

MCQ: Unit-1: introduction to Operations and Supply Chain management

1. "Quality is defined by the customer" is :

- An unrealistic definition of quality
- A user-based definition of quality**
- A manufacturing-based definition of quality
- A product-based definition of quality

2. According to the manufacturing-based definition of quality

quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost

quality depends on how well the product fits patterns of consumer preferences even though quality cannot be defined, you know what it is

quality is the degree to which a specific product conforms to standards

3. The supply chain concept originated in what discipline?

- a) marketing**
- b) operations
- c) logistics
- d) production

4. Zero defects in manufacturing is

- a. is a relevant goal only in electronic assembly
- b. is readily achievable in all areas
- c. is the goal of TQM**
- d. is an unobtainable and misleading idea

5. The supply chain management philosophy emerged in which decade?

- 1960s
- 1970's
- 1980s**
- 1990s

6. A _____ encompasses all activities associated with the flow and transformation of goods from the raw material stage, through to the end user, as well as the associated information flows.

- production line
- supply chain**
- marketing channel
- warehouse

7. Which one of the following is not a typical question dealt with by an operations managers?

How much capacity will be needed in the months ahead?

What is a satisfactory location for a new facility?

How to motivate employees?

All are typical of operations decisions.

8. Which of the following are not key attributes of supply chain management?

inventory control

leveraging technology

customer power

all are key attributes

9. Positive, long-term relationships between supply chain participants refer to:

Co-opetitions

tailored logistics

partnerships

supply chain management

10. Which one of the following best represents a pure good?

Soap

Fast food

Attending a play

Vehicle repair

11. Which of the following statements is true of LEAN?

Lean principles focus on advanced statistical methods

Lean principles are separate body of knowledge

Lean principles have been developed over a lengthy period of time.

Lean principles include reducing waste.

12. The bullwhip effect:

is an ineffective way to motivate warehouse employees

applies to rodeos and has nothing to do with supply chain management

refers to the “swaying” motion associated with triple trailers

Refers to variability in demand orders among supply chain participants.

13. According to the manufacturing-based definition of quality

"quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost"

quality depends on how well the product fits patterns of consumer preferences even though quality cannot be defined, you know what it is

quality is the degree to which a specific product conforms to standards

14. The variability in demand orders among supply chain participants:

cannot be controlled

refers to the bullwhip effect

can be controlled with electronic order placement

is more pronounced in relational exchanges

16. Cooperative supply chain relationships developed to enhance the overall business performance of both parties is a definition of:

third-party logistics

supply chain collaboration

dovetailing

relationship marketing

17. Process improvement technique that sorts the "vital few" from the "trivial many" is

Taguchi analysis

Pareto analysis

benchmarking

Yamaguchi analysis

18. A fishbone diagram is also known as a

cause-and-effect diagram

poka-yoke diagram

Kaizen diagram

Taguchi diagram

19. Which of the following functions is not a core function of an organisation?

The Product/Service Dev.Function

The Operations Function

The Marketing (Including Sales) Function

The accounting and finance function

20. What is a perfect order?

simultaneous achievement of relevant customer metrics

an order that arrives on time

an order that arrives undamaged

an order that is easy for the receiver to fill

21. Total Quality Management emphasizes

the responsibility of the Quality Control staff to identify and solve all quality-related problems

A commitment to quality that goes beyond internal company issues to suppliers and customers

A system where strong managers are the only decision makers

A process where mostly statisticians get involved

22. "Quality is defined by the customer" is

an unrealistic definition of quality

a user-based definition of quality

a manufacturing-based definition of quality

a product-based definition of quality

the definition proposed by the American Society for Quality Control

23. Which of the following is not one of the major categories of costs associated with quality?

prevention costs

appraisal costs

internal failures

none of the above, they are all major categories of costs associated with quality

24. According to the manufacturing-based definition of quality,

quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost

quality depends on how well the product fits patterns of consumer preferences

even though quality cannot be defined, you know what it is

quality is the degree to which a specific product conforms to standards

25. An important feature of supply chain management is its application of electronic commerce technology that allows companies to share and operate systems for:

Order processing, transportation scheduling, and inventory management

cost-effective flowing of raw materials

future purchasing of computer systems

future merger opportunities

26. Lean production involves

Elimination of cost only
Improvement of quality only
Improvement of speed only
Elimination of all types of waste

27. All of the following costs are likely to decrease as a result of better quality except

customer dissatisfaction costs
maintenance costs
scrap costs
warranty and service costs

28. Inspection, scrap, and repair are examples of

internal costs
external costs
costs of dissatisfaction
societal costs

29. Which of the following activities is not a direct responsibility of operations management?

Determining the exact mix of products and services that the customers will want
Designing the operation's products, services and processes
Developing an operations strategy for the operations
Planning and controlling the operation

30. Total Quality Management emphasizes

the responsibility of the Quality Control staff to identify and solve all quality-related problems
a commitment to quality that goes beyond internal company issues to suppliers and customers
a system where strong managers are the only decision makers
a process where mostly statisticians get involved

31. A successful TQM program incorporates all of the following except

continuous improvement
employee involvement
benchmarking
centralized decision making authority

32. Which of the following would not be normally considered as a key feature of Operations Management?

Operations is the part of an organisation which creates wealth through the management of the transformation process

World class Operations can give an organisation competitive advantage

Most new technology is implemented in Operations areas

Operations is the area of a business where most people work

33. "Kaizen" is a Japanese term meaning

a foolproof mechanism

Just-in-time (JIT)

a fishbone diagram

continuous improvement

34. Costs of dissatisfaction, repair costs, and warranty costs are elements of cost in the

Taguchi Loss Function

Pareto Chart

ISO 9000 Quality Cost Calculator

Process Chart

35. A quality loss function utilizes all of the following costs except

the cost of scrap and repair

the cost of customer dissatisfaction

inspection, warranty, and service costs

sales costs

costs to society

36. Which of the following is the least likely decision to be made by Operations Managers?

Selecting the location and layout of a facility

Deciding which market areas to manufacture products for

How much capacity is required to balance demand

Designing and improving the jobs of the workforce

37. Pareto charts are used to

identify inspection points in a process

outline production schedules

organize errors, problems or defects

show material flow

38. Among the tools of TQM, the tool ordinarily used to aid in understanding the sequence of events through which a product travels is a

Pareto chart
Flow chart
check sheet
Taguchi map

39. Which one of the following would not generally be considered an aspect of operations management?

Work methods
Secure financial resources
Maintain quality
Product or service design

40. Which one of the following is not a typical question dealt with by an operations managers?

How much capacity will be needed in the months ahead?
What is a satisfactory location for a new facility?
How to motivate employees?
All are typical of operations decisions.

41. A worker operates a shear press. She notices that the metal sheets she is cutting have curled edges. Who should get the first "shot" at solving the problem?

the foreman
a member of the Quality Control department
the operator herself
the employee's supervisor

42. Which of the following is not a key activity of an operations manager?

Understanding the needs of customer
Continually learning
Managing cash flows
Exploiting technology to produce goods and services

43. A recent consumer survey conducted for a car dealership indicates that, when buying a car, customers are primarily concerned with the salesperson's ability to explain the car's features, the salesperson's friendliness, and the dealer's honesty. The dealership should be especially concerned with which dimensions of service quality?

communication, courtesy, and credibility
competence, courtesy, and security
competence, responsiveness, and reliability
communication, responsiveness, and reliability

44. Which one of the following best represents a pure service?

Bank loans

Computer diagnosis and repair
Attending a theatre play
Fast food restaurant

45. Which one of the following best represents a pure good?

Salt
Fast food
Attending a play
Vehicle repair

46. Which one of the following would not generally be considered an aspect of operations management?

Schedule work
Secure financial resources
Maintain quality
Oversee the transformation process

47. Which one of these was not mentioned in the list of recent trends in operations management?

Total quality management
Worker involvement
Global competition.
Automation.

48. Which came last in the development of manufacturing techniques?

Lean production.
Division of labor.
Mass production.
Craft production.

49. Which function typically employs more people than any other functional area?

Information System
Operations
Marketing
Finance

50. Which of the following is not a type of operations?

Goods production
storage/transportation
entertainment
price reduction

51. Which of the following is not true about a lean production system?

It puts emphasis on quality, flexibility, and time reduction.

It puts emphasis on reducing a company's labor force.

It is involved in maintaining and improving the system with lower amounts of inventory.

It relies on buffers against unforeseen occurrences.

52. The inputs to a transformation process include all of the following except

Material

People

Information

Assembly

53. ____ is an example of a pure good.

Restaurant

Dentist

Coal Mining

Education

54. Which one of the following is not a typical question dealt with by an operations manager?

How much capacity will be needed in the months ahead?

What is a satisfactory location for a new facility?

Which products/services should be offered?

All are typical of operations decisions.

55. Which one does not use operations management?

A CPA firm.

A bank.

A hospital

They all use it.

56. Zero defects in manufacturing

is an unobtainable and misleading ideal

is the goal of TQM

is readily achievable in all areas

is a relevant goal only in electronic assembly

57. Which one is not generally considered an advantage of using models for decision-making?

Providing a systematic approach to problem solving.

Emphasizing quantitative information.

Providing an exact representation of reality.

Requiring users to be specific about objectives.

58. "Quality is conformance to specifications"-This definition of quality is from point of view of

Customer

Manufacturer

Quality Circle Forum

TQM

59. Which came last in the development of manufacturing techniques?

Lean production.

Division of labor.

Mass production.

Interchangeable parts.

60. The goal of Total Quality Management is:

Customer satisfaction

Product differentiation

Brand equity

Acting globally

61. Which of the following is not a typical supply chain member?

Retailer's Creditor

Wholesaler

Producer

Customer

62. Quality is both quantitative and

Supportive

Qualitative

Measurable

Conclusive

63. When suppliers, distributors, and customers partner with each other to improve the performance of the entire system, they are participating in a _____

Channel Of Distribution

Value Delivery Network

Supply Chain

Supply And Demand Chain

64. A company's channel decisions directly affect every _____.

customer's choices

employee in the channel

channel member

Marketing decision.

65. From the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by _____ Channel members.

manufacturers

marketers

distributors

consumers

66. Intermediaries play an important role in matching _____.

dealer with customer

manufacturer to product

information and promotion

supply and demand

67. Marketing logistics involves getting the right product to the right customer in the right place at the right time. Which one of the following is not included in this process?

implementing the plan for the flow of goods and services

planning the physical flow of goods and services

controlling the physical flow of goods, services, and information

gathering customer's ideas for new products

68. Raw materials and specialised services procured are converted into useful service offerings and finally distributed to customers in following Industry

Hotel

Cement

Sugar

Refinery

69. Which of the following is not an area of responsibility for a logistics manager?

inventory
purchasing
warehousing
marketing

70. To reduce inventory management costs, many companies use a system called _____, which involves carrying only small inventories of parts or merchandise, often only enough for a few days of operation.

reduction-inventory management
supply chain management
economic order quantity
just-in-time logistics
limited inventory logistics

71. A Supply Chain includes the chain of entities involved in the planning, procurement, production and ----- of products and services

Distribution
Supply
Demand
Transport

72. In a SC, Material flows in one direction while _____ from in both direction

Process
Information
Product
Semifinished Goods

73. Companies manage their supply chains through _____.

information
transportation modes
competitors
the Internet
skilled operators

74. Julie Newmar recognizes that her company needs to provide better customer service and trim distribution costs through teamwork, both inside the company and among all the marketing channel organizations. Julie will begin the practice of _____.

intermediation
customer relationship management
supply chain management
horizontal marketing system management

75. There are four generic processes involved in any SCM-Planning for operations, Sourcing decisions, Manufacturing related activities and

Purchase
Inventory
Information
Distribution

76. Lean production involves

Improvement of speed only
Improvement of quality only
Elimination of all types of waste
Elimination of cost only

77. Today, a growing number of firms now outsource some or all of their logistics to _____ intermediaries.

competitors
third-party logistics providers
channel members
cross-functional teams

78. Most operations produce a mixture of both products and services. Which of the following businesses are closest to producing “pure” services?

Counsellor/Therapist
Restaurant
IT company
Steel company

79. If a sample of parts is measured and the mean of the measurements is outside the control limits the process is

in control, but not capable of producing within the established control limits
out of control and the process should be investigated for assignable variation
within the established control limits with only natural causes of variation
monitored closely to see if the next sample mean will also fall outside the control limits

80. A quality circle holds a brainstorming session and attempts to identify the factors responsible for flaws in a product. Which tool do you suggest they use to organize their findings?

Ishikawa diagram
Pareto chart
process chart
control charts

81. When a sample measurement falls inside the control limits, it means that

each unit manufactured is good enough to sell

the process limits cannot be determined statistically
the process output exceeds the requirements
if there is no other pattern in the samples, the process is in control

82. Which of the following statements is true of LEAN?

Lean principles focus on advanced statistical methods
Lean principles are separate body of knowledge
Lean principles have been developed over a lengthy period of time.
Lean principles include reducing waste.

83. Which one does not use operations management?

Supermarket
Bank
Hospital
They all use it.

84. The trend in organizations is to place the SCM function:

Under the manufacturing function
Under the finance function
Under the engineering function
At the same level as the other major functions

85. Which of the following is NOT a factor affecting the supply chain?

Reduced number of suppliers
Increased competition
Longer product life cycles
Increased opportunities to strategically use technology

86. If two potential suppliers can deliver a part with the same quality and prices, the selection should be based on:

Age of the firms
A coin flip
Outside evaluation
The capabilities and flexibilities of the firms

87. Just-in-time/SCM purchasing requires the following condition:

Many suppliers
Short-term contracts
Cooperation between purchasing and suppliers
Continuous competitive bidding

88. The amount of inventory kept at each stock point in a warehouse network is usually based on:

Minimizing transportation costs
Constant demand
Tradeoffs between warehousing, inventory, and transportation costs
Product pricing strategy

89. Which of the following is true regarding control charts?

Values above the upper and lower control limits indicate points out of adjustment.
Control charts are built so that new data can be quickly compared to past performance data.
Control charts graphically present data.
All of the above are true.

90. The goal of inspection is to

detect a bad process immediately
add value to a product or service
correct deficiencies in products
correct system deficiencies

91. Which of the following is not a typical inspection point?

upon receipt of goods from your supplier
during the production process
before the product is shipped to the customer
at the supplier's plant while the supplier is producing
after a costly process

92. What name is often given to the Japanese 'total approach' to removing anything that does not add value to the final product?

Jobbing processes
Lean production processes
Continuous processes.
Batch processes.

93. Lean production involves

Improvement of quality only

Elimination of cost only
Elimination of all types of waste
Improvement of speed only

94. The most common form of quality control includes:

Planning
Organizing
Inspection
Directing

95. Which of the following is not a typical supply chain member?

Retailer's creditor
wholesaler
reseller
producer

96. According to the manufacturing-based definition of quality

- a. "quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost"
- b. quality depends on how well the product fits patterns of consumer preferences
- c. even though quality cannot be defined, you know what it is
- d. quality is the degree to which a specific product conforms to standards**

97. TQM refers to

- a. total quantity management
- b. total quality management**
- c. total quality marketing
- d. total quotient management

98. When suppliers, distributors, and customers collaborate with each other to improve the performance of the entire system, they are participating in a _____

- a) channel of distribution
- b) value delivery network**
- c) supply chain
- d) supply and demand chain

99. A company's channel decisions directly affect every _____.

- a) customer's choices
- b) employee in the channel
- c) channel member
- d) **competitor's actions**

100. A supply chain is a sequence of firms that perform activities required:

- a. to find products that are similar
- b. to facilitate wholesalers inventory selections
- c. to create synergy in their training programs
- d. **to create and deliver goods to consumers**

101. A supply chain is essentially a sequence of linked:

- a. customer and prospects
- b. supplier and manufacturer
- c. **suppliers and customers**
- d. warehousing and wholesaling units

102. From the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by _____ Channel members.

- a) manufacturers
- b) marketers
- c) distributors
- d) **consumers**

103. Intermediaries play an important role in matching _____.

- a) dealer with customer
- b) manufacturer to product
- c) information and promotion
- d) **supply and demand**

104. Marketing logistics involves getting the right product to the right customer in the right place at the right time. Which one of the following is not included in this process?

- a) implementing the plan for the flow of goods and services
- b) planning the physical flow of goods and services
- c) controlling the physical flow of goods, services, and information
- d) **gathering customer's ideas for new products**

105. A supply chain is a sequence of firms that perform activities required:

- e. to find products that are similar
- f. to facilitate wholesalers inventory selections
- g. to create synergy in their training programs
- h. to create and deliver goods to consumers**

106. A supply chain is essentially a sequence of linked:

- e. customer and prospects
- f. supplier and manufacturer
- g. suppliers and customers**
- h. warehousing and wholesaling units

107. Which of the following is not an area of responsibility for a logistics manager?

- a) inventory
- b) purchasing
- c) warehousing
- d) marketing**

108. To reduce inventory management costs, many companies use a system called _____, which involves carrying only small inventories of parts or merchandise, often only enough for a few days of operation.

- a) reduction-inventory management
- b) supply chain management
- c) economic order quantity
- d) just-in-time logistics**

109. Companies manage their supply chains through _____.

- a) information**
- b) transportation modes
- c) competitors
- d) the Internet

110. Julie Newmar recognizes that her company needs to provide better customer service and trim distribution costs through teamwork, both inside the company and among all the marketing channel organizations. Julie will begin the practice of _____.

- a) intermediation
- b) customer relationship management
- c) integrated logistics management
- d) supply chain management**

111. Today, a growing number of firms now outsource some or all of their logistics to _____ intermediaries

- a) competitors
- b) third-party logistics providers**
- c) channel members
- d) cross-functional teams

112. Supply chain concept originated in what discipline?

- a) marketing
- b) operations
- c) logistics**
- d) production

113. A restaurant is an example of a

- a. major service with accompanying goods and services
- b. hybrid**
- c. pure service
- d. pure tangible good

114. The supply chain management philosophy emerged in which decade?

- a) 1960s
- b) 1970s
- c) 1980s
- d) 1990s**

115. A _____ encompasses all activities associated with the flow and transformation of goods from the raw material stage, through to the end user, as well as the associated information flows.

- a) production line
- b) supply chain**
- c) marketing channel
- d) warehouse

116. Which of the following are not key attributes of supply chain management?

- a) inventory control
- b) leveraging technology
- c) c. customer power
- d) all are key attributes**

117. Positive, long-term relationships between supply chain participants refer to:

- a) co-opetitions
- b) tailored logistics
- c) **partnerships**
- d) supply chain management

118. The bullwhip effect:

- a) is an ineffective way to motivate warehouse employees
- b) applies to rodeos and has nothing to do with supply chain management
- c) refers to the “swaying” motion associated with triple trailers
- d) **refers to variability in demand orders among supply chain participants.**

119. The variability in demand orders among supply chain participants:

- a) cannot be controlled
- b) **refers to the bullwhip effect**
- c) can be controlled with electronic order placement
- d) is more pronounced in relational exchanges

120. Cooperative supply chain relationships developed to enhance the overall business performance of both parties is a definition of:

- a) third-party logistics
- b) **supply chain collaboration**
- c) dovetailing
- d) relationship marketing

121. What is a perfect order?

- a) **simultaneous achievement of relevant customer metrics**
- b) an order that arrives on time
- c) an order that arrives undamaged
- d) an order that is easy for the receiver to fill

122. Which of the following is NOT a reason that companies are depending more on their suppliers?

- a) More focus on core competencies
- b) Need for more flexibilities
- c) Desire to share risks
- d) **More control over their suppliers**

123. Which of the following is NOT a benefit of SCM Purchasing?

- a) Consistent quality
- b) Savings on resources
- c) Lower costs
- d) **Less dependence on suppliers**

124. What term describes a vertical expansion of job duties in order to give the worker more responsibility?

- a) Job enlargement
- b) Job rotation
- c) **Job enrichment**
- d) Job design

125. What are the two basic types of production systems?

- a) Automated and manual
- b) **Intermittent and non-intermittent process**
- c) Normal and continuous process
- d) Continuous process and batch

126. What type of process would a paper mill be most likely to use?

- a) **Continuous flow**
- b) Project
- c) Job shop
- d) Flow shop

127. What technique deals with the problem of supplying sufficient facilities to production lines or individuals that require uneven service?

- a) Supply-demand theory
- b) PERT
- c) Inventory theory
- d) **Queuing theory**

128. A manufacturer has been receiving excessive numbers of defective standard machine parts from a vendor on a regular basis. What is the most effective way to design a formal inspection system for incoming parts?

- a) Queuing analysis
- b) Time series analysis
- c) **Statistical quality control**
- d) Regression analysis

129. A set of simultaneous equations that has more variables than constraints has

- a) no solution
- b) an infinite number of solutions**
- c) a finite solution
- d) an infinite solution

130. In a PERT/CPM network, computing the critical path requires

- a) determining the total project duration
- b) assigning the earliest finish time for an activity as the earliest start time for the next**
- c) that the latest finishing time for an activity not delay the overall project beyond initial expectation
- d) a sophisticated and complex computer program

131. At the completion of the forward and backward passes, the slack for an activity is given by the

- a) difference between early start and early finish**
- b) difference between early start and latest finish
- c) difference between latest start and early finish
- d) amount of idle labor on the critical path