**Chapter 1**

**Introduction to Operations and Supply Chain Management**

Question type: True-False

1) The operations function is concerned with more than just the day-to-day operations of a firm’s productive systems.

Answer: True

Title: True False Question 01

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Comprehension

2) A warehouse operation is an example of a physical transformation process.

Answer: False

Title: True False Question 02

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

3) A value chain is a series of activities from supplier to customer that adds value to a product or service.

Answer: True

Title: True False Question 03

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

4) Human resources management provides product demand estimates that are used in production decisions.

Answer: False

Title: True False Question 04

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

5) A retail operation is an example of an exchange transformation process.

Answer: True

Title: True False Question 05

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

6) Operations management designs, operates, and improves marketing systems.

Answer: False

Title: True False Question 06

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

7) An operations manager’s decision making benefits from an integrated view of business organizations.

Answer: True

Title: True False Question 07

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

8) The systematic analysis of work methods is known as operations research.

Answer: False

Title: True False Question 08

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

9) Toyota changed the rules of production from mass production to lean production, a system that emphasizes quality and flexibility, rather than efficiency and quantity.

Answer: True

Title: True False Question 09

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

10) The era of sustainability began when a global recession in the late 2000s, caused companies to start focusing on the most critical factors to preserve their business during the downturn.

Answer: True

Title: True False Question 10

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

11) In 2010, the US surpassed China as the world’s largest manufacturer.

Answer: False

Title: True False Question 11

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

12) One of the first factors considered in whether to outsource production to other countries is the cost of labor.

Answer: True

Title: True False Question 12

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and explain the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

13) The European Union requires that strict quality and environmental standards be met before companies can do business with member countries.

Answer: True

Title: True False Question 13

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and explain the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

14). Rising hourly wages in China drive manufacturers to move the production facilities to Vietnam, Cambodia, and Malaysia.

Answer: True

Title: True False Question 14

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and explain the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

15) Globalization has affected manufacturing but NOT service operations.

Answer: False

Title: True False Question 15

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and explain the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

16) Two-thirds of today’s businesses operate globally.

Answer: True

Title: True False Question 16

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and explain the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

17) Japan, the United States, and Brazil have always produced more goods for their own markets than for export.

Answer: True

Title: True False Question 17

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and explain the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

18) Increases in productivity enable a nation to raise its standard of living.

Answer: True

Title: True False Question 18

Difficulty: Easy

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Bloomcode: Knowledge

19) “Deploying the strategy” is a step in strategy formulation that evaluates the alignment between core competencies and order winners.

Answer: False

Title: True False Question 19

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy, and the process of developing, aligning and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

20) “Positioning the firm” is a step in strategy formulation that defines how firms will compete in the marketplace.

Answer: True

Title: True False Question 20

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy, and the process of developing, aligning and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

21) An order qualifier is the characteristic of a product that wins orders in the marketplace.

Answer: False

Title: True False Question 21

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy, and the process of developing, aligning and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

22) Core competencies tend to be processes and NOT products or technologies.

Answer: True

Title: True False Question 22

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy, and the process of developing, aligning and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

23) Firms compete in the marketplace based on cost, speed, quality and flexibility.

Answer: True

Title: True False Question 23

Difficulty: Easy

Bloomcode: Knowledge

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy, and the process of developing, aligning and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

Question type: Multiple-Choice

24) Which of the following is NOT one of the primary functional areas of a firm?

a) finance/accounting

b) operations

c) human resources

d) legal compliance

Answer: d

Title: Multiple Choice Question 24

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Comprehension

25) Operations management is concerned with the \_\_\_\_\_\_\_\_\_ of a firm’s productive systems.

a) design
b) operation
c) improvement
d) All of these answer choices are correct.

Answer: d

Title: Multiple Choice Question 25

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

26) The transformation process associated with health care is best described as
a) locational.
b) exchange.
c) physiological.
d) informational.

Answer: c

Title: Multiple Choice Question 26

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

27) Operations provides marketing function with all of the following information, EXCEPT
a) product or service availability.
b) sales forecasts.
c) lead-time estimates.
d) delivery schedules.

Answer: b

Title: Multiple Choice Question 27

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

28) All of the following are responsibilities of operations managers EXCEPT
a) acquiring financial resources.
b) managing inventories.
c) planning production.
d) scheduling production.

Answer: a

Title: Multiple Choice Question 28

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Bloomcode: Knowledge

29) Which of the following best fits the definition of lean production?
a) a system that prizes efficiency and quantity

b) a system that prizes efficiency and quality

c) a system that prizes flexibility and quantity

d) a system that prizes flexibility and quality

Answer: d

Title: Multiple Choice Question 29

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

30) Sustainability is concerned with
a) maximizing profits.

b) extending global supply chains.

c) preserving the health of the enterprise or people in the long term.

d) increasing market share.

Answer: c

Title: Multiple Choice Question 30

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

31) An effective positioning strategy considers all of the following EXCEPT
a) strengths and weaknesses of the organization.

b) needs of the marketplace.

c) composition of top management team.

d) positions of competitors.

Answer: c

Title: Multiple Choice Question 31

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

32) Which of the following is NOT an event or concept associated with the quality revolution?
a) TQM
b) Internet
c) Six Sigma
d) JIT

Answer: b

Title: Multiple Choice Question 32

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

33) Linear programming, waiting line theory, simulation, and PERT/CPM are all elements of which era of operations and supply chain management?
a) quality research
b) operations research
c) internet revolution
d) globalization

Answer: b

Title: Multiple Choice Question 33

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

34) Dividing a job into a series of small tasks, each performed by a different worker, is known as
a) craft production.
b) scientific management.
c) division of labor.
d) interchangeable parts.

Answer: c

Title: Multiple Choice Question 34

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

35) The most recent era in the evolution of operations and supply chain management is
a) internet revolution.
b) sustainability.
c) globalization
d) digital revolution.

Answer: d

Title: Multiple Choice Question 35

Difficulty: Medium

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Analysis

36) Which of the following is NOT a component of the digital revolution?
a) 3D printing
b) Internet of Things
c) autonomous vehicles
d) E-commerce

Answer: d

Title: Multiple Choice Question 36

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

37) Mass production is well suited to all of the following EXCEPT
a) producing large volumes of goods quickly.
b) adapting quickly to changes in market demand.
c) producing standardized products for a large market.
d) All of these answer choices are correct.

Answer: b

Title: Multiple Choice Question 37

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

38) Scientific management is
a) the management of scientists working in a company.

b) the management of scientific experiments so that they will align with the company’s strategy.

c) the use of observation, measurement, and analysis to identify the best method to perform a job.

d) another name for the division of labor.

Answer: c

Title: Multiple Choice Question 38

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

39) Henry Ford famously applied
a) interchangeable parts.

b) linear programing.

c) theories of motivation.

d) scientific management.

Answer: d

Title: Multiple Choice Question 39

Difficulty: Easy

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

40) The production system that prizes flexibility and quality over efficiency and quantity is known as
a) mass production.
b) craft production.
c) lean production.
d) electronic commerce.

Answer: c

Title: Multiple Choice Question 40

Difficulty: Easy

Bloomcode: Knowledge

Learning Objective 2: Discuss the key factors that have contributed to the evolution of operations and supply chain management.

Section Reference 2: The Evolution of Operations and Supply Chain Management

Bloomcode: Knowledge

41) Companies pursue globalization for all of the following reasons EXCEPT
a) gain access to global markets.

b) decrease shipping costs.

c) be more responsive to changes in demand.

d) build reliable sources of supply.

Answer: b

Title: Multiple Choice Question 41

Difficulty: Medium

Learning Objective 3: Discuss how and why businesses operate globally and the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Analysis

42) Which of the following factors has a major impact on supply chain globalization?
a) falling trade barriers
b) the internet
c) the World Trade Organization
d) All of these answer choices are correct.

Answer: d

Title: Multiple Choice Question 42

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

43) Companies go global to
a) take advantage of favorable costs.
b) keep abreast of trends and access new technologies.
c) build reliable sources of supply.
d) All of these answer choices are correct.

Answer: d

Title: Multiple Choice Question 43

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

44) Globalization has\_\_\_\_\_\_\_\_\_\_ the risk of disruptions in operations and supply chain activities; it has also provided \_\_\_\_\_\_\_\_\_\_ flexibility in responding to disruptions.
a) decreased; less

b) increased; less

c) decreased; more

d) increased; more

Answer: d

Title: Multiple Choice Question 44

Difficulty: Easy

Learning Objective 3: Discuss how and why businesses operate globally and the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

45) Which of the countries is not one of the four largest economies in the world?

a) United Kingdom

b) China

c) Japan

d) United States

Answer: a

Title: Multiple Choice Question 45

Difficulty: Medium

Learning Objective 3: Discuss how and why businesses operate globally and the importance of globalization in supply chain management.

Section Reference 3: Globalization

Bloomcode: Knowledge

46) If the units produced by a factory increased by 10% and the labor hours decreased by 10%, then the labor productivity
a) decreased by 20%.

b) increased by 20%.

c) increased by 21%.

d) increased by 22%.

Answer: d

Title: Multiple Choice Question 46

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: new labor productivity = (1.1\*output)/(0.9\*labor) = 1.22\*(output/labor) = 1.22\*(old labor productivity)

Bloomcode: Application

47) If the units produced by a factory increased by 10% and the labor productivity increased by 25%, then the labor hours
a) decreased by 15%.

b) decreased by 13%.

c) decreased by 12%.

d) decreased by 11%.

Answer: c

Title: Multiple Choice Question 47

Difficulty: Hard

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution:

New labor productivity = 1.25\*(old labor productivity) = (1.1\*output)/(X\*labor)=(1.1/X)\*(output/labor) = (1.1/X)\*(old labor productivity)

X = 1.1/1.25 = 0.88

Labor hours decreased by (1-0.88) = 0.12 (12%).

Bloomcode: Synthesis

48) If the units produced by a factory decreased by 10% and the labor productivity increased by 25%, then the labor hours
a) decreased by 15%.

b) decreased by 26%.

c) decreased by 28%.

d) decreased by 35%.

Answer: c

Title: Multiple Choice Question 48

Difficulty: Hard

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution:

New labor productivity = 1.25\*(old labor productivity) = (0.9\*output)/(X\*labor)=(0.9/X)\*(output/labor) = (0.9/X)\*(old labor productivity)

X = 0.9/1.25 = 0.72

Labor hours decreased by (1-0.72) = 0.28 (28%)

Bloomcode: Synthesis

49) If the units produced by a factory decreased by 10% and the labor productivity decreased by 25%, then the labor hours
a) decreased by 15%.

b) increased by 15%.

c) increased by 17%.

d) increased by 20%.

Answer: d

Title: Multiple Choice Question 49

Difficulty: Hard

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution:

New labor productivity = 0.75\*(old labor productivity) = (0.9\*output)/(X\*labor)=(0.9/X)\*(output/labor) = (0.9/X)\*(old labor productivity)

X = 0.9/0.75 = 1.2

Labor hours increased by 20%.

Bloomcode: Synthesis

50) What is the most common measure of competitiveness?
a) GDP

b) wage rates

c) productivity

d) manufacturing output

Answer: c

Title: Multiple Choice Question 50

Difficulty: Easy

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Bloomcode: Knowledge

51) Multifactor productivity is best defined as
a) a single output and a single input.

b) multiple outputs and a single input.

c) a single output and multiple inputs.

d) multiple outputs and multiple inputs.

Answer: c

Title: Multiple Choice Question 51

Difficulty: Easy

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Bloomcode: Knowledge

52) The ratio of a firm’s monthly output to the number of labor hours used in the same month would be a measure of
a) labor productivity.
b) capital productivity.
c) machine productivity.
d) multifactor productivity.

Answer: a

Title: Multiple Choice Question 52

Difficulty: Easy

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Bloomcode: Knowledge

53) Telco Inc., a manufacturing firm, is calculating its monthly productivity report. From the following data calculate the labor productivity.

|  |  |
| --- | --- |
| Labor rate | $20 |
| Machine rate | $15 |
| Units produced | 50,000 |
| Labor hours | 4,000 |
| Machine hours | 2,000 |
| Cost of materials | $20,000 |
| Cost of energy | $5,000 |

a) 3.75 units/hour

b) 12.5 units/hour
c) 15 units/hour
d) 16.67 units/hour

Answer: b

Title: Multiple Choice Question 53

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Labor productivity = Output/(Labor Hours) = 50,000/4,000 = 12.5 units/hour

Bloomcode: Application

54) Telco Inc., a manufacturing firm, is calculating its monthly productivity report. From the following data calculate the machine productivity.

|  |  |
| --- | --- |
| Labor rate | $20 |
| Machine rate | $15 |
| Units produced | 50,000 |
| Labor hours | 4,000 |
| Machine hours | 2,000 |
| Cost of materials | $20,000 |
| Cost of energy | $5,000 |

a) 12.5 units/hour
b) 15 units/hour
c) 20 units/hour
d) 25 units/hour

Answer: d

Title: Multiple Choice Question 54

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Machine productivity = Output/(Machine Hours) = 50,000/2,000 = 25
Bloomcode: Application

55) Telco Inc., a manufacturing firm, is calculating its monthly productivity report. From the following raw data calculate the multifactor productivity.

|  |  |
| --- | --- |
| Labor rate | $20 |
| Machine rate | $15 |
| Units produced | 50,000 |
| Labor hours | 4,000 |
| Machine hours | 2,000 |
| Cost of materials | $20,000 |
| Cost of energy | $5,000 |

a) 0.370
b) 0.625
c) 1.500
d) 1.667

Answer: a

Title: Multiple Choice Question 55

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Multi-factor productivity = 50,000/135,000 = **0.370**
Bloomcode: Application

56) Snacknow, a food service firm, is calculating its monthly productivity report. From the following raw data calculate the labor productivity.

|  |  |
| --- | --- |
| Labor rate | $10 |
| Units produced | 10,000 |
| Labor hours | 1,000 |
| Cost of materials | $2000 |
| Cost of energy | $500 |

a) 2.2
b) 4.76
c) 8
d) 10

Answer: d

Title: Multiple Choice Question 56

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Labor productivity = Output/(Labor Hours) = 10,000/1,000 = 10 units/hour

Bloomcode: Application

57) Snacknow, a food service firm, is calculating its monthly productivity report. From the following data calculate the energy productivity.

|  |  |
| --- | --- |
| Labor rate | $10 |
| Units produced | 10,000 |
| Labor hours | 1,000 |
| Cost of materials | $2000 |
| Cost of energy | $500 |

a) 0.220
b) 2
c) 10
d) 20

Answer: d

Title: Multiple Choice Question 57

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Energy productivity = 10,000/500 = **20**

Bloomcode: Application

58) Snacknow, a food service firm, is calculating its monthly productivity report. From the following data calculate the multifactor productivity.

|  |  |
| --- | --- |
| Labor rate | $20 |
| Units produced | 10,000 |
| Labor hours | 1,000 |
| Cost of materials | $2000 |
| Cost of energy | $500 |

a) 0.220
b) 0.476
c) 0.444

d) 1.000

Answer: c

Title: Multiple Choice Question 58

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Multi-factor productivity = Output/(Labor cost + Cost of materials + Cost of energy)=10,000/($20\*1,000+$2,000+$500) = 0.444 units/$

Bloomcode: Application

59) A manager of a global supply chain is concerned with all the following EXCEPT
a) speed.
b) quality.
c) social issues.
d) cost.

Answer: c

Title: Multiple Choice Question 59

Difficulty: Medium

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Analysis

60) Companies that compete on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ recognize the advantages of time-based competition.
a) cost
b) speed
c) flexibility
d) quality

Answer: b

Title: Multiple Choice Question 60

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

61) Which of the following best describes order qualifier?
a) the lowest cost product

b) the product with the most features

c) the features that make an item considered for purchase

d) the features that wins orders in the marketplace

Answer: c

Title: Multiple Choice Question 61

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

62) Which of the following is the first step in strategy formulation?
a) defining a primary task

b) assessing core competencies

c) determining order winners and order qualifiers

d) positioning the firm

Answer: a

Title: Multiple Choice Question 62

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

63) Identify the option below that is associated with strategy deployment.
a) unveiling strategies with fanfare

b) creating plans that are more than five years in the future

c) converting the firm’s positioning strategy and the firm’s order winners and qualifiers into specific performance requirements

d) developing plans that have a variety of meanings to different departments and functional areas

Answer: c

Title: Multiple Choice Question 63

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

64) Companies that compete on innovation establish a corporate culture that does the following EXCEPT
a) discourages risk taking.

b) challenges the status quo.

c) accepts failure as part of the learning process.

d) celebrates success.

Answer: a

Title: Multiple Choice Question 64

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

65) \_\_\_\_\_\_\_\_\_\_\_\_\_ is how the mission of a firm is accomplished.
a) Strategy
b) Design
c) An operational decision
d) None of these answer choices is correct.

Answer: a

Title: Multiple Choice Question 65

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

66) \_\_\_\_\_\_\_\_\_\_\_\_\_ represents what the firm is in the business of doing.
a) Primary task
b) Core competency
c) Positioning
d) Deploying

Answer: a

Title: Multiple Choice Question 66

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

67) \_\_\_\_\_\_\_\_\_\_\_\_\_ is what the firm does better than anyone else.
a) Primary task
b) Core competency
c) Positioning
d) Deploying

Answer: b

Title: Multiple Choice Question 67

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

68) \_\_\_\_\_\_\_\_\_\_\_\_\_ are the characteristics of a product that qualify it to be considered for purchase by a customer.
a) Order winners
b) Order qualifiers
c) Core competency
d) Positioning

Answer: b

Title: Multiple Choice Question 68

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

69) \_\_\_\_\_\_\_\_\_\_\_\_\_ is the characteristic of a product that acquires orders in the marketplace.
a) Order winner
b) Order qualifier
c) Core competency
d) Positioning

Answer: a

Title: Multiple Choice Question 69

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

70) \_\_\_\_\_\_\_\_\_\_\_\_\_\_ focus(es) the organization on common goals that can be translated into measurable objectives.
a) Order winner
b) Core competency
c) Positioning
d) Deploying the strategy

Answer: d

Title: Multiple Choice Question 70

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

71) Companies that compete on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ are able to produce a wide variety of products in response to customer needs.
a) cost
b) speed
c) flexibility
d) quality

Answer: c

Title: Multiple Choice Question 71

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

72) Companies that compete on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ pursue the elimination of all waste.
a) cost
b) speed
c) flexibility
d) quality

Answer: a

Title: Multiple Choice Question 72

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

73) Companies that compete on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ focus on pleasing customers and satisfying their expectations.
a) cost
b) speed
c) flexibility
d) quality

Answer: d

Title: Multiple Choice Question 73

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

74) The balanced scorecard examines a firm’s performance in all the following critical areas EXCEPT
a) finances.
b) customers.
c) processes.
d) products.

Answer: d

Title: Multiple Choice Question 74

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

75) The \_\_\_\_\_\_\_\_\_\_\_\_ function helps strategy evolve by creating new ways of delivering a firm’s competitive priorities.
a) finance
b) marketing
c) operations
d) None of these answer choices is correct.

Answer: c

Title: Multiple Choice Question 75

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

76) Companies that compete on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ establish a corporate culture that encourages risk taking.
a) innovation
b) quality
c) flexibility
d) cost

Answer: a

Title: Multiple Choice Question 76

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

77) A(n) \_\_\_\_\_\_\_\_\_\_\_\_ strategy involves a series of integrated decisions on processes, facilities, technology, quality, capacity, etc.
a) finance
b) marketing
c) operations
d) None of these answer choices is correct.

Answer: c

Title: Multiple Choice Question 77

Difficulty: Easy

Learning Objective 5: Discuss the importance of operations and supply chain management to a firm’s strategy and the process of developing, aligning, and deploying strategy.

Section Reference 5: Strategy and Operations

Bloomcode: Knowledge

Question type: Short Essay

78) Briefly describe how operations can be viewed as a transformation process.

Title: Short Answer Question 78

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Solution: Operations is often defined as a transformation process. Inputs such as raw materials, labor, equipment, and capital are transformed into outputs (goods and services). Customer feedback is used to adjust the transformation process. An objective of the operations manager is to ensure that the transformation process operates efficiently, and the outputs of the process have greater value than the sum of the inputs. In this way the transformation process creates value, making it possible to view the transformation process as a value chain extending from supplier to customer.

Bloomcode: Knowledge

79) Briefly describe the four primary functional areas of a firm. How is operations function related to them?

Title: Short Answer Question 79

Difficulty: Easy

Learning Objective 1: Describe what the operations function is and how it relates to other business functions.

Section Reference 1: The Operations Function

Solution: The four primary functional areas of a firm are marketing, finance, operations, and human resources. For most firms, operations is the technical core or “hub” of the organization, interacting with the other functional areas and suppliers to produce goods and services for customers. For example, marketing provides sales forecasts to operations, and operations provides marketing with product availability information, lead time estimates and delivery schedules. Operations provides finance with inventory and production data, capital budgeting and equipment requests, and technology plans. Finance provides the capital resources for financing inventory and securing more capital equipment. Operations relies on human resources to meet its personnel needs―hiring, training, and evaluating workers.

Bloomcode: Knowledge

80) What is productivity, and how is it measured?

Title: Short Answer Question 80

Difficulty: Easy

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Productivity is the ratio of output to input. Output can be expressed in units or dollars. Single factor productivity compares output to individual inputs, such as labor hours, investment in equipment, or material usage. Multifactor productivity relates output to a combination of inputs, such as labor and capital. Total factor productivity compares the quantity of goods and services produced with all the inputs used to produce them.

Bloomcode: Knowledge

81) What can lead to increases in productivity?

Title: Short Answer Question 81

Difficulty: Medium

Learning Objective 4: Calculate and interpret productivity measures used for measuring competitiveness.

Section Reference 4: Productivity and Competitiveness

Solution: Productivity increases when firms become more efficient, expand, achieve breakthroughs that enable output increases to occur with reduced inputs, downsize while maintaining output with fewer inputs, and retrench with output and inputs decreasing, but inputs decreasing at a faster rate than output.

Bloomcode: Analysis

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