meaningful, written, simple to use

Timely, accurate, reliable, consistent, meaningful, written, simple to use

Ref:

Question No: 10 (Marks: 1) - Please choose one

Which one of the following correctly explains the qualitative forecasting technique?

It consists mainly of numerical descriptions and defies subjective inputs of managers.

It consists mainly of subjective inputs and defies particular numerical descriptions.

It consists mainly of subjective inputs and defies human factor, personal opinions.

It consists mainly of analyzing objective and hard data and defies human factor, opinion.

Question No: 11 (Marks: 1) - Please choose one

Which one of the following correctly explains the quantitative forecasting technique?

It consists mainly of numerical descriptions and resists subjective inputs of managers.

It consists mainly of subjective inputs and resists particular numerical descriptions.

It consists mainly of subjective inputs and resist human factor, personal opinions.

It consists mainly of analyzing objective and hard data and resist human factor, opinion.

Question No: 12 (Marks: 1) - Please choose one

Which one of the following forecasting techniques uses explanatory variables to predict future demand?

Associative forecast

Time series forecast

Consumer survey

Executive opinion

Question No: 13 (Marks: 1) - Please choose one

Given the table:

Alternatives Possible future demand

	Low (Rs.)	High (Rs.)
Small facility	10,000	8,000
Medium facility	12,000	20,000
Large facility	18,000	15,000

Which one of the following is the correct payoff under MAXIMAX approach?

Rs. 10,000

Rs. 18,000

Rs. 20,000

Rs. 32,000

Question No: 14 (Marks: 1) - Please choose one

Which one of the following is a limitation of a moving average having a trend?

The forecast lags behind the actual

The forecast represents demand more accurately

The forecast will not be accurate

The forecast will not be reliable

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is an index used to measure actual output relative to design capacity?

Utilization

Efficiency

Effective capacity

Effectiveness

Question No: 16 (Marks: 1) - Please choose one

Which one of the following mathematical expressions is used to compute utilization?

Actual output / effective capacity

Actual output / design capacity

Actual output + effective capacity

Actual output - design capacity

Question No: 17 (Marks: 1) - Please choose one

Which one of the following stages of product life cycle relates to more predictable behavior in terms of capacity requirements?

Introduction

Growth

Maturity

Decline

Question No: 18 (Marks: 1) - Please choose one

Which one of the following statement is TRUE about cost-volume relationship?

It represents the relationship between cost, revenue and volume of output.

It represents the relationship between cost and volume of output.

It represents the relationship between cost and revenue.

It represents the relationship between inputs, cost and volume of output.

Question No: 19 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute break even point?

$$Q = VC / (R - VC)$$

$$Q = FC / (R - VC)$$

$$Q = VC / (R + FC)$$

$$Q = FC / (R + VC)$$

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is a characteristic of continuous process?

High lead times

Short process times

The ability to handle high variety

The ability to handle high volumes

Question No: 21 (Marks: 1) - Please choose one

Which of the following refers the way an organization chooses to produce its good or services?

Process selection

Process reengineering

Process redesign

Process design

Question No: 22 (Marks: 1) - Please choose one

Which one of the following best describes the cellular layout?

It groups machines into departments according to their function.

It groups machines into small assembly lines that produce families of parts.

It allows production of larger lots by reducing set-up time.

It encourages the use of large, efficient machinery.

Question No: 23 (Marks: 1) - Please choose one

Which one of the following statements is NOT correct about cycle time?

It represents daily operating time divided by desired production

It is the maximum allowable time at each work station

It determines the time often items take to roll off in assembly line

It is the time required to complete a product from start to finish

Question No: 24 (Marks: 1) - Please choose one

Which of the following layout types is associated with a supermarket?

Fixed position layout

Process layout

Product layout

Cellular layout

Question No: 25 (Marks: 1) - Please choose one

What would be the required cycle time for a process that operates 9 hours daily with a desired output of 300 units per day?

0.03 minutes

1.8 minutes

2700 minutes

291 minutes

Question No: 26 (Marks: 1) - Please choose one

Which one of the following defines the range of the smoothing constant (Alpha)?

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2 and -2

1 and -1

0 and -1

0 and 1

Question No: 27 (Marks: 1) - Please choose one

Which of the following takes into consideration the design of aesthetics of the product?

Functional design

Production design

Service design

Product design

Question No: 28 (Marks: 1) - Please choose one

Which one of the following refers to using some of the components of old products in the

manufacturing of new products?

Manufacturability

Remanufacturing

Robust design

Automation

Question No: 29 (Marks: 1) - Please choose one

Which one of the following mathematical expressions can be used to compute availability?

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$(MTBF) / (MTBF + MTR)$

$(MTBF) / (MTBF - MTR)$

$(MTR) / (MTBF + MTR)$

$(MTR) / (MTBF - MTR)$

Question No: 30 (Marks: 1) - Please choose one

Which one of the following is correct about the range of availability on a measuring index?

0.1 to 1.0

0 to 1.0

0.5 to 1.0

0.01 to 1.0

Question No: 31 (Marks: 1) - Please choose one

What would be the availability if a carpenter is expected to be able to operate for 300 hours between repairs, and the mean repair time is expected to be 2 hours?

6.02

2.0

0.99

0.006

Question No: 32 (Marks: 1) - Please choose one

Which one of the following operating levels is best with respect to capacity?

The maximum point of the cost curve

The level of capacity for which average unit cost is minimized

The level of capacity for which average unit cost is maximized

The level of capacity for which total cost is minimized

Question No: 33 (Marks: 1) - Please choose one

Which one of the following is the goal of work sampling?

Individual human motions that are used in a job task

Determining the length of time it will take to undertake a particular task

Determining the amount of time a worker spends on various activities

Specifying the content and methods to perform a job

Question No: 34 (Marks: 1) - Please choose one

The advantages of specialization to management include all of the following EXCEPT:

Rapid training of the workforce

Ease in recruiting new workers

Fewer turnovers

Less boredom for workers

Question No: 35 (Marks: 1) - Please choose one

The disadvantages of specialization to management include all of the following EXCEPT:

More absenteeism

Minimum responsibility

More difficult to teach the job

Question No: 36 (Marks: 1) - Please choose one

Which one of the following is NOT a business application of forecasting?

Budgeting

Capacity planning

Inventory management

Quality control

Question No: 37 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

Customers typically interact directly with the service delivery process.

Consumption and production take place simultaneously.

Services are intangible.

Services can be stored.

Question No: 38 (Marks: 1) - Please choose one

All of the following are examples of the transformation process EXCEPT:

Cutting

Packing

Facilitating

Labeling

Question No: 39 (Marks: 1) - Please choose one

Which one of the following represents the series of a time forecast?

Averaging, cycle, seasonality, random variations

Trend, seasonality, exponential smoothing

Trend, cycle, seasonality, moving average

Trend, cycle, seasonality, random variations

Question No: 40 (Marks: 1) - Please choose one

Which of the following is a characteristic of linear regression?

It is superior to a moving average

It is a causal forecasting model

It compensates for both trend and seasonal variations in demand

It is superior to an exponential smoothing

Question No: 41 (Marks: 5)

Suppose you are working as an operation manager in an automobile company. Your company wants to move its manufacturing plant from one location to other location.

What factors will affect the location decision according to your point of view?

Question No: 42 (Marks: 5)

Calculate the exponential smoothing forecasts from the following data for the 6th period with constant(alpha) 0.40.

Period No. of complaints

1 60

2 65

3 55

4 58

5 64

MIDTERM EXAMINATION

Spring 2010

MGT603- Strategic Management (Session - 6)

Question No: 1 (Marks: 1) - Please choose one

Long-term objectives includes all of the following EXCEPT:

▶ Measurable

▶ Reasonable

▶ Varving

- ▶ Consistent

Pg#9

Objectives should be challenging, measurable, consistent, reasonable, and clear. In a multidimensional firm, objectives should be established for the overall company and for each division.

Question No: 2 (Marks: 1) - Please choose one

Which of the following is NOT included in the strategic management model?

- ▶ Measure and evaluate performance
- ▶ Establish long-term objectives
- ▶ Develop mission and vision statements
- ▶ **Perform internal research to identify customers**

P#49

Question No: 3 (Marks: 1) - Please choose one

Which component of a mission statement addresses the basic beliefs, values, aspirations, and ethical priorities of the firm?

- ▶ Technology
- ▶ **Philosophy**
- ▶ Customers
- ▶ Self-concept

Pg#17

Philosophy: What are the basic beliefs, values, aspirations, and ethical priorities of the firm?

Question No: 4 (Marks: 1) - Please choose one

“Identifying and evaluating social, political, economic, technological and competitive trends and events”; which of the followings best describes this statement?

- ▶ Developing an effective mission statement
- ▶ Conducting an internal audit

▶ **Performing an external audit**

- ▶ Formulating strategy

Pg#29

To perform an external audit, a company first must gather competitive intelligence and information about social, cultural, demographic, environmental, economic, political, legal, governmental, and technological trends. Individuals can be asked to monitor various sources of information such as key magazines, trade journals, and newspapers

Question No: 5 (Marks: 1) - Please choose one

The purpose of an external audit is to prepare a list of which of the following?

- ▶ Opportunities and weaknesses
- ▶ Threats and strengths
- ▶ **Opportunities and threats**
- ▶ Strengths and weaknesses

Pg#29

The purpose of an external audit is to develop a finite list of opportunities that could benefit a firm and threats that should be avoided.

Question No: 6 (Marks: 1) - Please choose one

Rehman industries, a leading firm of the industry is analyzing the technological forces for the firm which may provide it opportunities and threats for which stage/s of strategic management process?

▶ **Strategy formulation**

- ▶ Strategy implementation
- ▶ Strategy evaluation
- ▶ All of the given options

Technological forces represent major opportunities and threats that must be considered in formulating strategies.

Question No: 7 (Marks: 1) - Please choose one

Use of the Internet and Internet technologies can be integrated into the sales of on-line as well as off-line business and marketing portion of the value chain through which of the following?

- ▶ Through software that permits customers to specify build-to-order options
- ▶ Through online product catalogs containing rich product information and specifications
- ▶ Via online price quotes and online announcements of special sales and promotions
- ▶ **All of the given options**

Question No: 8 (Marks: 1) - Please choose one

Which of the following best describes this statement; “A systematic and ethical process for gathering and analyzing information about the competition’s activities and general business trends to further a business’ own goals”?

- ▶ External assessment

- ▶ Industry analysis
- ▶ **Competitive intelligence program**
- ▶ Business ethics

Pg#42

Competitive Intelligence Programs

Systematic and ethical process for gathering and analyzing information about the competition's activities and general business

trends to further a business' own goals.

Question No: 9 (Marks: 1) - Please choose one

Which one of the following is NOT is a basic mission of a competitive intelligence program?

- ▶ To provide a general understanding of an industry
- ▶ To provide a general understanding of a company's competitors
- ▶ [To identify industry executives who could be hired by the firm](#)
- ▶ To identify potential moves a competitor might make that would endanger a firm

P#43

Competitive Intelligence Programs and competitive analysis:

Systematic and ethical process for gathering and analyzing information about the competition's activities and general business trends to further a business' own goals.

Question No: 10 (Marks: 1) - Please choose one

Which of the following statements is correct in relation to the Five Forces framework?

- ▶ **The framework is a means of identifying the forces which affect the level of competition in an industry**
- ▶ The framework identifies the major stakeholders of an organization
- ▶ The framework assists in developing a broad perspective on the environment within which an organization operates
- ▶ It is not appropriate in public sector management and for small organizations

Pg#143

Five forces -- the bargaining power of customers, the bargaining power of suppliers, the threat of new entrants, and the threat of substitute products -- combine with other variables to influence a fifth force, the level of competition in an industry. Each of these forces has several determinants:

Question No: 11 (Marks: 1) - Please choose one

While preparing an External Factor Evaluation Matrix, a total score of 0.8 indicates that:

- ▶ Firm is taking advantages of strengths and avoiding threats
- ▶ Firm is taking no advantage of opportunities and is avoiding threats
- ▶ **Firm is not taking advantages of opportunities and is not avoiding threats (right one)**
- ▶ Firm is taking advantage of opportunities and is avoiding the threats

Question No: 12 (Marks: 1) - Please choose one

Internal analysis involves gathering and analyzing information about all areas of a firm EXCEPT:

- ▶ Research and development
- ▶ Management information system
- ▶ Marketing
- ▶ **Competitors**

Pg#49

Internal Audit is Parallels process of external audit. It gathers & assimilates information from:

- o Management
- o Marketing
- o Finance/accounting
- o Production/operations
- o Research & development
- o Management information systems

Question No: 13 (Marks: 1) - Please choose one

All of the following are included in the five functions of the management process EXCEPT:

- ▶ Planning
- ▶ Organizing
- ▶ Leading
- ▶ [Delegating](#)

Management process functions:

- Planning
- Organizing
- Leading
- Controlling

Question No: 14 (Marks: 1) - Please choose one

One of the top level manager of a large manufacturing plant uses to spend her day trying to ensure that the material wastage is not more than 10%. She spends her day in performing which of the following management functions?

- ▶ Planning
- ▶ Organizing
- ▶ Leading
- ▶ **Controlling**

Question No: 15 (Marks: 1) - Please choose one

Waseem & Sons primarily want to gain control over the prices charged to consumers. What strategy will most likely be followed by Waseem & Sons?

- ▶ Market penetration
- ▶ Product development
- ▶ **Forward integration**
- ▶ Concentric Diversification

PG#81

Forward integration: Gaining ownership or increased control over distributors or retailers

Forward integration involves gaining ownership or increased control over distributors or retailers.

Question No: 16 (Marks: 1) - Please choose one

The

IFE matrix summarizes and evaluates which factors in the functional areas of a business?

- ▶ Opportunities and threats
- ▶ **Strengths and weaknesses**
- ▶ Strengths and threats
- ▶ Opportunities and weaknesses

PG#47

A summary step in conducting an internal strategic-management audit is to construct an *Internal Factor Evaluation (IFE) Matrix*. This strategy-formulation tool summarizes and evaluates the major strengths and weaknesses in the functional areas of a business, and it also provides a basis for identifying and evaluating relationships among those areas.

Question No: 17 (Marks: 1) - Please choose one

What is meant by Focused Differentiation?

- ▶ Concentrating on a particular feature of a product or service to achieve differentiation
- ▶ concentrating on differentiation as the primary means of achieving competitive advantage
- ▶ **Providing a high perceived value product to a selected market segment which justifies a substantial price premium**
- ▶ Simultaneously seeking to achieve differentiation and a price lower than that of competitors

Focus differentiation is about targeting a particular market segment.

Question No: 18 (Marks: 1) - Please choose one

Khawar Garments, a domestic firm begins to export to India, it is an example of which of the following?

- ▶ Horizontal integration
- ▶ **Market development**
- ▶ Forward integration
- ▶ Concentric diversification

PG#90

Market Development

Introducing present products or services into new geographic area

Question No: 19 (Marks: 1) - Please choose one

Under which of the following conditions, Concentric Diversification would be particularly an effective strategy to pursue?

- ▶ When an organization has grown so large so quickly that major internal reorganization is needed
- ▶ **When sales of current products would increase intensively by adding the new related products**
- ▶ When revenues from current products/services would increase significantly by adding the new unrelated products
- ▶ When current products are in maturity stage of the product life cycle(right one)

PG#91

Guidelines for Concentric Diversification

Five guidelines when concentric diversification may be an effective strategy are provided below:Five guidelines when concentric diversification may be an effective strategy are provided below:

Competes in no- or slow-growth industry

Adding new & related products increases sales of current products

New & related products offered at competitive prices

Current products are in decline stage of the product life cycle

Strong management team

Question No: 20 (Marks: 1) - Please choose one

The company acquires or develops new products that could appeal to its current customer groups even though those new products may be technologically unrelated to the existing product lines. Which of the following best describes the statement?

- ▶ Retrenchment
- ▶ **Horizontal diversification**
- ▶ Market development
- ▶ Horizontal integration

PG#92

Adding new, unrelated products or services for present customers is called *horizontal diversification*.

Question No: 21 (Marks: 1) - Please choose one

Abdullah Group of Industries is involved in the sale of its marginal business. It is most likely to say that Abdullah Group is implementing _____ strategy.

- ▶ Join venture
- ▶ Acquisition
- ▶ Liquidation
- ▶ **Retrenchment**

PG#93

During retrenchment, strategists work with limited resources and face pressure from shareholders, employees, and the media. Retrenchment can entail selling off land and buildings to raise needed cash, pruning product lines, **closing marginal businesses**, closing obsolete factories, automating processes, reducing the number of employees, and instituting expense control systems.

Question No: 22 (Marks: 1) - Please choose one

Mergers and acquisitions are created for all of the following reasons **EXCEPT**:

- ▶ For gaining new technology
- ▶ For reduction of tax obligations
- ▶ For gaining economies of scale
- ▶ **For increase in number of employees**

Question No: 23 (Marks: 1) - Please choose one

In which of the given phases of strategic management, strategies are put into action?

- ▶ Strategy formulation
- ▶ **Strategy implementation**
- ▶ Strategy evaluation
- ▶ All of the given options

PG#4

Strategy implementation is often called the action stage of strategic management. Implementing means mobilizing employees and managers in order to put formulated strategies into action.

Question No: 24 (Marks: 1) - Please choose one

_____ is the principle of conduct that guides decision-making.

- ▶ Human rights
- ▶ **Business ethics**
- ▶ The constitution
- ▶ Social responsibility

PG#14

Business Ethics and Strategic Management

Definition:

Business ethics can be defined as principles of conduct within organizations that guide decision making and behavior.

Question No: 25 (Marks: 1) - Please choose one

Which of the following should be created first and foremost by a strategist?

- ▶ Strategy
- ▶ Objectives
- ▶ **Vision**
- ▶ Mission

Question No: 26 (Marks: 1) - Please choose one

Which of the following is **FALSE** about vision and mission statements?

- ▶ **Vision statement gives the overall purpose of an organization while a mission statement describes a picture of the preferred future**
- ▶ A vision statement describes how the future will look if the organization achieves its mission and a mission statement explains what the organization does
- ▶ Mission statement answers the questions what is our business and the vision statement answers the question what do we want to become

▶ Mission statement explains the current position and activities of a firm whereas vision statement explains the future objective

Question No: 27 (Marks: 1) - Please choose one

Which of the following is NOT a key question that can reveal internal strengths and weaknesses of the marketing department?

- ▶ Does the firm have effective sales?
- ▶ **Are markets segmented effectively?**
- ▶ Are the firm's products and services priced appropriately?
- ▶ Does the firm have good liquidity? (right one)

PG#63

Marketing Audit Checklist of Questions

Similarly as provided earlier for management, the following questions about marketing are pertinent:

1. Are markets segmented effectively?

2. Is the organization positioned well among competitors?
3. Has the firm's market share been increasing?
4. Are present channels of distribution reliable and cost-effective?
- 5. Does the firm have an effective sales organization?**
6. Does the firm conduct market research?
7. Are product quality and customer service good?

8. Are the firm's products and services priced appropriately?

9. Does the firm have an effective promotion, advertising, and publicity strategy?
10. Are marketing planning and budgeting effective?
11. Do the firm's marketing managers have adequate experience and training?

Question No: 28 (Marks: 1) - Please choose one

"A desired future state that the organization attempts to realize". Identify the term relevant to the given statement.

- ▶ **Goal (right one)**
- ▶ Strategy
- ▶ Policy
- ▶ Procedure

A goal is a **desired future state that the organization attempts to realize**. Goals are important because organizations exist for a purpose and goals define

Question No: 29 (Marks: 3)

What activities are performed in strategy evaluation stage under controlling function of management?

Controlling function of management includes all those activities undertaken to ensure that actual operations conform to planned operations. Controlling function of management is particularly important for effective strategy evaluation. Controlling function of management has the following activities in strategy evaluation.

1. Establishing performance standards
2. Measuring individual and organizational performance
3. Taking corrective actions
4. Comparing actual performance to planned performance standards

Question No: 30 (Marks: 3)

In your opinion, what can be the circumstances when a Low Cost Producer in an industry brings effectiveness?

The circumstances will be for high cost producers because, when low cost producer come into market. Its costumers will be increased. Also *low-cost producer* would generally have a higher profit margin.

Question No: 31 (Marks: 5)

What are the major stakeholders that affect pricing decisions?

Following are the five major stakeholders which affect pricing decisions.

1. Governments
2. Suppliers
3. Distributors
4. Consumers
5. Competitors

Question No: 32 (Marks: 5)

Mergers or acquisitions are the methods by which two companies combine to form a larger company. What can be the reasons for achieving mergers or acquisitions

MIDTERM EXAMINATION 2010 - 2

MGT603-Strategic Management

Question No: 1 (Marks: 1) - Please choose one

Various job titles of a strategist may include all of the following EXCEPT:

- ▶ Owner
- ▶ [Foreman](#)
- ▶ Chancellor
- ▶ Chief executive officer

Ref:

Strategists have various job titles, such as chief executive officer, president, and owner, chair of the board, executive director, chancellor, dean, or entrepreneur.

Question No: 2 (Marks: 1) - Please choose one

Long-term objectives includes all of the following EXCEPT:

- ▶ Measurable
- ▶ Reasonable
- ▶ [Varying](#)
- ▶ Consistent

The Nature of Long-Term Objectives

Objectives should be quantitative, measurable, realistic, understandable, challenging, hierarchical, obtainable, and congruent among organizational units.

Question No: 3 (Marks: 1) - Please choose one

All of these are pitfalls of an organization in strategic planning EXCEPT:

- ▶ Failing to involve key employees in all phases of planning
- ▶ Using strategic planning to gain control over decisions and resources
- ▶ [Using plans as a standard for measuring performance](#)
- ▶ Being so formal in planning that flexibility and creativity are stifled

Ref:

Some pitfalls to watch for and avoid in strategic planning are provided below:

1. [Using strategic planning to gain control over decisions and resources](#)
2. Doing strategic planning only to satisfy accreditation or regulatory requirements
3. Too hastily moving from mission development to strategy formulation
4. Failing to communicate the plan to employees, who continue working in the dark
5. Top managers making many intuitive decisions that conflict with the formal plan
6. Top managers not actively supporting the strategic-planning process
7. Failing to use plans as a standard for measuring performance
8. Delegating planning to a "planner" rather than involving all managers
9. **Failing to involve key employees in all phases of planning**
10. Failing to create a collaborative climate supportive of change
11. Viewing planning to be unnecessary or unimportant
12. Becoming so engrossed in current problems that insufficient or no planning is done
13. **Being so formal in planning that flexibility and creativity are stifled.**

Question No: 4 (Marks: 1) - Please choose one

The organizations that conduct business operations across national borders are known as:

- ▶ [Multinational corporations](#)
- ▶ Domestic firms
- ▶ Strategic alliances
- ▶ Franchises

Question No: 5 (Marks: 1) - Please choose one

A mission statement should "reconcile interests among diverse stakeholders". What does it mean?

- ▶ All shareholders must be satisfied
- ▶ Shareholders should be given preference over customers
- ▶ [Firm will devote attention to meeting claims of various stakeholders](#)
- ▶ Firm will devote its attention towards the maximization of shareholders value

Question No: 6 (Marks: 1) - Please choose one

Which component of a mission statement addresses the basic beliefs, values, aspirations, and ethical priorities of the firm?

- ▶ Technology
- ▶ [Philosophy](#)
- ▶ Customers

- ▶ Self-concept

Ref:

[6. Philosophy: What are the basic beliefs, values, aspirations, and ethical priorities of the firm?](#)

Question No: 7 (Marks: 1) - Please choose one

“Identifying and evaluating social, political, economic, technological and competitive trends and events”; which of the followings best describes this statement?

- ▶ Developing an effective mission statement
- ▶ Conducting an internal audit

▶ **[Performing an external audit](#)**

- ▶ Formulating strategy

Ref:

To perform an external audit, a company first must gather competitive intelligence and information about social, cultural, demographic, environmental, economic, political, legal, governmental, and technological trends. Individuals can be asked to monitor various sources of information such as key magazines, trade journals, and newspapers.

Question No: 8 (Marks: 1) - Please choose one

Suppose, the value of the currency of a certain country falls, what can be the effect on companies in Different Industries and in Different Locations in that country respectively?

- ▶ Significant and equal
- ▶ Marginal and equal
- ▶ **[Significant and unequal](#)**
- ▶ Insignificant and unequal

[the value of the currency is fall for a certain country. It has over all a significant effect. But it is not necessary that this effect will be treated equally at the different industries and location of that country.](#)

Question No: 9 (Marks: 1) - Please choose one

What will happen to the Pakistani exports in overseas markets when there is a strong value of rupee?

- ▶ Pakistani exports will be less expensive
- ▶ **[Pakistani exports will be more expensive](#)**
- ▶ Pakistani exports will be more attractive
- ▶ Pakistani exports will be desirable

Question No: 10 (Marks: 1) - Please choose one

Use of the Internet and Internet technologies can be integrated into the sales of on-line as well as off-line business and marketing portion of the value chain through which of the following?

- ▶ Through software that permits customers to specify build-to-order options
- ▶ Through online product catalogs containing rich product information and specifications
- ▶ Via online price quotes and online announcements of special sales and promotions
- ▶ **[All of the given options](#)**

Question No: 11 (Marks: 1) - Please choose one

Assigning rating '2' to an internal factor in IFE matrix indicates what?

- ▶ Major weakness
- ▶ **[Minor weakness](#)**
- ▶ Minor strength
- ▶ Major strength

Ref:

a minor weakness (rating = 2),

Question No: 12 (Marks: 1) - Please choose one

As managers move up the organization, they perform which of the management function more?

- ▶ Leading
- ▶ Controlling
- ▶ Organizing
- ▶ **Planning**

[In functional terms, as managers move up the organization, they do more planning and less direct supervising.](#)

Question No: 13 (Marks: 1) - Please choose one

Sana has spent a day in a session where the future of her company was discussed. The people involved were trying to determine what the role of their company was as the 21st century approaches. Goals were then developed based upon their vision of the company's mission. Sana spent her day on which of the following process?

- ▶ **Planning**
- ▶ Organizing
- ▶ Leading
- ▶ Controlling

Question No: 14 (Marks: 1) - Please choose one

One of the top level manager of a large manufacturing plant uses to spend her day trying to ensure that the material wastage is not more than 10%. She spends her day in performing which of the following management functions?

- ▶ Planning
- ▶ Organizing
- ▶ Leading
- ▶ Controlling

Question No: 15 (Marks: 1) - Please choose one

Which of the following allows an organization to test alternative marketing plans and to forecast future sales of new products?

- ▶ Marketing
- ▶ Advertisement
- ▶ Test marketing
- ▶ Customer analysis

Ref: One of the most effective product and service planning techniques is test marketing. Test markets allow an organization to test alternative marketing plans and to forecast future sales of new products

Question No: 16 (Marks: 1) - Please choose one

Which of the following has/have been successful in determining R&D budget allocations?

- ▶ Financing as many project proposals as possible
- ▶ Budgeting for R&D about what competitors spend
- ▶ Deciding how many successful new products are needed
- ▶ All of the given options

Ref:

Page no 71

Question No: 17 (Marks: 1) - Please choose one

Which of the following is a drawback or limitation of Horizontal Integration?

- ▶ Synergies may be more imaginary than real
- ▶ It can increase suppliers' and buyers' bargaining power
- ▶ Economies of scale are likely to be decreased
- ▶ Both the first & third options are correct

Ref:

Disadvantage of Horizontal integration:

Synergies maybe more imaginary than real Substitutes market is often very different. Challenge occurs to management during acquisition. Reduction in competition may lead to anti-trust issues. <http://ccit300.wikispaces.com/Horizontal+Integration>

Question No: 18 (Marks: 1) - Please choose one

In which situation would horizontal integration be an especially effective strategy?

- ▶ When an organization can gain monopolistic characteristics without being challenged by the federal government
- ▶ When decreased economies of scale provide major competitive advantages
- ▶ When an organization has neither the capital nor human talent needed to successfully manage an expanded organization
- ▶ When competitors are succeeding due to managerial expertise or having particular resources

Ref:

Horizontal Integration:

Seeking ownership or increased control over competitors Horizontal integration refers to a strategy of seeking ownership of or increased control over a firm's competitors. One of the most significant trends in strategic management today is the increased use of horizontal integration as a growth strategy. Mergers, acquisitions, and takeovers among competitors allow for increased economies of scale and enhanced transfer of resources and competencies. Increased control over competitors means that you have to look for new opportunities either by the purchase of the new firm or hostile take over the other firm. One organization gains control of other which functioning within the same industry. It should be done that every firm wants to increase its area of influence, market share and business.

Question No: 19 (Marks: 1) - Please choose one

Defensive strategies include all of the following EXCEPT:

- ▶ Retrenchment
- ▶ Acquisition
- ▶ Divestiture
- ▶ Liquidation

Ref:

Defensive Strategies

In addition to integrative, intensive, and diversification strategies, organizations also could pursue retrenchment, divestiture, or liquidation.

Question No: 20 (Marks: 1) - Please choose one

Which strategy should be implemented when a division is responsible for an organization's overall poor performance?

- ▶ [Divestiture](#)
- ▶ Forward integration
- ▶ Cost leadership
- ▶ Related diversification

Question No: 21 (Marks: 1) - Please choose one

Which of the following is NOT the reason to go for divestiture?

- ▶ When firm has pursued retrenchment but failed to attain needed improvements
- ▶ **When the availability of quality distributors is too limited**
- ▶ When a division needs more resources than the firm can provide
- ▶ When a division is responsible for the firm's overall poor performance

[Reference](#) (,us,09nov10)

Question No: 22 (Marks: 1) - Please choose one

A joining of two companies through one company buying more than one half of the other company's stocks is known as:

- ▶ Monopolization
- ▶ A spin-off
- ▶ **An acquisition**
- ▶ A Merger

Question No: 23 (Marks: 1) - Please choose one

Which of the following statements is TRUE about company's strategies?

- ▶ [Company strategies concern how to grow the business, how to out-compete rivals, how to satisfy customers](#)
- ▶ Company strategies concern when to change the company's strategic vision and business model
- ▶ Company strategies concern whether to focus on achieving short-run performance targets or on long-range
- ▶ Company strategies concern performance targets and how much organizational stretch to build in

Question No: 24 (Marks: 1) - Please choose one

Which of the following is a key merit of strategic management?

- ▶ [Strategic management enables an organization to be proactive](#)
- ▶ Strategic management enables an organization to avoid the threats
- ▶ Strategic management enables an organization to defeat their competitors
- ▶ Strategic management enables an organization to foresee into the future

Ref:

Benefits of Strategic management

Following are the major benefits of Strategic management:

- ¾ Proactive in shaping firm's future
- ¾ Initiate and influence actions
- ¾ Formulate better strategies (Systematic, logical, rational approach)

Question No: 25 (Marks: 1) - Please choose one

Which of the following statements describes a company's strategic vision?

- ▶ **Gives a broad, aspiration image of the future that an organization is aiming to achieve**
- ▶ Sets forth the long-range financial and strategic performance targets that organization seeks to achieve
- ▶ Indicates the boundaries of the company's present business
- ▶ Reflects how strategic objectives are to be achieved

Question No: 26 (Marks: 1) - Please choose one

Which of the following is NOT a key question that can reveal internal strengths and weaknesses of the marketing department?

- ▶ Does the firm have effective sales?
- ▶ Are markets segmented effectively?
- ▶ Are the firm's products and services priced appropriately?
- ▶ [Does the firm have good liquidity?](#)

Question No: 27 (Marks: 1) - Please choose one

The corporate social policy should be reaffirmed or changed during which phase of strategic management?

- ▶ Strategy control
- ▶ Strategy implementation
- ▶ Strategy formulation
- ▶ **Strategy evaluation**

[Ref: Corporate social policy should be designed and articulated during strategy formulation, set and administered during strategy implementation, and reaffirmed or changed during strategy evaluation.\(us,,03nov2010\)](#)

Question No: 28 (Marks: 1) - Please choose one

All of the following are the circumstances when forward integration strategies are beneficial to be practiced **EXCEPT**:

- ▶ Availability of quality distributors is limited
- ▶ **Existing markets for present products are saturated**
- ▶ Advantages of stable production are high
- ▶ Present distributors have high profit margins

Question No: 29 (Marks: 3)

What is the significance of Research and Development for an organization?

Answer:

Research and Development

The fifth major area of internal operations that should be examined for specific strengths and weaknesses is research and development (R&D). Many firms today conduct no R&D, and yet many other companies depend on successful R&D activities for survival. Firms pursuing a product development strategy especially need to have a strong R&D orientation.

The purpose of research and development are as follows:

Development of new products before competition

Improving product quality

Improving manufacturing processes to reduce costs

Question No: 30 (Marks: 3)

What should be the characteristics of a firm that is successfully pursuing a Cost Leadership Strategy? Enlist any six of them.

Answer:

A successful cost leadership strategy usually permeates the entire firm, as evidenced by high efficiency, low overhead, limited perks, intolerance of waste, intensive screening of budget requests, wide spans of control, rewards linked to cost containment, and broad employee participation in cost control efforts.

Some risks of pursuing cost leadership are that competitors may imitate the strategy, thus driving overall industry profits down; technological breakthroughs in the industry may make the strategy ineffective; or buyer interest may swing to other differentiating features besides price. Several example firms that are well known for their low-cost leadership strategies are Wal-Mart, BIC, McDonald's, Black and Decker, Lincoln Electric, and Briggs and Stratton.

Question No: 31 (Marks: 5)

What are the five forces of Porter's Five Forces Model?

Question No: 32 (Marks: 5)

Explain Merger and Acquisition with the help of examples (examples should be related to a multinational or local company operating in Pakistan)?

MIDTERM EXAMINATION 2010 - 5

MGT603-Strategic Management

Question No: 1 (Marks: 1) - Please choose one

Which of the following can be considered as a factor of internal strengths and weaknesses of an organization?

- ▶ Technological changes
- ▶ **Production/operations**
- ▶ Demographics
- ▶ Competitive trends

Question No: 2 (Marks: 1) - Please choose one

The objectives set by a manager should have which of the following characteristics?

- ▶ Should spell out how fast the company's strategy is to be implemented
- ▶ **Should be challenging and congruent among organizational units**
- ▶ Should include long-range performance targets but not short-range targets
- ▶ Should include financial performance targets but not strategic performance targets

Objectives are essential for organizational success because they state direction; aid in evaluation; create synergy; reveal priorities; focus coordination; and provide a basis for effective planning, organizing, motivating and controlling activities. Objectives should be challenging, measurable, consistent, reasonable, and clear. In a multidimensional firm, objectives should be established for the overall company and for each division.

Question No: 3 (Marks: 1) - Please choose one

All of the following are the examples of a broad mission EXCEPT:

- ▶ The firm deals in beverages
- ▶ **We sell quality skimmed milk**
- ▶ Stationery is our product
- ▶ Company manufactures food items

Broad Mission:

Broad mission wider our mission values in terms of product and services, offered, market served, technology used and opportunity of growth. But main flow of this mission that if creates confusion among employee due to its wider sense.

Question No: 4 (Marks: 1) - Please choose one

Which of the following business actions is NOT considered to be unethical?

- ▶ Poor product or service safety
- ▶ **Using non-union labor in a union shop**
- ▶ Misleading advertising
- ▶ Too expensive products

PAGE 15: Some business actions *always* considered to be unethical include misleading advertising or labeling, causing environmental harm, poor product or service safety, padding expense accounts, insider trading, dumping banned or flawed products.

Question No: 5 (Marks: 1) - Please choose one

“A Good mission statement identifies the utility of a firm's products to its customers”; which of the following represents this statement?

- ▶ Organization's philosophy
- ▶ **Customer orientation**
- ▶ Social policy
- ▶ Declaration of attitude

A Customer Orientation

Good mission statement identifies the utility of a firm's products to its customers. This is why AT&T's mission statement focuses on communication rather than on telephones'

Question No: 6 (Marks: 1) - Please choose one

Where an organization takes into account the effect of its strategic decisions on the society, the firm is taking care of:

- ▶ Corporate governance
- ▶ Business policy
- ▶ Business ethics
- ▶ **Social policy**

Question No: 7 (Marks: 1) - Please choose one

External assessment is performed in which of the following strategic-management phase?

- ▶ **Strategy formulation stage**
- ▶ Strategy implementation stage
- ▶ Strategy evaluation stage
- ▶ All of the given options

Question No: 8 (Marks: 1) - Please choose one

Suppose, the value of the currency of a certain country falls, what can be the effect on companies in Different Industries and in Different Locations in that country respectively?

- ▶ Significant and equal
- ▶ Marginal and equal
- ▶ **Significant and unequal**
- ▶ Insignificant and unequal

Question No: 9 (Marks: 1) - Please choose one

What will happen to the Pakistani exports in overseas markets when there is a strong value of rupee?

- ▶ Pakistani exports will be less expensive
- ▶ **Pakistani exports will be more expensive**
- ▶ Pakistani exports will be more attractive
- ▶ Pakistani exports will be desirable

Question No: 10 (Marks: 1) - Please choose one

Local, state, and national elections, world oil, currency, and labor markets, number of patents, special tariffs are the examples of which one of the following?

- ▶ Economic forces
- ▶ **Political, governmental, and legal forces**
- ▶ Social, cultural and, demographic forces
- ▶ Competitive forces

Page 36: Impact of political variables on government regulations:

- Government regulation/deregulation
- Tax law changes
- Special tariffs
- Political Action Committees (PACs)
- Voter participation rates
- Number of patents
- Changes in patent laws

Question No: 11 (Marks: 1) - Please choose one

Which one of the following is NOT is a basic mission of a competitive intelligence program?

- ▶ To provide a general understanding of an industry
- ▶ To provide a general understanding of a company's competitors
- ▶ **To identify industry executives who could be hired by the firm**
- ▶ To identify potential moves a competitor might make that would endanger a firm

Question No: 12 (Marks: 1) - Please choose one

Which of the following arise when a company can take advantage of conditions in its environment to formulate and implement strategies that enable it to become more profitable?

- ▶ Strengths
- ▶ **Opportunities**
- ▶ Weaknesses
- ▶ Threats

<http://books.google.com/books?id=Sy8vejbcocC&pg=PA52&lpg=PA52&dq=company+can+take+advantage+of+conditions+in+its+environment+to+formulate+and+implement+strategies+that+enable+it+to+become+more+profitable&source=bl&ots=IHKYX76rMZ&sig=F9YXtOqH>

Question No: 13 (Marks: 1) - Please choose one

Assigning 1 rating to a key external factor indicates that:

- ▶ Response is superior
- ▶ Response is above average
- ▶ Response is average
- ▶ **Response is poor**

page44: Assign a 1-to-4 rating to each key external factor to indicate how effectively the firm's current strategies respond to the factor, where 5 = the response is superior, 4 = the response is above average, 3 = the response is average, and 2 = the response is poor.

Question No: 14 (Marks: 1) - Please choose one

Assigning rating '2' to an internal factor in IFE matrix indicates what?

- ▶ Major weakness
- ▶ **Minor weakness**
- ▶ Minor strength
- ▶ Major strength

page47: Assign a 1-to-4 rating to each factor to indicate whether that factor represents a major weakness (rating = 1), a minor weakness (rating = 2), a minor strength (rating = 3), or a major strength (rating = 4). Note that strengths must receive a 4 or 3 rating and weaknesses must receive a 1 or 2 rating.

Question No: 15 (Marks: 1) - Please choose one

Life-directing attitudes that serve as behavioral guidelines are known as:

- ▶ **Values**
- ▶ Rites
- ▶ Beliefs
- ▶ Sagas

Page 52: Values: Life-directing attitudes that serve as behavioral guidelines

Question No: 16 (Marks: 1) - Please choose one

Which of the following is the first step in the controlling function of management?

- ▶ Take corrective actions
- ▶ Restrict breaks employees take
- ▶ Evaluate expense reports
- ▶ **Establish performance standards**

Page 59: Controlling consists of four basic steps:

1. Establishing performance standards
2. Measuring individual and organizational performance
3. Comparing actual performance to planned performance standards
4. Taking corrective actions

Question No: 17 (Marks: 1) - Please choose one

The steps required to perform cost/benefit analysis include all BUT:

- ▶ Comparing the total costs with the total benefits
- ▶ Figure out the total costs associated with a decision
- ▶ Approximation of the total benefits from the decision
- ▶ **Adding the total cost and total benefit**

Page 63: Three steps are required to perform a *cost/benefit analysis*:

- Compute the total costs associated with a decision,
- Estimate the total benefits from the decision, and
- Compare the total costs with the total benefits.

Question No: 18 (Marks: 1) - Please choose one

Which of the following ratios is least likely to be helpful in evaluating a firm's decision regarding dividend?

- ▶ Earnings-per-share ratio
- ▶ **Long-Term Debt-to-Equity Ratio**

- ▶ Dividends-per-share ratio
- ▶ Price-earnings ratio

Question No: 19 (Marks: 1) - Please choose one

Which of the following is the first step in developing an IFE Matrix?

- ▶ Summing the weighted scores for each variable
- ▶ **Identifying the organization's strengths and weaknesses**
- ▶ Identifying the organization's functions of business
- ▶ Determining the lead strategist

Page75: Internal Factor Evaluation (IFE) Matrix. This strategy-formulation tool summarizes and evaluates the major **strengths and weaknesses** in the functional areas of a business, and it also provides a basis for identifying and evaluating relationships among those areas.

Question No: 20 (Marks: 1) - Please choose one

The business strategy decided upon by ABC Corporation is one that engages it in production of goods that are low in cost as compared to its competitors. ABC Company is perusing which one of the following strategy?

- ▶ Differentiation strategy
- ▶ Focus strategy
- ▶ Niche strategy
- ▶ **Cost leadership strategy**

Question No: 21 (Marks: 1) - Please choose one

The strategy embraced by Ahmad Bros. is to address the needs of a very selected and specialized market segment. Ahmad Bros. is most likely to engage in which one of the following types of strategy?

- ▶ Differentiation strategy
- ▶ Best value strategy
- ▶ **Focus strategy**
- ▶ Low cost strategy

Page87: Focus Strategy - Cost Focus

In this strategy the firm concentrates on a select few target markets. It is also called a focus strategy or niche strategy. It is hoped that by focusing your marketing efforts on one or two narrow market segments and tailoring your marketing mix to these specialized markets, you can better meet the needs of that target market.

Question No: 22 (Marks: 1) - Please choose one

Which of the following is **NOT** a situation when an organization should use an unrelated diversification strategy?

- ▶ When an organization's present channels of distribution can be used to market the new products to current customers
- ▶ **Revenues from current products/services would increase significantly by adding the new related products**
- ▶ When an organization competes in a highly competitive and/or a no-growth industry
- ▶ When the new products have counter-cyclical sales patterns compared to an organization's present products

Ref: <http://www.slideshare.net/mukeshkumar84/growth-strategy-presentation>

Revenues from current products/services would increase significantly by adding the new **unrelated** products

Question No: 23 (Marks: 1) - Please choose one

Smoothies Tire & Rubber Co. is selling its North American tire business to Avinza International, is an example of which type of strategy?

- ▶ Related diversification
- ▶ Retrenchment

▶ **Divestiture**

▶ Liquidation

Page 94: Divestiture

Selling a division or part of an organization is called *divestiture*. Divestiture often is used to raise capital for further strategic acquisitions or investments.

Question No: 24 (Marks: 1) - Please choose one

A joining of two companies through one company buying more than one half of the other company's stocks is known as:

▶ Monopolization

▶ A spin-off

▶ **An acquisition**

▶ A merger

Question No: 25 (Marks: 1) - Please choose one

Which of the following environment includes all those factors which affect the organization and is itself affected by the organization?

▶ **Task environment**

▶ Social environment

▶ External environment

▶ Internal environment

Page 9: Task Environment:

Task environment includes all those factors which affect the organization and itself affected by the organization. These factor effects the specific related organizations. These factors are shareholders community, labor unions, creditor, customers, competitors, trade associations.

Question No: 26 (Marks: 1) - Please choose one

Which of the following is a key merit of strategic management?

▶ **Strategic management enables an organization to be proactive**

▶ Strategic management enables an organization to avoid the threats

▶ Strategic management enables an organization to defeat their competitors

▶ Strategic management enables an organization to foresee into the future

Page 11: Following are the major benefits of Strategic management:

• Proactive in shaping firm's future

• Initiate and influence actions

• Formulate better strategies (Systematic, logical, rational approach)

Question No: 27 (Marks: 1) - Please choose one

Developing vision and mission statements is important because of the following reasons **EXCEPT:**

▶ They are the basis for allocating resources

▶ **They are useful for large firms only**

▶ They establish organizational culture

▶ They translate objectives into work structure

Question No: 28 (Marks: 1) - Please choose one

All of the following are the circumstances when forward integration strategies are beneficial to be practiced **EXCEPT:**

▶ Availability of quality distributors is limited

▶ Existing markets for present products are saturated

▶ Advantages of stable production are high

► **Present distributors have high profit margins**

(zh,,08dec10)

Page 82: Guidelines for the use of integration strategies:

Six guidelines when forward integration may be an especially effective strategy are:

- Present distributors are expensive, unreliable, or incapable of meeting firm's needs
- Availability of quality distributors is limited
- When firm competes in an industry that is expected to grow markedly
- Organization has both capital and human resources needed to manage new business of distribution
- Advantages of stable production are high
- Present distributors have high profit margins

Question No: 29 (Marks: 3)

What are the two basic types of R & D that can take place in an organization?

Question No: 30 (Marks: 3)

Vertical integration is the degree to which the firm owns its upstream and its downstream buyers. What can be the possible benefits if the firm goes for vertical integration?

Question No: 31 (Marks: 5)

Mr. Mansoor is a finance manager of a firm. He is asked to prepare a financial ratio analysis. What can be the possible limitations of his analysis?

Question No: 32 (Marks: 5)

Mergers or acquisitions are the methods by which two companies combine to form a larger company. What can be the reasons for achieving mergers or acquisitions?

**MIDTERM EXAMINATION
Spring 2009
MGT603- Strategic Management (Session - 1)**

Question No: 1 (Marks: 1) - Please choose one

Various job titles of a strategist may include all of the following EXCEPT:

1. Owner
2. **Foreman P6**
3. Chancellor
4. Chief executive officer

Question No: 2 (Marks: 1) - Please choose one

According to 'Peter Drucker', what is the prime task of strategic management?

1. To develop the vision of the business
2. Effectively evaluate the strategies
3. **To think through the overall mission of a business P4**
4. Develop alternative set of strategies

Question No: 3 (Marks: 1) - Please choose one

Strategist is an individual who is involved in the strategic management process, thus may be known as:

1. Member board of director
2. **President P6**
3. Division manager
4. All of the given options

Question No: 4 (Marks: 1) - Please choose one

External opportunities and threats that can significantly benefit or harm an organization may include all of the following EXCEPT:

1. Demographics
2. Competitive trends
3. Technological changes
4. **Research and development P7**

Question No: 5 (Marks: 1) - Please choose one

the S & T Organization has an established "game plan" for its business operations. This game plan reflects the company's awareness of how and where it should compete and against whom the competition should take place. It can be stated that this organization has an established

1. Goal
2. Formality
3. Policy
4. **Strategy**

Question No: 6 (Marks: 1) - Please choose one

Identify the term that is known as a "mean of providing guidance to actions and procedures, including how resources are to be allocated and how tasks assigned to the organization might be accomplished".

1. **Policies**
2. Objectives
3. Aspirations
4. Goals

Question No: 7 (Marks: 1) - Please choose one

All of the following statements are true about a firm's mission statement EXCEPT:

1. A mission statement directly contributes positively to financial performance
2. A mission statement does not directly contribute positively to financial performance
3. **A mission statement should not provide useful criteria for selecting among alternative strategies**
4. Primary reason to develop a mission statement is not to attract the customers

Question No: 8 (Marks: 1) - Please choose one

All of the following external forces directly affect an organization EXCEPT:

1. Market segmentation strategies
2. Types of products/services offered
3. **Management structure of an organization P28**
4. Choice of businesses to acquire or sell

Question No: 9 (Marks: 1) - Please choose one

"If a strategist has identified that the market growth rate is 8 %, the number of sellers in industry are 52 and the industry's products are differentiated." Which of the following industry's success factor he is exploring?

1. Social forces
2. Competitive forces
3. Social forces
4. **Economic forces**

http://highered.mcgraw-hill.com/sites/0073530425/student_view0/chapter3/chapter_test.html

Question No: 10 (Marks: 1) - Please choose one

Suppose, the value of the currency of a certain country falls, what can be the effect on companies in Different Industries and in Different Locations in that country respectively?

1. Significant and equal
2. Marginal and equal
3. **Significant and unequal**
4. Insignificant and unequal

Question No: 11 (Marks: 1) - Please choose one

Which one variable falls under the category of the Social, Cultural, Demographic, and Environmental Variable?

1. Propensity of people to spend
2. **Buying habits P34**
3. Level of disposable income
4. Income differences by region

Question No: 12 (Marks: 1) - Please choose one

Local, state, and national elections, world oil, currency, and labor markets, number of patents, special tariffs are the examples of which one of the following?

1. Economic forces
2. **Political, governmental, and legal forces P37**
3. Social, cultural and, demographic forces
4. Competitive forces

Question No: 13 (Marks: 1) - Please choose one

Which of the following best describes this statement; "A systematic and ethical process for gathering and analyzing information about the competition's activities and general business trends to further a business' own goals"?

1. External assessment
2. Industry analysis

3. **Competitive intelligence program P43**
4. Business ethics

Question No: 14 (Marks: 1) - Please choose one

Which of the following can be considered as barriers to entering a market or industry?

1. The lack of economies of scale and experience and low levels of brand loyalty
2. **The presence of large number of rivals already in the industry**
3. Relatively large capital requirements and industry have economies of scale
4. The absence of tariffs, trade restrictions, and/or government-mandated regulations

Question No: 15 (Marks: 1) - Please choose one

Supplier bargaining power is not likely to pose strong competitive pressure when which of the following situation is prevailing?

1. Buying firms are looking for suppliers with superior just-in-time supply
2. capabilities and low prices
3. The suppliers furnish a critical part or component that is in relatively short supply
4. **Buying firms collaborate closely with their key suppliers to achieve mutual benefits**
5. The products of alternative suppliers are highly differentiated, making the cost of switching relatively high

Question No: 16 (Marks: 1) - Please choose one

Which of the following is a collection of firms that offers similar products or services? such as IBM, Apple, and Dell?
Concentration

Industry

Corporation

Alliances

Question No: 17 (Marks: 1) - Please choose one

While preparing an External Factor Evaluation Matrix, a total score of 0.8 indicates that:

Firm is taking advantages of strengths and avoiding threats

Firm is taking no advantage of opportunities and is avoiding threats

Firm is not taking advantages of opportunities and is not avoiding threats P45

Firm is taking advantage of opportunities and is avoiding the threats

Question No: 18 (Marks: 1) - Please choose one

Assigning rating '2' to an internal factor in IFE matrix indicates what?

Major weakness

Minor weakness P47

Minor strength

Major strength

Question No: 19 (Marks: 1) - Please choose one

Which of the following are signs of weakness in a company's competitive position?

(ANS Required)

A return-on-equity is below 25% and earnings per share is less than Rs. 2.00

A price set by the firm higher than the market leader

A declining market share, poor product quality and few sales in market

Lower revenues and profit margin and narrow product line than the market leader

Question No: 20 (Marks: 1) - Please choose one

What is the essential bridge between the present and the future that increases the likelihood of achieving desired results

Motivating

Planning P54

Controlling

Organizing

Explanation:

Planning is the: Start of the process

Bridge between present and future, Increases likelihood of achieving desired results

Question No: 21 (Marks: 1) - Please choose one

Sana has spent a day in a session where the future of her company was discussed.

The people involved were trying to determine what the role of their company was as the 21st century approaches. Goals were then developed based upon their vision of the company's mission. Sana spent her day on which of the following process?

Planning

Organizing

Leading

Controlling

Question No: 22 (Marks: 1) - Please choose one

How Synergy can numerically be expressed?

$2+2=3$ (NAGATIVE)

$2+2=0$

$2+2=4$

$2+2=5$ POSITIVE SYNERGY

Ref: <http://www.referenceforbusiness.com/management/Str-Ti/Synergy.html>

Question No: 23 (Marks: 1) - Please choose one

Which of the following can reveal the demographic characteristics of an organization's?

Customers?

Test marketing

Customer profiling

Market development

Vision statement

Ref:

The information generated by customer analysis can be essential in developing an effective mission statement.

Customer Profiles can reveal the demographic characteristics of an organization's customers. P61

Question No: 24 (Marks: 1) - Please choose one

Test marketing is commonly applied by which of the following companies?

Industrial goods companies

Consumer goods companies P62

Public sector companies

Private sector companies

Question No: 25 (Marks: 1) - Please choose one

All of the following are the consideration for a company when conducting test marketing EXCEPT:

What advertising channel should be used for test? P61

How many cities to include for test?

What information to collect during the test?

What action to take after the test has been completed?

Question No: 26 (Marks: 1) - Please choose one

Which of the following ratios is least likely to be helpful in evaluating a firm's decision?

Regarding dividend?

Earnings-per-share ratio

Long-Term Debt-to-Equity Ratio

Dividends-per-share ratio

Price-earnings ratio

Ref:

Three financial ratios that are helpful in evaluating a firm's dividend decisions are the earnings-per share Ratio, the dividends-per-share ratio, and the price-earnings ratio.

Question No: 27 (Marks: 1) - Please choose one

Debt-to-equity ratio is one of the types of which ratios?

Profitability

Leverage P65

Liquidity

Activity

Question No: 28 (Marks: 1) - Please choose one

In strategy formulation phase, what can be the problem when only financial ratios are used to measure organizational performance?

They need to be compared with competitors'

They are only understandable by accountants

There are many different measures available

The measures are usually inconsistent

Financial measures need to be compared with competitors to have any value in a strategic sense

Question No: 29 (Marks: 1) - Please choose one

All of the following are functional support roles of Management Information System

EXCEPT:

Recording and storing accounting records

Recording and storing inventory data

Recording and storing business intelligence data

The enhanced ability to explore "what if"

(See p82 Topic functional support roles)

Question No: 30 (Marks: 1) - Please choose one

----- become/s information only when it/they is/are evaluated, filtered, condensed, analyzed and organized for a specific purpose, problem, individual, or time.

Material

Data

Competitive advantages

Competitor analysis

Ref:

Data becomes information only when it is evaluated, filtered, condensed, analyzed, and organized for a specific purpose, problem, individual, or time

Question No: 31 (Marks: 1) - Please choose one

Which of the following is a drawback or limitation of Horizontal Integration?

Synergies may be more imaginary than real

It can increase suppliers' and buyers' bargaining power

Economies of scale are likely to be decreased

Both the first & third options are correct

Disadvantage of Horizontal integration:

Synergies maybe more imaginary than real

Substitutes market is often very different. Challenge occurs to management during acquisition.

Reduction in competition may lead to anti-trust issues. <http://ccit300.wikispaces.com/Horizontal+Integration>

Question No: 32 (Marks: 1) - Please choose one

The business strategy decided upon by ABC Corporation is one that engages it in production of goods that are low in cost as compared to its competitors. ABC Company is perusing which one of the following strategy?

Differentiation strategy

Focus strategy

Niche strategy

Cost leadership strategy (see topic p85)

Question No: 33 (Marks: 1) - Please choose one

Where usage rate of present customers of the company can be increased significantly and the current markets are not saturated, which strategy would be effective for the company to follow?

Market Penetration

Product Development

Market Development

Retrenchment

Ref:

Four guidelines when market penetration may be an especially effective strategy are:

Current markets not saturated

Usage rate of present customers can be increased significantly

Market shares of competitors declining while total industry sales increasing

Increased economies of scale provide major competitive advantages

Question No: 34 (Marks: 1) - Please choose one

Which of the followings involves the substantial modification of existing products or the creation of new but related products that can be marketed to current customers through established channels?

Innovation

Differentiation

Product development

Market development

Ref:

Product development is a strategy that seeks increased sales by improving or modifying present products or services.

Question No: 35 (Marks: 1) - Please choose one

Rose Company markets new products or services that have no technological or commercial synergies with current products, but which may appeal to new groups of customers. Which strategy is being adopted by Rose Company?

Horizontal diversification

Horizontal integration

Conglomerate diversification

Backward integration

Explanation:

Conglomerate diversification means Adding new, unrelated products or services for new customer.

Question No: 36 (Marks: 1) - Please choose one

XYZ Corporation has decided to cut back on its product lines and to reduce the size of its operations because it can support no longer commitments needed to sustain it.

XYZ is going to pursue which of the following strategy?

Divestiture

Conglomerate diversification

Retrenchment

Liquidation

Retrenchment: Explanation

Regrouping through cost and asset reduction to reverse declining sales and Profit

Question No: 37 (Marks: 1) - Please choose one

Ahmad Textiles and Superior Textiles have come with each other in cross-manufacturing agreement, the firms are going for which of the following?

Liquidation

Acquisition

Joint venture (Not sure)

Takeover

Question No: 38 (Marks: 1) - Please choose one

Mergers and acquisitions are created for all of the following reasons EXCEPT:

For gaining new technology

For reduction of tax obligations

For gaining economies of scale

For increase in number of employees

Ref: Some of the potential advantages of mergers and acquisitions include achieving economies of scale, combining complementary resources, garnering tax advantages, and eliminating inefficiencies.

Question No: 39 (Marks: 1) - Please choose one

Which of the following enables the firm to create superior value for its customers and superior profits for itself in comparison to its rival firms?

Competitive advantage

Comparative advantage

Differential advantage

Suitable advantage

(us,,dec10)

Question No: 40 (Marks: 1) - Please choose one

Non-financial benefits of strategic management include all of the following EXCEPT:

Enhanced awareness of threats

Reduced resistance to change

Increase in sales P11

Better awareness of external threats

Question No: 41 (Marks: 5)

A good mission statement should include "Customer orientation", what does it mean? Explain it with the help of simple examples.

Question No: 42 (Marks: 5)

What are strengths and weaknesses of an organization? Explain with the help of examples.

MIDTERM EXAMINATION

Spring 2010

MGT603- Strategic Management (Session - 5)

Time: 60 min

Marks: 44

Question No: 1 (Marks: 1) - Please choose one

Which of the following is an example of a narrow mission?

- ▶ **We sell packaged pineapples**
- ▶ The firm deals in beverages
- ▶ Stationery is our product
- ▶ Company manufactures food items

Question No: 2 (Marks: 1) - Please choose one

All of the following are the examples of a broad mission EXCEPT:

- ▶ The firm deals in beverages
- ▶ **We sell quality skimmed milk**
- ▶ Stationery is our product
- ▶ Company manufactures food items

Question No: 3 (Marks: 1) - Please choose one

The organizations that conduct business operations across national borders are known as:

- ▶ **Multinational corporations**
- ▶ Domestic firms
- ▶ Strategic alliances
- ▶ Franchises

Question No: 4 (Marks: 1) - Please choose one

A mission statement should “reconcile interests among diverse stakeholders”. What does it mean?

- ▶ All shareholders must be satisfied
- ▶ Shareholders should be given preference over customers
- ▶ **Firm will devote attention to meeting claims of various stakeholders**
- ▶ Firm will devote its attention towards the maximization of shareholders value

Question No: 5 (Marks: 1) - Please choose one

Where an organization takes into account the effect of its strategic decisions on the society, the firm is taking care of:

- ▶ Corporate governance
- ▶ Business policy
- ▶ Business ethics
- ▶ **Social policy**

Social issues mandate

that strategists consider not only what the organization owes its various stakeholders but also what responsibilities the firm has to consumers, environmentalists, minorities, communities, and other groups. After decades of debate on the topic of social responsibility, many firms still struggle to determine appropriate social policies

Question No: 6 (Marks: 1) - Please choose one

External assessment is performed in which of the following strategic-management phase?

- ▶ **Strategy formulation stage**
- ▶ Strategy implementation stage
- ▶ Strategy evaluation stage
- ▶ All of the given options

Question No: 7 (Marks: 1) - Please choose one

Suppose, the value of the currency of a certain country falls, what can be the effect on companies in Different Industries and in Different Locations in that country respectively?

- ▶ Significant and equal
- ▶ Marginal and equal
- ▶ **Significant and unequal**
- ▶ Insignificant and unequal

the value of the currency is fall for a certain country. It has over all a significant effect. But it is not necessary that this effect will be treated equally at the different industries and location of that country.

Question No: 8 (Marks: 1) - Please choose one

Which of the following is one of the Political, Governmental & Legal factors?

- ▶ Ethical concerns
- ▶ Traffic congestion
- ▶ **Lobbying activities**
- ▶ Average level of education

Political, Governmental, and Legal Forces

Government Regulation

Key opportunities & key threats

- Antitrust legislation (Microsoft)
- Tax rates
- Lobbying efforts
- Patent laws

Question No: 9 (Marks: 1) - Please choose one

Use of the Internet and Internet technologies can be integrated into the sales of on-line as well as off-line business and marketing portion of the value chain through which of the following?

- ▶ Through software that permits customers to specify build-to-order options
- ▶ Through online product catalogs containing rich product information and specifications
- ▶ Via online price quotes and online announcements of special sales and promotions
- ▶ All of the given options

Question No: 10 (Marks: 1) - Please choose one

Which of the following statement is TRUE about Internal audit?

▶ **It is done parallel to external audit**

- ▶ It is done before external audit
- ▶ It is done after external audit
- ▶ None of the given options

The process of performing an *internal audit* closely parallels the process of performing an external audit.

Question No: 11 (Marks: 1) - Please choose one

All of the following are included in the five functions of the management process except:

- ▶ Planning
- ▶ Organizing
- ▶ Leading
- ▶ **Delegating**

Question No: 12 (Marks: 1) - Please choose one

Which of the following statement is correct about distinctive competence?

- ▶ Is usually tied closely to the ability of a company's manufacturing capability and/or its proprietary technology and know-how
- ▶ Nearly always resides in the ability of the company's assets on its balance sheet rather than in its people
- ▶ Is better suited in helping companies defend against external threats than in pursuing external market opportunities
- ▶ **Is a unique thing that a firm does really well and that quality or attribute sets it aside from its competitors**

Question No: 13 (Marks: 1) - Please choose one

Which of the following ratios is least likely to be helpful in evaluating a firm's decision regarding dividend?

- ▶ Earnings-per-share ratio
- ▶ **Long-Term Debt-to-Equity Ratio**
- ▶ Dividends-per-share ratio
- ▶ Price-earnings ratio

Three financial ratios that are helpful in evaluating a firm's dividend decisions are the earnings-per share ratio, the dividends-per-share ratio, and the price-earnings ratio.

Question No: 14 (Marks: 1) - Please choose one

Amir, a sole proprietor, uses the information system to ask the question; "What if the prices will decrease by 16% in the next year?" Which of the following functions the information system is performing for Amir?

- ▶ Functional support role
- ▶ **Decisional support role**
- ▶ Managerial support role
- ▶ Analytical supporting role

The decision support role

The business decision-making support function goes one step further. It becomes an integral part -- even a vital part -- of decision -making. It allows users to ask very powerful "What if...?" questions:

Question No: 15 (Marks: 1) - Please choose one

Assigning a rate=2 in IFE matrix indicates what?

- ▶ A major weakness
- ▶ **A minor weakness**
- ▶ A minor strength
- ▶ A major strength

a minor weakness (rating 2),

Question No: 16 (Marks: 1) - Please choose one

Which of the following is sometimes referred as “the mystery approach to decision making, when subordinates are left to figure out what is happening and why”?

- ▶ Managing by hope
- ▶ Managing by extrapolation
- ▶ Managing by crisis
- ▶ **Managing by subjectives**

Managing by Subjective—built on the idea that there is no general plan for which way to go and what to do; just do the best you can to accomplish what you think should be done. In short, "Do your own thing, the best way you know how" (sometimes referred to as the mystery approach to decision making because subordinates are left to figure out what is happening and why).

Question No: 17 (Marks: 1) - Please choose one

The Web sites that sell products directly to the consumers are the examples of which type of strategy?

- ▶ Backward integration
- ▶ Product development
- ▶ **Forward integration**
- ▶ Horizontal integration

<http://>

Question No: 18 (Marks: 1) - Please choose one

Khawar Garments, a domestic firm begins to export to India, it is an example of which of the following?

- ▶ Horizontal integration
- ▶ **Market development**
- ▶ Forward integration
- ▶ Concentric diversification

Market Development: Introducing present products or services into new geographic area

Question No: 19 (Marks: 1) - Please choose one

Which of the following is **NOT** a situation when an organization should use an unrelated diversification strategy?

- ▶ When an organization’s present channels of distribution can be used to market the new products to current customers
- ▶ **Revenues from current products/services would increase significantly by adding the new related products**
- ▶ When an organization competes in a highly competitive and/or a no-growth industry
- ▶ When the new products have counter-cyclical sales patterns compared to an organization’s present products

Let me explain what is unrelated diversification It is when a business adds new, or unrelated, product lines. For example, the phone company might decide to go into the television business or into the radio business (zh,,nov10)

Question No: 20 (Marks: 1) - Please choose one

Which strategy would be effective when the stockholders of a firm can minimize their losses by selling the organization’s assets?

- ▶ **Liquidation**
- ▶ Integration
- ▶ Differentiation
- ▶ Diversification

Question No: 21 (Marks: 1) - Please choose one

When both divestiture and retrenchment have been pursued unsuccessfully, which of the following strategies is effective to pursue?

- ▶ Forward integration
- ▶ **Liquidation**
- ▶ Merger
- ▶ Takeover

Guidelines for Liquidation

Three guidelines when liquidation may be an especially effective strategy to pursue are:

When both retrenchment and divestiture have been pursued unsuccessfully

If the only alternative is bankruptcy, liquidation is an orderly alternative

When stockholders can minimize their losses by selling the firm's assets

Question No: 22 (Marks: 1) - Please choose one

Which of the following enables the firm to create superior value for its customers and superior profits for itself in comparison to its rival firms?

- ▶ **Competitive advantage**
- ▶ Comparative advantage
- ▶ Differential advantage
- ▶ Suitable advantage

A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself.

Question No: 23 (Marks: 1) - Please choose one

During which of the following periods, Strategic Management was considered to be cure for all problems?

- ▶ **Mid 1960s to mid 1970s**
- ▶ Mid 1970s to mid 1980s
- ▶ Mid 1980s to mid 1990s
- ▶ Mid 1950s to mid 1960s

In 1960; s and 70 it was consider to be panacea for problems. But in 1980; s two important revolutions

Question No: 24 (Marks: 1) - Please choose one

In which of the given phases of strategic management, strategies are put into action?

- ▶ Strategy formulation
- ▶ **Strategy implementation**
- ▶ Strategy evaluation
- ▶ All of the given options

Question No: 25 (Marks: 1) - Please choose one

Which of the following is a key merit of strategic management?

- ▶ **Strategic management enables an organization to be proactive**
- ▶ Strategic management enables an organization to avoid the threats
- ▶ Strategic management enables an organization to defeat their competitors
- ▶ Strategic management enables an organization to foresee into the future

Following are the major benefits of Strategic management:

Proactive in shaping firm's future

Initiate and influence actions

Formulate better strategies (Systematic, logical, rational approach)

Question No: 26 (Marks: 1) - Please choose one

"If a strategist has identified that the market growth rate is 8 %, the number of sellers in industry are 52 and the industry's products are differentiated." Which of the following industry's success factor is he exploring?

- ▶ Social forces
- ▶ Competitive forces
- ▶ Political forces
- ▶ Economic forces

Question No: 27 (Marks: 1) - Please choose one

Which of the following is the decision support role of Management Information System?

- ▶ Processing marketing records into marketing plans
- ▶ **Allowing users to ask "What if" questions**
- ▶ Recording and storing such as human resource records
- ▶ Processing operations records into production schedules

Question No: 28 (Marks: 1) - Please choose one

A series of ratios that measure the extent to which a firm has been financed by debt is known as:

- ▶ Activity ratios
- ▶ **Leverage ratios**
- ▶ Profitability ratios
- ▶ Liquidity ratios

Leverage ratios measure the extent to which a firm has been financed by debt.

Question No: 29 (Marks: 3)

Planning function is mostly carried out by managers in strategy formulation stage. What activities are performed under this function?

Answer:

Following functions are performed under strategy formulation stage:

1-Vision and Mission Statement (target of the organization)

2-Strengths and Weaknesses.(Internal factors.)

3-Opportunities and Threats.(External factors)

Strategy formulation is concerned with setting long term goals and objectives , generating strategies to achieve those goals.

Question No: 30 (Marks: 3)

What should be the characteristics of a firm that is successfully pursuing a Cost Leadership Strategy? Enlist any six of them.

Answer:

Six characteristics of successfully pursuing cost leadership strategy firm:

1-Limited perks.

2-High efficiency.

3- Low overhead.

4-Wide spans of control.

5-Intensive screening of budget.

6-Employees participation in cost control efforts.

Question No: 31 (Marks: 5)

List down and explain five steps that comprise an effective framework for conducting an IFE Matrix.

Steps involved in the development of IFE Matrix:

1-List any internal factors identified in the internal audit . Only ten to twenty factors will be enough including strengths and weakness.Use percentage , ratios and comparative numbers.

2-Assign weights to each factor ranging from 0 to 1.The rates assigned indicate the relative importance of each factor to being successful.Sum of all weights must be equal to 1.

3-Assign 1-4 rating to each factor to see whether the factor represents major weakness(rate=1) or minor weakness (rate=2) , minor strength (rate =3) or major strength (rate=4).

4- Multiply each factor`s weights to its ratings to determine its weighted score.

5-Sum the weighted score of each variable

Question No: 32 (Marks: 5)

Give at least two examples of multinational or local firms that are operating in Pakistan and have initiated backward integration. Justify your answer?

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Question No: 1 (Marks: 1) - Please choose one

Which of the following is the greatest advantage of international operations?

- ▶ Reduced tariffs and taxes
- ▶ Access to global business practices
- ▶ Gaining new customers
- ▶ Less-intense competition

Question No: 2 (Marks: 1) - Please choose one

Which component of a mission statement addresses the basic beliefs, values, aspirations, and ethical priorities of the firm?

- ▶ Technology
- ▶ Philosophy
- ▶ Customers
- ▶ Self-concept

Question No: 3 (Marks: 1) - Please choose one

One of the important components of a mission statement is Technology, which of the following question is correct about technology as a mission component?

- ▶ Is the firm using technology for the manufacturing its products?
- ▶ Is the firm technologically current?
- ▶ Is the firm producing technology oriented products (like electronics)?
- ▶ Is the firm using technology to deal with customer complaints?

Question No: 4 (Marks: 1) - Please choose one

The purpose of an external audit is to prepare a list of which of the following?

- ▶ Opportunities and weaknesses
- ▶ Threats and strengths

▶ **Opportunities and threats**

- ▶ Strengths and weaknesses

Question No: 5 (Marks: 1) - Please choose one

What will happen to the Pakistani exports in overseas markets when there is a strong value of rupee?

- ▶ Pakistani exports will be less expensive
- ▶ **Pakistani exports will be more expensive**
- ▶ Pakistani exports will be more attractive
- ▶ Pakistani exports will be desirable

Question No: 6 (Marks: 1) - Please choose one

Which of the following is TRUE about anti-trust legislation?

- ▶ The is the law intended to protect the ozone layer in the environment
 - ▶ This is the law intended to regulate the tax rates in the economy
 - ▶ **This is the law intended to promote free competition in the market**
 - ▶ This is the law intended to regulate and register the patents
- law intended to promote free competition in the market place by outlawing monopolies

Question No: 7 (Marks: 1) - Please choose one

Which of the following is one of the Political, Governmental & Legal factors?

- ▶ Ethical concerns
- ▶ Traffic congestion
- ▶ **Lobbying activities**
- ▶ Average level of education

Political, Governmental, and Legal Forces

Government Regulation

Key opportunities & key threats

- Antitrust legislation (Microsoft)
- Tax rates
- Lobbying efforts
- Patent laws

Question No: 8 (Marks: 1) - Please choose one

[www./](#)

Which one of the following is NOT is a basic mission of a competitive intelligence program?

- ▶ To provide a general understanding of an industry
- ▶ To provide a general understanding of a company's competitors
- ▶ **To identify industry executives who could be hired by the firm**
- ▶ To identify potential moves a competitor might make that would endanger a firm

Question No: 9 (Marks: 1) - Please choose one

Which one of the statements is a good example of the competitive power of substitute products?

- ▶ The competition between cellular phones and computers
- ▶ The competition between Aspirin and joshanda
- ▶ The competition between contact lens and eyeglasses
- ▶ The competition between Amazon.com and traditional off-line bookstores

Question No: 10 (Marks: 1) - Please choose one

In Porter's Five Forces, the 'threat of new entrants' relates to which factor?

- ▶ **Barriers to entry**
- ▶ Substitutes
- ▶ Switching cost
- ▶ Buyer power

Question No: 11 (Marks: 1) - Please choose one

Which one of the following best describes "a substitute product or service"?

- ▶ A competitor's product or service
- ▶ **An alternative way of meeting the same need**
- ▶ A new entrant into the industry
- ▶ A less attractive way of meeting the same need

Question No: 12 (Marks: 1) - Please choose one

Which of the following can be the strength of an organization?

- ▶ A developing market
- ▶ A new international market
- ▶ Loosening of regulation

▶ **Strong management team**

Question No: 13 (Marks: 1) - Please choose one

What is Synergy?

- ▶ An act of formulating a program for a definite course of action
- ▶ **When a team effort is used to achieve desired results**
- ▶ When individuals work separately to achieve desired results
- ▶ When financial expectations of the firm are decided upon

Question No: 14 (Marks: 1) - Please choose one

Which of the following function of management is concerned with span of control and chain of command?

- ▶ Planning
- ▶ **Organizing**
- ▶ Controlling
- ▶ Evaluating

Question No: 15 (Marks: 1) - Please choose one

All of the following are the consideration for a company when conducting test marketing EXCEPT:

- ▶ **What advertising channel should be used for test?**
- ▶ How many cities to include for test?
- ▶ What information to collect during the test?
- ▶ What action to take after the test has been completed?

Question No: 16 (Marks: 1) - Please choose one

The IFE matrix summarizes and evaluates which factors in the functional areas of a business?

- ▶ Opportunities and threats
- ▶ **Strengths and weaknesses**
- ▶ Strengths and threats
- ▶ Opportunities and weaknesses

Question No: 17 (Marks: 1) - Please choose one

Which of the following is the first step in developing an IFE Matrix?

- ▶ Summing the weighted scores for each variable
- ▶ **Identifying the organization's strengths and weaknesses**
- ▶ Identifying the organization's functions of business
- ▶ Determining the lead strategist

Question No: 18 (Marks: 1) - Please choose one

Which of these strategies is effective when the number of suppliers is small and the number of competitors is large?

- ▶ Conglomerate diversification
- ▶ Forward integration
- ▶ **Backward integration**
- ▶ Horizontal diversification

Guidelines for Backward Integration:

Six guidelines when backward integration may be an especially effective strategy are:

- . When present suppliers are expensive, unreliable, or incapable of meeting needs
- . Number of suppliers is small and number of competitors large
- . High growth in industry sector
- . Firm has both capital and human resources to manage new business
- . Advantages of stable prices are important
- . Present supplies have high profit margins

Question No: 19 (Marks: 1) - Please choose one

The strategy embraced by Ahmad Bros. is to address the needs of a very selected and specialized market segment. Ahmad Bros. is most likely to engage in which one of the following types of strategy?

- ▶ Differentiation strategy
- ▶ Best value strategy
- ▶ **Focus strategy**
- ▶ Low cost strategy

Question No: 20 (Marks: 1) - Please choose one

Market penetration is one of the intensive strategies. Which one of the following best describes market penetration?

- ▶ Protecting and strengthening the organization's sales by improving present products or services or developing new products
- ▶ Protecting and strengthening the organization's position in new markets through its current products
- ▶ [Protecting and strengthening the organization's position in its current markets through its current products](#)
- ▶ Protecting and strengthening the organization's position by adding new, unrelated products for present customers

Question No: 21 (Marks: 1) - Please choose one

Mostly large firms are initiating plans to acquire another unrelated business because it represents the most promising investment opportunity that is available to them. This type of strategic plan is known as:

- ▶ [Conglomerate diversification](#)
- ▶ Backward integration
- ▶ Concentric diversification
- ▶ Divestiture

Question No: 22 (Marks: 1) - Please choose one

Ahmad Textiles and Superior Textiles have come with each other in cross-manufacturing agreement, the firms are going for which of the following?

- ▶ Liquidation
- ▶ Acquisition
- ▶ [Joint venture](#)
- ▶ Takeover

Question No: 23 (Marks: 1) - Please choose one

When ABC Corporation makes decisions that assist it in formulating and implementing plans designed to achieve its objectives, it is most likely to engage in which one of the following?

- ▶ [Strategic Management](#)
- ▶ Strategy Utilization
- ▶ Strategic Processing
- ▶ Strategic Formality

Question No: 24 (Marks: 1) - Please choose one

Adapting to change confronts an organization's strategic management to which of the following issue(s):

- ▶ What kind of business we should be in?
- ▶ Are we in the right field?
- ▶ Should we reshape our business?
- ▶ [All of the given options](#)

Question No: 25 (Marks: 1) - Please choose one

Non-financial benefits of strategic management include all of the following EXCEPT:

- ▶ Enhanced awareness of threats
- ▶ Reduced resistance to change
- ▶ [Increase in sales](#)
- ▶ Better awareness of external threats

Question No: 26 (Marks: 1) - Please choose one

_____ is the principle of conduct that guides decision-making.

- ▶ Human rights
- ▶ [Business ethics](#)
- ▶ The constitution
- ▶ Social responsibility

Question No: 27 (Marks: 1) - Please choose one

Which of the following should be created first and foremost by a strategist?

- ▶ Strategy
- ▶ Objectives
- ▶ [Vision](#)
- ▶ Mission

Question No: 28 (Marks: 1) - Please choose one

Which of the following statements describes a company's strategic vision?

- ▶ Gives a broad, aspiration image of the future that an organization is aiming to achieve
- ▶ Sets forth the long-range financial and strategic performance targets that organization seeks to achieve
- ▶ Indicates the boundaries of the company's present business
- ▶ Reflects how strategic objectives are to be achieved

Question No: 29 (Marks: 3)

Explain test marketing and its significance for an organization.

Answer:

Test markets allow an organization to test alternative marketing plans and to forecast future sales of new products. In conducting a test market project, an organization must decide how many cities to include, which cities to include, how long to run the test, what information to collect during the test, and what action to take after the test has been completed. Test marketing is used more frequently by consumer goods companies than by industrial goods companies. Test marketing can allow an organization to avoid substantial losses by revealing weak products and ineffective marketing approaches before large-scale production begins.

Question No: 30 (Marks: 3) Vertical integration is the degree to which the firm owns its upstream and its downstream buyers. What can be the possible benefits if the firm goes for vertical integration?

Answer: Benefits of vertical integration:

Allow a firm to gain control over: