



**MGT613 POMA**

**Composed By Faheem Saqib**

**A Mega File for Final Term Exams and Quizzes**

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**MGT613- Production / Operations Management  
FINALTERM EXAMINATION**

# **Paper-1**

**2010**

**Total**

**questions:53**

**Subjective:5**

**Time:**

**90**

**min**

**Objective:48**

**Within the operations function, which one of the following is a long-term**

**management decision?**

Control decision

Non-operational decision

**Strategic decision**

Tactical decision

**\*Strategic or institutional management\* is the conduct of drafting, implementing and evaluating cross-functional decisions that will enable an**

**organization to achieve its long-term objectives**

**Which one of the following forms of productivity is expressed as**

**dollar value  
of output per kilowatt hour?**

Capital

**Energy**

Labor

Machine

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**Energy productivity: units of the output per kilowatt hour**

**Rupee value of output per kilowatt hour**

**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

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**MAXIMAX**

\_ Maximax determines

\_ The best possible outcome

\_ Choose the Alternative with the best possible payoff.

\_ It does not take into account any other alternative then the best payoff.

\_ An optimistic approach

**Which one of the following is a possible disadvantage of a moving average**

**forecast?**

The method is unable to forecast the demand accurately

The method is easy to compute and easy to understand

**All the values in the average are weighted equally**

The most recent values are given the more weighted

**One disadvantage of using moving averages for forecasting is that in calculating**

**the average all the observations are given equal weight (namely  $1/L$ ), whereas**

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**we would expect the more recent observations to be a better indicator of**

the

future (and accordingly ought to be given greater weight). Also in moving

averages we only use recent observations, perhaps we should take into account

all previous observations.

<http://people.brunel.ac.uk/~mastjjb/jeb/or/forecast.html>

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

It is the actual output achieved

It is always less then actual output

**It is the maximum output that a firm can produce**

It is always less than designed capacity

Design capacity > effective capacity > acutal capacity

Design capacity is the max capacity which a firm can attain.

effective capacity is max capacity which a firm can produce.

Actual capacity is capacity which any firm actual produce.

**Which one of the following is the correct order of layout types from low**

**volume/high variety to high volume/low variety?**

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=cor](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)

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[vbfOoCH6x&sig=zV0nHaaR43M4HQqHbDiVCutCCBY&hl=en&ei=hZ3vTMnELcrCc](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)

[crwxIEK&sa=X&oi=book\\_result&ct=result&resnum=8&ved=0CE8Q6AEwBw#v=onep](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)

[age&q&f=false](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)

**Which one of the following designs resists modifications?**

**Frozen design**

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Product design

Service design

Robust design

**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

**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**

**mid file**

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 refers to a team having representatives from**

**different functional areas of the organization?**

Traditional work group

Self-directed team

**Cross-functional team**

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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.

**Who emphasized quality in terms of inspection and gauging?**

G.S. Radford

W. Shewhart

**F.W. Taylor**

W.E. Demig

**Page#101**

**Frederick Winslow Taylor**

the father of scientific management brought back the concept of quality by incorporating product inspection as well as focusing on

the importance of manufacturing management

**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

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**Dimensions of Quality:**

1. Performance - main characteristics of the product/service

**2. Aesthetics - appearance, feel, smell, taste**

3. Special Features - extra characteristics

4. Conformance - how well product/service conforms to customer's expectations

5. Reliability - consistency of performance

6. Durability - useful life of the product/service

7. Perceived Quality - indirect evaluation of quality (e.g. reputation)

8. Serviceability - service after sale

**Which of the following involves incremental changes within the organization**

**whose cumulative effect is to deliver an increased rate of performance**

**enhancement?**

Continuous improvement

Competitive benchmarking

## **Business process re-engineering**

Statistical process control

Business Process Re engineering:

A discipline to measure and modify organizational effectiveness by documenting, analyzing, and comparing an existing

**process**

to "best-in-class"

practice, and then implementing significant

**process**

improvements or installing a

whole new

**method.**

**Which of the following terms reflects Japanese view of continuous improvement?**

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**Kaizen**

Poka-yoke

Six sigma

Inspection

**Page#112**

**Kaizen:**

A Japanese word for continuous improvement.

**Problem solving is an example of which of the following?**

Internal failure cost

External failure cost

**Prevention cost**

Appraisal cost

**Ref**

:

Prevention Costs include all TQM training, TQM planning, customer assessment, process control, and quality improvement costs to prevent defects

from occurring.

**The well-known Deming wheel is also referred to as:**

Juran's cycle

Crosby's cycle

Ishikawa's cycle

**Shewhart's cycle**

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Deming referred to it as Shewhart's cycle.

**Which of the following refers to the upper limit on the percentage of defects**

**that a customer is willing to accept?**

Acceptable Quality Level (AQL)

**Lot Tolerance Percent Defective (LTPD)**

Average Outgoing Quality (AOQ)

Average Outgoing Quality Limit (AOQL)

Page#131

**Lot Tolerance percent Defective(LTPD):**

the upper limit on the percentage of defects that a consumer is willing to accept.

**Aggregate planning usually covers time span of how many months?**

**2 – 12 months**

2– 15 months

2 – 16 months

2 – 17 months

Page#133

Aggregate planning: Intermediate range capacity planning, usually covering 2 to

12 months.

**Identify the mathematical expression to determine the number of workers in a**

**given period. Where  $a$  = Number of workers at the end of previous period,  $b$**

**= Number of new workers at the start of the period,  $c$  = Number of laid-off**

**workers at the start of the period**

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$a + b - c$

$a + b + c$

$a - b + c$

$a - b - c$

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Number of workers in a period equals Number of Workers at the end of the

previous period PLUS Number of new Workers at the start of the current period

- Number of laid off Workers at the start of the current period.

**What would be the total cost of inventory, if a firm holds 200 units of a**

**product 'A', where the carrying cost is Rs. 2 per unit?**

Rs. 202

Rs. 100

Rs. 198

**Rs. 400**

Total cost=holding units\*cost per unit

$200 \times 2 = 400$

**Which of the following time fences in a Master Production Schedule (MPS)**

**allows many variations in products with multiple changes?**

Fixed time fence

Moderately firm time fence

Frozen time fence

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**Flexible time fence**

<http://www.slideshare.net/birubiru/pom-unit-ii-final>

slide#32

**Which of the following mathematical expressions can be employed to compute**

**inventory cost?**

Carrying cost per unit + average inventory cost

**Carrying cost per unit  $\times$  average inventory cost**



Carrying cost per unit ÷ average inventory cost

Carrying cost per unit – average inventory cost

**Inventory : Carrying Cost per Unit X Average Inventory**

**The cost of a particular plan for a given period can be computed by using**

**which one of the following expressions?**

Output cost + hire/layoff cost + inventory cost – backorder cost

**Output cost + hire/layoff cost + inventory cost + backorder cost**

Output cost - hire/layoff cost + inventory cost + backorder cost

Output cost + hire/layoff cost - inventory cost + backorder cost

**Page#137**

**Cost for a ( current) period equals Output Cost ( Regular +OT+ Subcontract) +**

**Hire/Layoff Cost+ Inventory Cost + Backorder Cost**

**Which of the following is the costs of carrying an item in inventory for a**

**specific period of time?**

Ordering cost

**Holding cost**

Shortage cost

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Stock out cost

**Page#144**

**Holding (carrying) costs:**

**Cost to carry an item in inventory for a length of time, usually a**

**year. Costs include Interest, insurance, taxes, depreciation, obsolescence, deterioration,**

**pilferages, breakage, warehousing costs and**

**Opportunity costs**

.

**In which of the following systems an item's inventory is stored at two**

**different locations?**

Optional replenishment system

Base stock system

### **Two bin system**

Universal bar code system method

Page#143

### **Two bin system:**

Two containers of the inventory: reorder when the first is empty.

**Which of the following is known as a visual representation of the requirements in a bill of materials having all the components listed in levels?**

Master production schedule

Material requirements planning

**Product structure tree**

Inventory status record

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### **Two bin system:**

Two containers of the inventory: reorder when the first is empty.

**Which of the following refers to the quantity expected to be received by the**

**beginning of the period in which it is shown?**

Gross requirements

Net requirements

**Planned-order receipts**

Planned-order releases

**Planned-order receipts**

: The quantity expected to be received by the beginning of the period in which it is shown.

**ERP stands for which of the following?**

**Enterprise Resource Planning**

Enterprise Requirements Planning

Equal Resource Planning

Equal Requirements Planning

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**Enterprise resource planning (ERP**

): often called the rightful next step in an

evolution that began with MRP and evolved into MRP 2

Which kind of production system is undertaken by JIT (Just In Time) production?

Intermittent processing

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Job shop processing

**Repetitive processing**

Batch processing

**Reference:**

[http://books.google.com.pk/books?id=HH0vVv6dMb0C&pg=PA319&lpg=PA319&dq=repetitive+production+and+JIT&source=bl&ots=X5Y\\_Vh6M5W&sig=M](http://books.google.com.pk/books?id=HH0vVv6dMb0C&pg=PA319&lpg=PA319&dq=repetitive+production+and+JIT&source=bl&ots=X5Y_Vh6M5W&sig=M)

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[OyJi9Ag&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CCUQ6AEwAg#v=onepage&q=repetitive%20production%20and%20JIT&f=false](http://books.google.com.pk/books?id=HH0vVv6dMb0C&pg=PA319&lpg=PA319&dq=repetitive+production+and+JIT&source=bl&ots=X5Y_Vh6M5W&sig=M)

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[q=repetitive%20production%20and%20JIT&f=false](http://books.google.com.pk/books?id=HH0vVv6dMb0C&pg=PA319&lpg=PA319&dq=repetitive+production+and+JIT&source=bl&ots=X5Y_Vh6M5W&sig=M)

Which of the following refers to a card or device that communicates demand

for work or materials from the preceding station?

**Kanban**

Kaizen

Inventory file

Master schedule

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**Kanban**

: a card or device that communicates demand for work or materials from the preceding station

Kanban is the Japanese word meaning “signal” or “visible record”

**DRP stands for which of the following?**

Demand Requirements Planning

**Distribution Requirement Planning**

Dividend Requirements Planning

Data Resource Planning

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**PAGE#175**

Distribution requirement planning (DRP) is a system for inventory management

and distribution planning.

**Which one of the following is a condition for a successful supply chain?**

A large number of suppliers

Many short-term contracts

**Trust among trading partners**

Continuous competitive bidding

Trust among partners is essential for a win-win relationship. But successful

supply chain managers realize the need to invest time and ... sustainable win-win

relationships among trading partners

**Which of the following refers to the length of time, a job is in the shop at a particular workstation?**

Slack time

Lead time

**Job flow time**

Make-span

The flow time of an order (a job) in a system is the difference between the release

time of the job into the system and the departure time of the job from the system

.

**Which one of the following is focused to reduce the incidence of failures in the**

**plant or equipment to avoid the associated costs?**

Reactive maintenance

Total productive maintenance

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## **Preventive maintenance**

Predictive maintenance

Preventive maintenance—

the prevention of equipment breakdowns before they happen. This includes

inspections, adjustments, regular service and planned shutdowns.

**Successful project management includes all of the following factors**

**EXCEPT:**

### **Interchangeable staff**

Competent team members

Responsiveness to clients

Control mechanisms

<http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360>

[http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOs7rEQ&sa=X&oi=book\\_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Intercha](http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOs7rEQ&sa=X&oi=book_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Interchangeable%20staff&f=false)

[ngeable%20staff&f=false](http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOs7rEQ&sa=X&oi=book_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Intercha)

[n](http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOs7rEQ&sa=X&oi=book_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Intercha)

[n](http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOs7rEQ&sa=X&oi=book_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Intercha)

[n](http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOs7rEQ&sa=X&oi=book_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Intercha)

[n](http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lp g=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOs7rEQ&sa=X&oi=book_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Intercha)

**Which of the following relates to delegation of responsibility to an organizational department for a project?**

Project structure

Functional structure

### **Balanced matrix structure**

Project matrix structure

[http://books.google.com.pk/books?id=F1c3wHNDF-](http://books.google.com.pk/books?id=F1c3wHNDF-wC&pg=PA168&lp g=PA168&dq=delegation+of+responsibility+to+an+organiza)

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[tional+department+for+a+project%3F&source=bl&ots=n24C0U0-](http://books.google.com.pk/books?id=F1c3wHNDF-wC&pg=PA168&lp g=PA168&dq=delegation+of+responsibility+to+an+organiza)

[DR&sig=HYJBJSnN2980CTqN6vNsN2yk1eI&hl=en&ei=QB8xTZXT](http://books.google.com.pk/books?id=F1c3wHNDF-wC&pg=PA168&lp g=PA168&dq=delegation+of+responsibility+to+an+organiza)

[LsWz4gbD2J](http://books.google.com.pk/books?id=F1c3wHNDF-wC&pg=PA168&lp g=PA168&dq=delegation+of+responsibility+to+an+organiza)

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[nepage&q=delegation%20of%20responsibility%20to%20an%20organizational%20](#)

[department%20for%20a%20project%3F&f=false](#)

and

<http://www.buzzle.com/articles/organizational-structure-examples.html>

**Which of the following refers to the longest path taken for the project to complete?**

Sensitive path

Coverage path

**Critical path**

Permanent path

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Critical path: The longest path; determines expected project duration.

## Paper-2

2010

**Mr. Ali purchased a TV set. After a period of a year, the picture quality started**

**deteriorating. He went to the company and complained and the company**

**responded subsequently. Which of the following dimensions of quality would**

**come into play?**

Reliability

Conformance

**Serviceability**

Aesthetics

**Ref:**

[Serviceability refers to services after sale.](#)

**Which of the following refers to the inherent variability in a**

process?

Control limits

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Process capability

**Chance causes of variation**

Assignable causes of variation

**Reference**

If holding cost of an item is 70,000 per year,

Time savings = 2 days using 1 day alternative

What is the incremental holding cost for additional 2 days?

Rs.350

Rs.380

**Rs.384**

Rs.375

**Calculation:**

Incremental Holding Cost=  $H \left( \frac{d}{365} \right)$

Where H=Annual Holding cost for the item.

d = Time savings in days and  $\frac{d}{365}$  is fraction of year saved.

Incremental Holding Cost=  $70,000 \left( \frac{2}{365} \right)$

**=383.56 or 384**

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)

**Ref:**

Bottleneck is one process in a chain of processes, such that its limited capacity ( increased time of completion, or increased labour requirement)

reduces the capacity of the whole chain.

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  
**CBR stands for which one of the following?**

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Commercial board of revenue

Central board of recycling

Central board of renovation

**Central board of revenue**

**Page#46**

CBR denotes Center Board of Revenue, which monitors the organizations taxable income.

**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

**Calculation:**

$\text{Availability} = (\text{MTBF}) / (\text{MTBF} + \text{MTR})$

Where,

MTBF = Mean time between factor = 300

MTR = Mean repair time = 2 hours

$\text{Availability} = (300) / (300 + 2)$

$= 300 / 302$

**= 0.99**

**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**

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

**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

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<http://www.vustudents.net>

**Ref:**

**Site Related Factors**

- Land
- Transportation
- Environmental
- Legal

**Which of the following is NOT true about TQM?**

**Focused on worker's activity rather than management**

Meeting the needs and expectations of customers

Inclusion of every person in the organization

Covering all the functional areas of the organization

**Ref:**

It is that common viewpoint as well as attitude shared by the whole organization.(Page no.111)

**Identify the stage of the DMAIC (Define, Measure, Analyze, Improve and**

**Control) methodology which involves eliminating the root causes of non-**

**random variation.**

Define

Measure

Analyze

**Improve**

[http://www.tutorialspoint.com/six\\_sigma/six\\_sigma\\_glossary.htm](http://www.tutorialspoint.com/six_sigma/six_sigma_glossary.htm)

**Improve Phase (DMAIC)**

The goal of improve phase is to pilot and implement solutions that address root

causes. This step helps to eliminate any errors/false starts when the team

finally  
implements the solution.

**Which of the following stage of Deming's wheel involves evaluating the improvement plan?**

Plan

Do

**Check**

Act

**Ref**

:

**CHECK**

- Evaluate the data collection during this phase.

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- Check how closely the results match the original goals of the plan phase.(Page no.116)

**Which of the following statement defines process analysis?**

It is collecting information, identifying each step and finding inputs and outputs of process

It is collecting information about cost reduction and improving the defects

**It relates to asking questions about process flow and identifying missing or duplicating activities**

It relates with taking a fresh approach to solve an issue on hand

**Page-116**

**Identify the correct sequence of steps in the control process.**

(a) Define(b) Measure(c) Compare

(d) Evaluate(e) Corrective action(f) Monitor results

a, b, d, c, f, e

**a, b, c, d, e, f**

a, b, c, f, e, d

a, b, d, e, f, c

**Ref:**

The Control Process consists of the following important stages.

1. Define

2. Measure

3. Compare
4. Evaluate
5. Correct
6. Monitor results

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

$$Q = VC / (R - VC)$$

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

$$Q = VC / (R + FC)$$

$$Q = FC / (R + VC)$$

**Which of the following defines the purpose of acceptance sampling?**

**Deciding whether a lot satisfies pre-determined standards**

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Determining the lot size for sampling process

Evaluating the process of inspection f or sampling

Implementing quality control policies for the process

**Ref:**

Acceptance sampling is an important form of inspection applied to lots or

batches of items before or after a process, to judge conformance with predetermined standards

**.(Page no.128)**

**Which one of the following is an example of a long range plan?**

**Location layout**

Work schedule

Machine loading

Backorder

**Ref:**

**Long-range plans**

1. Long term capacity

2. Location / layout

**(Page no.133)**

**Which of the following costs is inversely related with order size?**

**Annual ordering cost**

Annual carrying cost

Annual shortage cost

Annual stockout cost

B

. Ordering costs are inversely and nonlinearly related to order size

<http://www.scribd.com/doc/42106516/Inventory-Management>

**Which of the following is a benefit of an MRP (Material Requirements**

**Planning) system to an organization?**

Increased sales price

Increased inventory

Reduced customer service

**Ability to track material requirements**

**Ref:**

Low levels of in-process inventories

Ability to track material requirements

Ability to evaluate capacity requirements

Means of allocating production time

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**Which of the following statements is TRUE about Just-in-Time?**

It is essential for a project organization

It pushes inventory through the operations process

It is only useful in a high product variety environment

**It seeks to reduce inventory in an effort to reduce waste**

**Which one of the following is NOT a characteristic of Just-in-time (JIT)**

**production system?**

Flexible workforce

Pull methods of materials flow

**Large lot size**

Close supplier ties

**Ref:**

JIT system requires small lot size.(Page no.166)

**Which of the following is NOT a benefit of supply chain management?**

Lower inventory

Higher productivity

**Less variety**

Greater agility

**Ref:**

### **Benefits of Supply Chain Management**

1. Lower inventories
2. Higher productivity
3. Greater agility
4. Shorter lead times
5. Higher profits
6. Greater customer loyalty

**Scheduling is a function of which of the following?**

Volume of systems' output

Nature of systems' output

**Timing of systems' output**

Value of systems' output

**Ref:**

Scheduling is the timing and coordination of Operations.(Page no.184)

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**Which one of the following is a type of Gantt chart that shows the loading and**

**idle time for a group of machines?**

**Load chart**

Schedule chart

Input/output control chart

Sequence chart

**Ref:**

### ***Load chart***

– A type of Gantt Chart that shows the loading and idle times for a group of machines or list of departments.(Page no.181)

**Which one of the following is a type of Gantt chart that shows the order of**

**jobs in progress and whether they are on schedule or not?**

Load chart

**Schedule chart**

Input/output control chart

Sequence chart

**Which of the following is NOT a key decision in project**

**management?**

Selecting the project manager

Selecting the project team

**Deciding the inventory levels**

Planning and designing the project

**Ref:**

**Project Management has certain major administrative issues, such as**

1. Executive responsibilities
2. Project selection
3. Project manager selection
4. Organizational structure
5. Organizational alternatives
6. Manage within functional unit
7. Assign a coordinator
8. Use a matrix organization with a project leader

**Which of the following is required to describe project scope?**

Program Evaluation and Review Technique

Gantt chart

**Work breakdown structure**

Critical path method

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**Ref:**

The primary tool required to describe Project Scope is the Work Breakdown Structure.

**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**

**(not sure but most appropriate )**

**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

**Ref**

:

The Moving Average model takes the average of several periods of data; the

result is a dampened or smoothed data set; use this model when demand is

stable and there is no evidence of a trend or seasonal pattern.

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

**Tangibility**

Perishability

Simultaneity

Courtesy

**Ref:**

A service is a time-perishable, intangible experience performed for a customer acting in the role of a co-producer.

**Which of the following determinants of effective capacity is taken into**

**account by operations manager at macro level?**

**Supply chain**

Process factors

Product and service factors

Operational factors

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**Ref:**

At the macro levels the managers look for Supply chain and External factors, while at the

**micro level**

they look for operational factors including facilities and man and machine resources.

**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

**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.

**In a computer education institution at the beginning of each module many**

students do not get proper instructions and get enrolled in the modules they are

not intended to be. Therefore, management has to bear the cost of *rework*

and

*extra time*

in shifting students to their relevant modules. What type of service gap it represents?

Service design gap

**Communication gap**

Service quality gap

Service delivery gap

**Reference**

**For an item, the on-hand inventory is only 20 units and the reorder point R is**

**100 units. There are no backorders, but there is one open order for 90 units.**

**Which one of the following statements is TRUE ?**

**An order should be placed now for 20 units**

The current inventory position is 100 units

An order should be placed now for 10 units



There is no need to order at the present

**Reference**

**Which of the following is re-ordering point inventory model?**

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Economic production model (EPQ)

The ABC model

**Economic order quantity model (EOQ)**

Cycle counting model

**Most inventory models aim at minimizing which of the following?**

**Total cost of inventory**

The number of orders placed

The safety stock

The risk of being stock out

**In a factory systems has 20 containers for holding an item, each container**

**holds 350 units. Which of the following is the exact amount of total planned**

**inventory?**

6000 Units

3500 Units

6999 Units

**7000 Units**

**Calculation:**

$$350 \times 20 = 7000$$

**Which of the following provides the best solution for the problem of "too**

**much scrap" in Just-In-Time philosophy?**

**Better Inventory management**

Effective Material requirement planning MRP

Improving work methods

Master production schedule

**Given the table:**

Alternatives Possible

future

demand

Low (Rs.) High (Rs.)

Small facility 10,000 8,000

Medium

12,000 20,000

facility

Large facility 18,000 15,000

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

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Rs. 8,000

Rs. 12,000

**Rs. 18,000**

Rs. 20,000

**Ref:**

**Determine the worst possible payoff for each alternative, and choose the**

**alternative that has the “best worst.” Which is 18000 in this table.**

Small facility 10,000

Medium

12,000

facility

Large facility 18,000

**In labor-limited environment, in which resource constraint is the amount of**

**worker available, which of the following is the best option for effective**

**scheduling in a manufacturing firm?**

Hire more skilled labor for the job to be completed

**Workers should be trained to work on a variety of machines**

Assign labor to the next workstation irrespective of their skills

More machines should be installed for flexibility of operations

**Reference :**

1st. you can not hire more skilled labor as market is short and its already pointed

as constraint in the question.

2nd. When worker are not available, We have to trained our present work force in

such a way that they can work on different machine when its required.  
3rd can not be correct as without any proper training you can not move worker  
to handle the machine which might be fatal for the whole system.  
4th. More machine is not going to solve the problem, as its the problem of labor shortage.

**Scheduling of materials is the primary focus of which of the following systems?**

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**Inventory management**

Supply chain management

Big Just-In-Time

Little Just-In-Time

**Which of the following accounts for loss of good will of an organization?**

Hiring and layoff costs

**Over-time costs and regular time costs**

Backlogs and stock outs

Backorders and stock outs

# Paper-3

2010

**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

**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](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 of the following statements corresponds to an order-winning characteristic?

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

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<http://www.vustudents.net>

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

**REFERENCE**

:

An order winner is a criterion that differentiates the products or services of one firm from another. It can be the product's price, quality, technology, speed, or any other product mix or characteristics. ( Order Qualifiers

would meet customer requirements and Order Winners would satisfy customers

)

**Which one of the following factors provides a basis for comparing alternative**

**forecasting techniques?**

Time dimension

Reliability factor

**Degree of accuracy**

Measuring units

**REFERENCE:**

**Accurac**

y. 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.**

**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**

**REFERENCE:**

This approach seeks to minimize the difference between payoff that is realized and best payoff for each state of nature

**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

**REFERENCE:**

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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

**Effective capacity is influenced by all of the following factors**

**EXCEPT:**

Facilities

**Product mix**

Processes

Operations

**REFERENCE:**

There are 7 determinants of effective capacity

1

### **Facility**

. The design of facilities includes the size as well as the provision of expansion.

2

### **Product and service factors**

can have a tremendous influence on capacity.

3

### **Process factors**

refer to the quantity and quality requirements of a process.  
Quantity always Refers to capacity.

4

### **Human factors**

include skill, craftsmanship, training and qualification

5

### **Operational factors**

with respect to effective capacity always refer to scheduling

6

### **Supply chain factors**

relate to any short coming to suppliers, warehouse processing, operational hick up.

7

### **External factors**

include product standards, safety regulations, unions and pollution control  
Standards.

**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**

**In exponential smoothing model,  $\alpha$  denotes:**

**Smoothing constant**

Actual forecast

Forecast error

Previous forecast

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## REFERENCE

:

### Alpha smoothing constant

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

## REFERENCE

:

Design for Remanufacturing: Using some of the components of the old products in the manufacture of new products. Remanufactured products are sold at 30 to 50% of the price of new product

.

Who introduced the use of statistical control charts to Japanese manufacturers?

**Edwards Deming**

Joseph Juran

Kaoru Ishikawa

Philip Crosby

## REFERENCE:

The PDSA Cycle (shewhart Cycle/Deming Wheel)

(

The concept

of the PDCA Cycle was first introduced by Walter Shewhart, the leading

statistician, who also developed statistical process control)

Who proposed the concept of “total quality control” in the mid 1950s?

Armand Feigenbaum

G.S Radford  
W. Shewhart  
David Gravin

### **REFERENCE**

:

Walter Shewhart is also known as “Father of statistical quality control”

**Which of the following is a pair of service quality dimensions?**

**Reliability and Responsiveness**

Uniqueness and Universality

Specification and Security

Reliability and Reputation

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### **REFERENCE:**

Both are term are used for services in quality dimensions,

*Reliability*

: Perform promised service dependably and accurately.

*Responsiveness*

: Willingness to help customers promptly.

**Which of the following best describes the ISO?**

International Organization for Statements

International Operations for Statements

**International Organization for Standardization**

International Operations for Statements

**Which of the following stage of Deming's wheel involves evaluating the**

**improvement plan?**

Plan

Do

**Check/Study stage**

Act

**STUDY** Evaluate the data collection during this phase. Check how closely the

results match the original goals of the plan phase.

**What would be the total cost of inventory, if a firm holds 1000 units of a**



product 'A', where the carrying cost is Rs. 5 per unit?

Rs. 995

**Rs. 5000**

Rs. 1050

Rs. 200

### **REFERENCE**

:

Total cost of inventory = total units \* carrying cost per unit =

$$1000 * 5 = 5000$$

The optimal order quantity shows a trade-off between which one of the

following sets of costs?

Carrying costs and shortage costs

**Carrying costs and ordering costs**

Carrying costs and stockout costs

Carrying costs and setup costs

### **REFERECE:**

Optimal order quantity a point where carrying cost and ordering cost intersects.

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Which one of the following mathematical expressions can be employed to

compute annual carrying cost?

$(Q-2)H$

$(Q+2)H$

$(Q \div 2)H$

$(Q \times 2)/H$

### **REFERECE:**

Total cost =

**Annual carrying cost**

+ Annual ordering cost

TC = (

**$Q/2$ ) H**

+  $(D / Q) S$

Which of the following is used to store information about the status of each

**item with respect to time period?**

Master schedule

Bill of materials file

**Inventory records file**

Rough – cut capacity plan

**REFERENCE:**

Inventory Records

One of the three primary inputs in MRP

**Includes information on the status of each item by time period**

Gross requirements

Scheduled receipts

Amount on hand

Lead times

Lot sizes

And more Assembly Time Chart

**Which of the following compares the known and estimated future capacity**

**requirements?**

Capacity reports

Operations reports

**Load reports**

Inventory records

**REFERENCE:**

Load reports: Department or work center reports that compare known and expected future capacity requirements with projected capacity availability.

**Which of the following is the first step of Capacity planning?**

Initial feasibility report is prepared

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Master schedule is tested for feasibility

Adjustments are made in master schedule before it finalizes

**Material requirements are ascertained**

**REFERENCE:**

**Steps in Capacity Planning**

.Estimate future capacity requirements

Evaluate existing capacity

Identify alternatives

Conduct financial analysis

.Assess key qualitative issues

.Select one alternative

.Implement alternative chosen

.Monitor results

**Which of the following are the priorities emphasized most often in JIT system?**

**High quality and minimal wastage**

Low cost and consistent quality

Low inventory and consistent material supply

Low cost and low inventory

**REFERENCE:**

**JIT/Lean Production Features**

by eliminating waste (muda),

quality is improved, production time is reduced and cost is reduced

.

**Just in Time system maintains inventory with which of the following lot size/sizes?**

**Small**

Medium

Large

Can be small and medium both

**REFERENCE:**

JIT systems are a pull method to manage material flow,

consistently high quantity, small lot sizes, uniform work station loads.

**Which of the following statements is TRUE about a Gantt chart?**

It represents an important event in the completion of a project

It relates interdependent activities to their completion time

It arranges events in order of importance

**It is used to schedule independent activities**

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Developed by Henry Gantt in 1916, a Gantt chart is used to determine

the  
tim-ing of individual activities in a project.

A Gantt chart can be used to schedule a periodic or repetitive project,  
because the  
sequence of activities is well understood and past experience has deter-  
mined  
how long each activity takes.

**Network activities are used to determine all of the following  
EXCEPT:**

Critical path

**Budgeted cost**

Slack time

Expected project duration

**REFERENCE:**

Used to determine

1. Expected project duration
2. Slack time
3. Critical path

**With reference to Network activities, what does the term 'EF' stand  
for?**

Equal Finish

Economic Finish

**Early Finish**

Easy Finish

**REFERENCE:**

Network activities:

1. ES: early start
- 2.

**EF: early finish**

3. LS: late start

4. LF: late finish

**Which one of the following is NOT an element of a queuing system?**

Population source

Waiting line

Order processing

**Logistics**

**REFERENCE:**

## **Elements of Queuing System**

### **Population Source**

, Arrivals,

### **Waiting Lines,**

### **Processing Order**

, Service, System

and Exit are the common identifiable elements of a Queuing System.

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**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**

### **REFERENCE:**

Quality Function Deployment is. Two common answers being that it is the

**voice of the customer**

(which always sets a standard for the service

organization to follow) and the second one being that it should be in the form of

a house of quality

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

Studying 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

### **Reference:**

Work Sampling is a method in which the job is sampled at random intervals to determine the proportion of total time spent on a particular task.[20]

It provides insight into how often workers are performing tasks which might

cause strain on their bodies.

**Training program and quality audits come under which type of costs that an organization has to bear as cost of service quality?**

Internal failure cost

Recovery cost

**Prevention cost**

Detection cost

**REFERENCE:**

**Prevention costs**

Quality planning, Training program, Quality audits, Data acquisition and analysis, Recruitment and selection, Supplier evaluation

**Which one of the following is the most important criteria in selecting winners for a quality award?**

Strong motivation

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**Quality management practices**

Employee empowerment

Business performance results

**Which of the following is NOT a disadvantage of excessive overtime?**

Decline quality of work

**Work schedules become well-defined**

150 percent expensive of the regular time-pay rate

Low Productivity

**A company mostly involved in transportation and shipping costs than**

**construction and land costs is probably part of which of the following industries?**

Heavy manufacturing

Retail and service

**Warehouse and distribution**

Light industry

## REFERENCE:

### Manufacturing

Favorable Labor Climate

Proximity to markets.

Quality of Life

Proximity of Suppliers and Resources.

Proximity to the Parent Company's facilities.

Utilities, Taxes and Real estate costs.

**Other factors (expansion, construction costs, and location near the highway or main railways)**

**A company is operating under a continuous review system. It has an average demand**

of 50 units per week for the item it produces. The lead time for the item is 6 weeks, and it costs the company \$30 to process each order. The holding cost

for each unit is \$10 per year. The company operates 52 weeks per year. What is

the economic order quantity (EOQ) for this item?

Greater than 175 units but less than or equal to 200 units

**Less than 175 units**

Greater than 200 units but less than or equal to 230 units

Greater than 230 units

## REFERENCE

:

Q

$$2DS/H \text{ whole square} = 2 * 2600 * 30 / 10 = 124.89$$

OPT =

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$$\text{Annual demand} = 50 * 52 = 2600$$

$$\text{Cost per order} = 30$$

$$\text{Holding cost} = 10$$

**Perpetual system of inventory management is also known as which of the following?**

**First-in-first-out**

Probability model

Fixed-order quantity

Periodic review

**REFERENCE:**

Perpetual Inventory System( CONTINUAL)

System that keeps track of removals from inventory continuously, thus monitoring current levels of each item

**If a manager wants to see the effect of change in Master Production Schedule**

**(MPS) on purchasing requirements for certain suppliers, which of the**

**following system would help in this regard?**

**Material Resource Planning system (MRP)**

Enterprise Resource Planning system (ERP)

Capacity Requirement Planning system (CRP)

Manufacturing Resource Planning system (MRPII)

**Eliminating disruptions and excess inventory are \_\_\_\_\_ in Just-In-**

**Time production systems.**

Tactical goals

Strategic goals

**Secondary goals**

Primary goals

**REFERENCE:**

**Secondary Goals**

1. Eliminate disruptions

2. Make system flexible

3. Eliminate waste, especially excess inventory

**In supply chain management Electronic Data Interchange (EDI) and Bar**

**coding is a characteristic of which of the following?**

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Logistics

Technology



## **Autonomation**

Just-In-Time System

**Tasks are easily scheduled in which of the following production environments?**

Intermediate-volume-systems

Low-to-medium volume production (Job shop)

**Medium-to-high volume production (Flow shop)**

Optimal production mixes

High volume system are often referred as flow systems. scheduling of in these

systems are often called flow shop.

due to nature of repetitive work its easy to schedule. TV, Radio, Cars, sugar

refining etc fall in this class.

**Which of the following is the necessary qualification for a project manager?**

**PMP certification**

PMD certification

FMA certification

CMP certification

**REFERENCE:**

Project Manager is normally considered to have qualification such as PMP certification

CFM, CFA and CFP certification

**Queuing analysis aims to minimize which of the given costs?**

**Both customer waiting cost and service capacity cost**

None of the given options

Customer waiting cost

Service capacity cost

**Page#210**

1. Goal of queuing analysis is to minimize the sum of two costs Customer

waiting costs and Service capacity costs.

**Which of the following is a cause of development of waiting lines?**

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Customer arrival rate varies through out the day

Time required to process a customer may vary  
Some transactions are complicated and require above average process time

**All of the given options**

**REFERENCE:**

- Average number of customers waiting
- Average time customers wait
- System utilization
- Implied cost
- Probability that an arrival will have to wait

**During the period of high unemployment or when low-skilled labor is**

**acceptable, which of the following strategy would be cost effective?**

**Chase demand strategy**

Level capacity strategy

Proactive strategy

Mixed or hybrid strategies

**Chase Demand Strategy**

- Cost of strategy – hiring and firing workers
- This strategy would not be feasible for industries which require highly skilled labor or where competition for labor is fierce.

•

**This strategy would be cost effective**  
during periods of high unemployment  
or when low-skilled labor is  
acceptable

•  
[http://docs.google.com/viewer?a=v&q=cache:mGfT07t\\_oXYJ:www.freemethod.com/documents/Training/Classes%20Spring%202002/Chase%20Method%20of%20Aggregate%20Planning.ppt+Chase+demand+strategy+is+cost+effective&hl=en&gl=pk&pid=bl&srcid=ADGEEShkJuaP6Dann0kfiPfQclaghPA3](http://docs.google.com/viewer?a=v&q=cache:mGfT07t_oXYJ:www.freemethod.com/documents/Training/Classes%20Spring%202002/Chase%20Method%20of%20Aggregate%20Planning.ppt+Chase+demand+strategy+is+cost+effective&hl=en&gl=pk&pid=bl&srcid=ADGEEShkJuaP6Dann0kfiPfQclaghPA3)

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7MAAXzRu2  
DdOyvEw&pli=1

## Paper-4

### 2010

**As a project manager, your project has become lengthy enough and you have to spend more money to complete it quickly within time constraints, the**

**activity is known as:**

Rectifying time estimation

Project scope creeping

**Project crashing**

Project risk management

**Ref:**

Crashing a project involves paying more money to complete a project more quickly.

**Identify the correct sequence of steps in Deming wheel.**

**Plan, Do, Check, Act**

Plan, Check, Do, Act

Plan, Do, Act, Check

Plan, Act, Do, Check

**Page#116**

**Which of the following is a type of kanban that authorizes the production of goods?**

Supplier kanban

Material kanban

Withdrawal kanban

Production kanban

### Reference

**Product life cycle is based on which of the following components?**

Price

Place

**Demand**

Supply

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**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

### Calculation:

Productivity =  $50/3$

=16.66

**Which of the following defines inventory turnover?**

**A ratio of cost of goods sold to the average inventory**

A ratio of work in process to the average inventory

A ratio of cost of carrying cost to the average inventory

A ratio of cost of assets to the average inventory

**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

### Reference

**Identify the dimension of quality that relates to the expected operational life of a product.**

**Durability**

Performance

Serviceability

Reliability

**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**

**Which of the following refers to the average of accepted lots and rejected lots?**

Acceptable Quality Level (AQL)

Lot Tolerance Percent Defective (LTPD)

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**Average Outgoing Quality (AOQ)**

Average Outgoing Quality Limit (AOQL)

**OC Curve Terms**

Acceptable Quality Level (AQL): Percentage of defective items a customer is

willing to accept from

you (a property of mfg. process)

Lot Tolerance Percent Defective (LTPD): Upper limit on the percentage of defects

a customer is willing to accept ( a property of the consumer)

**Average Outgoing Quality (AOQ):Average of rejected lots and accepted lots**

Average Outgoing Quality Limit (AOQL):Maximum AOQ for a range of

fractions defective

**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

**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

[http://teach.maryville.edu/pdeng/courses/bus314\\_f01/slides/chapter08.ppt#275](http://teach.maryville.edu/pdeng/courses/bus314_f01/slides/chapter08.ppt#275),

**14, Multiple Plant Strategies**

**For which of the following purpose master schedule determines quantities?**

Capacity

**Demand**

Resources

Production requirements

**Ref:**

Master schedule: Determines quantities needed to meet demand

(Page 139)

**Which of the following contains a listing of all the assemblies, sub-assemblies, parts and raw materials needed to produce one unit of a finished product?**

Master schedule

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**Bill of materials file**

Inventory records file

Rough – cut capacity plan

**Ref:**

*Bill of materials (BOM)*

: One of the three primary inputs of MRP; a listing of all of the raw materials, parts, subassemblies, and assemblies needed to produce one unit of a product.

(Page no.157)

**Which of the following reports compares known and expected future capacity requirements with projected capacity availability?**

Performance control report

Exception report

**Load report**

Planned order report

**Ref:**

**Load reports:**

Department or work center reports that compare known and expected

future capacity requirements with projected capacity availability.(Page no.161)

**Which of the following is the output of capacity requirement planning process?**

Planned order releases

Job times

Resource requirements

**Load reports**

**Given the table:**

**Alternatives**

**Possible**

**future**

**demand**

**Low (Rs.)**

**High (Rs.)**

Small facility 10,000 8,000

Medium

12,000 20,000

facility

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

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**Rs. 16,500**

**Ref:**

LAPLACE approach best average of alternatives.

Small facility  $= 18000/2 = 9000$

Medium facility =  $32000/2 = 16000$

Large facility =  $33000/2 = 16500$  this is best average as it is highest.

**Which one of the following refers to the assignment of jobs to process centers?**

Sequencing

**Loading**

Scheduling

Budgeting

Loading - assignment of jobs to process centers

**Which of the following charts shows management of flow of work and**

**waiting lines at work stations?**

Gantt charts

Load charts

Schedule charts

**Input/output charts**

**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

**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**

**Which of the following is a technique that averages a number of recent actual**

**values that are updated as new values become available?**

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**Simple moving average**

Weighted moving average

Linear trend equation

Exponential smoothing

**Ref:**

*Moving average*

– A technique that averages a number of recent actual values, updated as new values become available.

.

*Weighted moving average*

– More recent values in a series are given more weight in computing the forecast.(Page no.37)

**Which of the following describes the people who have sufficient experience**

**of working with six sigma methodology?**

Black belts

Green belts

Top management

Master black belts

All of the above options are correct. All of above having experience of six sigma.

I am confused about this question.

**Ref:**

Six Sigma Teams are formed for implement of Six Sigma in true spirit keeping in mind both managerial as well as technical aspects.

1. Top management
2. Program champions
3. Master “black belts”
4. “Black belts”
5. “Green belts”

**Which of the following is the characteristic of an effective design?**

It facilitates manufacturing of the product

It satisfies customer requirements

It sells in the marketplace

**All of the given options**

**The operating characteristic (OC) curve shows the probability of**

**which of the following?**

**Acceptance for every possible true percentage of defectives**

Rejection for every possible true percentage of defectives

Making type I error for various percentages of defectives

None of the given options

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**Ref:**

The curve shows the probability that use of the sampling plan will result in

lots with various fractions defective being accepted.(Page no.130)

**Which of the following defines the orders which have been placed but not yet completed?**

Order releases

Planned receipts

**Scheduled receipts or open orders**

Planned order releases

**Ref:**

A released order not yet shipped (customer order) or received into stock (production, purchase or replenishment order). OR Scheduled receipts: Open

orders scheduled to arrive.

**Select the appropriate term for the total demand derived from all parent**

**production plans from the following options.**

Inventory record

Load reports

Projected on-hand inventory

**Gross requirement**

**Reference**

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

Customized service

Batch processing

Intermittent processing

**Standardized service**

[http://books.google.com.pk/books?id=4dC0WP0VrdcC&pg=PA398&lp g=PA398&dq=car+wash+is+the+example+of+Standardized+service&source=bl&ots=ql IIR3kpQV&sig=771YBzi3PRXOPLap7GP58ShHSYg&hl=en&ei=VirtTK- CCtDQcYfl\\_I4P&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0 C BsQ6AEwAQ#v=onepage&q=car%20wash%20is%20the%20example%20of%20Stand ar dized%20servi ce&f=false](http://books.google.com.pk/books?id=4dC0WP0VrdcC&pg=PA398&lp g=PA398&dq=car+wash+is+the+example+of+Standardized+service&source=bl&ots=ql IIR3kpQV&sig=771YBzi3PRXOPLap7GP58ShHSYg&hl=en&ei=VirtTK- CCtDQcYfl_I4P&sa=X&oi=book_result&ct=result&resnum=2&ved=0 C BsQ6AEwAQ#v=onepage&q=car%20wash%20is%20the%20example%20of%20Stand ar dized%20servi ce&f=false)

**If  $\alpha = 0$ , how many containers are needed with the given data?**

$K = 1500 (0.8 + 0.2) (1 + 0)$

270

6.5 Containers

**7 Containers**

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6 Containers

9 Containers

**Calculation:**

$1500/270 = 5.6$ . After round off the value, it is 6 containers.

**In supply chain management event-management capability enables organization in which of the following ways?**

To achieve quick response

To create trust among trading partners

To increase productivity

**To detect and respond to unplanned events**

**Ref:**

**Event-management capability**

The ability to detect and respond to unplanned events.(Page no.176)

**Which of the following statement is FALSE regarding Supply Chain**

**Management?**

**Supply Chain Management issues are insignificant in service organizations**

For effective supply chain management, “long-term partnerships” with key suppliers is much important

Ideas from suppliers can lead to improved competitiveness by increasing

revenues

Supply chain management creates value through changes in time, location

and quantity

**An operations manager of an airline industry schedules the arrival and**

**departure of flights by working ahead from some point in time is following**

**which type of scheduling?**

Backward scheduling

**Forward scheduling**

Vertical scheduling

Horizontal scheduling

**Ref:**

Forward scheduling may result in jobs being completed earlier than the requested due date because forward scheduling schedules the tasks as early as possible.

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**In multiple workstations scheduling, the priority rule is applied to which**

**kind of given jobs?**

**The jobs waiting for the operations**

The jobs of the least critical ratio (CR)

The jobs arrived at workstation first

The jobs with earliest due date

the priority rule is applied to the jobs waiting for that operation, and the job with

the highest priority is selected.

When that operation is finished, the job is moved to the next operation in its

routing, where it waits until it again has the highest priority.

<http://www.flashcardmachine.com/operations-management-ch16.html>

**Difference between length of a path and critical path gives which of the following values?**

Critical activities

**Slack activities**

Activity on node

Activity on arrow

**Ref:**

**Slack:**

Allowable slippage for path; the difference the length of path and the length of critical path.(Page no.194)

**When timing of activities is fairly well established in management of projects,**

**which of the following time estimations approach is useful?**

**Deterministic approach**

Probabilistic approach

Optimistic time approach

Pessimistic time approach

**Ref:**

A deterministic approach is useful for estimating the duration of the project,

when activity times can be fairly well established.(Page no.209)

**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

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Determining the amount of time a worker spends on various activities

**Managers should greatly focus on which of the following demand options in**

**aggregate planning process?**

**Back orders**

Promotion

Pricing

New demand

**Ref:**

The operations manager should know all four demand options but should

be more interested in back order option.(Page no.135)

**In production planning, future requirement for finished goods can be derived**

**from all of the following EXCEPT:**

Stock out

Backlogs

Demand from distributors or dealers

Forecasts for product families

**Chase demand strategy is an example of which of the following?**

Proactive strategy

**Reactive strategy**

Mixed or hybrid strategy

Active strategy

[http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.co](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[m/course](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[s/541/isl541\\_13.ppt+Chase+demand+strategy+is+an+example+of+Rea](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[ctive+str](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[ategy&hl=en&gl=pk&pid=bl&srcid=ADGEESjGzBXwMDjmnwD6j5](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[QzcTipWg8](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[AgliZOJJ2PvWcF\\_mbzo\\_kAbn-](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[WGY7xhHu1tgkVv8eOU2ijEXFdzekT6taQSzyZPZmug2Gjz0MWC88](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[JYw9mLtk](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[KDLInocAkvcJfZ60gz0Hbvd&sig=AHIEtbRu2ttYos5klF1tx8HBslAJ](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

[GvKWRw](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course)

# Paper-5

2009

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

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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.**

**Given the table:**

**Alternatives**

**Possible**

**future**

**demand**

**Low (Rs.)**

**High (Rs.)**

Small facility 10,000 8,000

Medium

12,000 20,000

facility

Large facility 18,000 15,000

**Which one of the following is the correct payoff under MINIMAX regret**

**approach?**

Rs. 12,000

Rs. 6,000

**Rs. 5,000**

Rs. 16,000

**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

**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

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5000 units

**1012 units**

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

Growth

**Decline**

Maturity

Planning

**How many dimensions are used for determining service quality?**

Four

Five

Six

**Seven**

**Which of the following is NOT an element of TQM?**

Continuous improvement

**Perceived quality**

Employee empowerment

Customer focus

<http://books.google.com.pk/books?id=Vc6YC7mM18UC&pg=PA3&dq=elements+of+total+quality+management+are+Continuous+improvement+Employee+empowerment++a#v=onepage&q=elements%20of%20total%20quality%20manage>

[ts+of+total+quality+management+are+Continuous+improvement+Employee+empowerment++a#v=onepage&q=elements%20of%20total%20quality%20manage](http://books.google.com.pk/books?id=Vc6YC7mM18UC&pg=PA3&dq=elements+of+total+quality+management+are+Continuous+improvement+Employee+empowerment++a#v=onepage&q=elements%20of%20total%20quality%20manage)

[mpowerment++a#v=onepage&q=elements%20of%20total%20quality%20manage](http://books.google.com.pk/books?id=Vc6YC7mM18UC&pg=PA3&dq=elements+of+total+quality+management+are+Continuous+improvement+Employee+empowerment++a#v=onepage&q=elements%20of%20total%20quality%20manage)

[ment%20are%20Continuous%20improvement%20%2CEmployee%20empowerment%20%20a&f=false](http://books.google.com.pk/books?id=Vc6YC7mM18UC&pg=PA3&dq=elements+of+total+quality+management+are+Continuous+improvement+Employee+empowerment++a#v=onepage&q=elements%20of%20total%20quality%20manage)

[ent%20%20a&f=false](http://books.google.com.pk/books?id=Vc6YC7mM18UC&pg=PA3&dq=elements+of+total+quality+management+are+Continuous+improvement+Employee+empowerment++a#v=onepage&q=elements%20of%20total%20quality%20manage)

**Which of the following represents a specified range of values in which**

**individual units of output must fall in order to be acceptable?**

**Tolerance**



Run test

Process capability

Process variability

Explanation: Tolerances or specifications is the range of acceptable values

established by engineering design or customer requirements

**Which of the following require intermediate plans?**

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Job assignments

Machine loading

**Subcontracting**

Layout design

**Which of the following is a schedule that specifies the timing and size of**

**production quantities for product in the product families?**

**Master production scheduling**

Aggregate plan

Inventory management scheduling

Master rescheduling

**Which of the following statements is CORRECT about master schedule?**

**It is visible to all levels of management**

It include only demand from production areas

It is notIt is notI influenced by the aggregate plan

It is not concerned with customer order processing

**Reference**

**Big JIT includes all of the following EXCEPT:**

Vendor relations

**Scheduling materials**

Technology management

Human relations

1. Big JIT – broad focus ( Includes Internal as well as External)

a. Vendor relations

b. Human relations

c. Technology management

d. Materials and inventory management

**Which should be one of the selection criteria if two potential suppliers can**

**deliver a part with the same quality and prices?**

Size of the firm

A coin flip

External evaluation

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**Flexibility of the firm**

**Which of the following refers to an area where a person works with special**

**equipment on a specialized job?**

Workshop

Work area

Workplace

**Workstation**

SequencingSequencing: Determine the order in which jobs at a work center will

be processed.Workstation: An area where one person works, usually with special equipment, on a specialized job.

**Which of the following refers to the total time needed to complete a group of jobs from the beginning of the first job to the completion of the last job?**

Job lateness

Job flow time

**Makespan**

Slack time

**Which of the following is TRUE about a project activity?**

**It is a unique, one-time activity**

It is static in nature

It is often simple to outline

It is a set of unrelated tasks

**Reference**

: This property of being a temporary and a one-time venture contrast with operations, which are permanent or semi-permanent ongoing

functional

work to create the same product or service over-and-over again.

**Which of the following relates to an organizational structure based on teams**

**formed specifically for projects?**

**Project matrix structure**

Project structure

Functional structure

Balanced matrix structure

**REF**

:

In the Product or Project structure, specialists from various disciplines, instead of being scattered across a number of separate and distinct functional

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offices are gathered into offices by logic of product lines, or customer type, or the

very nature of the project. Sometimes a Project Office disbands when its mission

achieved.

**Which of the following is NOT a limitation of PERT?**

Omission of critical activities

**Correct precedence relationships**

Sole reliance on critical path

Inclusion of a fudge factor

**With reference to Network activities, what does the term 'LS' stand for?**

**Late Start**

Long Start

Lazy Start

Low Start

**With reference to Network activities, what does the term 'LF' stand for?**

**Late Finish**

Long Finish

Lazy

Finish

Low Finish

**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

**Which of the following is true about the design process?**

**Concurrent design has proven to be the more effective method for design**

The design process involves four basic steps, if followed in sequential order, ensure success

Only representatives from design department should work together on the design

It is better to separate marketing, engineering, and production personnel from each other in a design process

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**Which of the following initiated "Just-In-Time" inventory management system?**

Germany

**United States**

United Kingdom

Japan

<http://www.thefreelibrary.com/Just-in-time+purchasing+activities+in+the+beverage+bottling+industry.-a015543661>

**In the environment where material flow is complex and demand is highly**

**variable, which of the following system will NOT be feasible?**

Material Requirement Planning (MRP)

**Just-In-Time Production Systems**

Manufacturing requirement planning (MRPII)

Enterprise Resource planning (ERP)

[http://docs.google.com/viewer?a=v&q=cache:XFjkocP8q8QJ:www.cengage.co.uk/waters/students/chapters/chapter%252014a.doc+JIT+and+material+flow+is+complex+and+demand+is+highly+variable&hl=en&gl=pk&pid=bl&srcid=ADGEESiJdtoSoc4qT8\\_kkwpjIP1rWkKFiXbaX9FsK61gQ-LYX5fWxBSR9mFY\\_gRlC9QmgCQXHueG1CB\\_h9w6dFo56zxwPnbWvITRS43bT1CHI3yWowlRg--tu3POIVWSMywb\\_Zt6HDX&sig=AHIEtbRdXV4Uf4-lkGbILw0y3zLYlmokdA&pli=1](http://docs.google.com/viewer?a=v&q=cache:XFjkocP8q8QJ:www.cengage.co.uk/waters/students/chapters/chapter%252014a.doc+JIT+and+material+flow+is+complex+and+demand+is+highly+variable&hl=en&gl=pk&pid=bl&srcid=ADGEESiJdtoSoc4qT8_kkwpjIP1rWkKFiXbaX9FsK61gQ-LYX5fWxBSR9mFY_gRlC9QmgCQXHueG1CB_h9w6dFo56zxwPnbWvITRS43bT1CHI3yWowlRg--tu3POIVWSMywb_Zt6HDX&sig=AHIEtbRdXV4Uf4-lkGbILw0y3zLYlmokdA&pli=1)

**Which of the following elements of supply chain prevent organization from bull-whip effect?**

Predicting quantity and timing of demand

Incorporating customer's wants in manufacturing

**Controlling quality and scheduling work**

Determining what customers want

Elements of Supply Chain Management Table 16.1 Deciding how to best move

and store materials Logistics Determining location of facilities Location

Monitoring supplier quality, delivery, and relations Suppliers

Evaluating

suppliers and supporting operations Purchasing Meeting demand while

managing inventory costs Inventory Controlling quality, scheduling work

Processing Incorporating customer wants, mfg., and time Design

Predicting

quantity and timing of demand Forecasting Determining what customers want

Customers Typical Issues Element

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**Difference between length of a path and critical path gives which of the following values?**

Critical activities

**Slack activities**

Activity on node

Activity on arrow

# Paper-6

2009

**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**

**MID File**

Have exactly the same performance measures for any process

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

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

Reduced design costs

Interchangeable parts

**Reduced variety**

**mid-file**

Customized parts

**CPFR stands for which of the following?**

Collaborative Promotion, Forecasting, and Replenishment

Collaborative Planning, Forecasting, and Reactivity

Co-operative Planning, Function, and Replenishment

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**Collaborative Planning, Forecasting, and Replenishment**

**Collaborative Planning, Forecasting, and Replenishment (CPFR) a Web-based**

**tool used to coordinate**

**demand forecasting, production and purchase planning, and inventory replenishment between supply**

**chain trading partners.**

**Which of the following is NOT a dimension of quality that makes a**

**company  
competitive?**

Performance

Special features

**Leadership**

Reliability

1.

*Performance*

- main characteristics of the product/service

2.

*Aesthetics*

- appearance, feel, smell, taste

3.

*Special Features*

- extra characteristics

4.

*Conformance*

- how well product/service conforms to customer's expectations

5.

*Reliability*

- consistency of performance

6.

*Durability*

- useful life of the product/service

7.

*Perceived Quality -*

indirect evaluation of quality (e.g. reputation)

*8. Serviceability - service after sale*

**A double sampling plan specifies all of the following EXCEPT:**

Size of the initial sample

Size of second sample

Lot size

**Double acceptance number**

A double sampling plan specifies the lot size, the size of the initial sample,

accept/reject criteria

for the initial sample, the size of the second sample and a single

acceptance  
number.

**Which one of the following is an example of a short range plan?**

**Machine loading**

Backorder

Facilities layout

Product design

Short-range plans (Detailed plans)

1. Machine loading

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<http://www.vustudents.net>

2. Job assignments

Which of the following formula is used to compute cycle time?

$Q/u$

$Q/p$

$p/Q$

$u/Q$

Cycle time for the Optimal Run Size

$Q0/U=$

**Which of the following report contains data for assessing future material**

**requirements?**

Performance control report

**Planning report**

Exception report

Planned order report

<http://www.scribd.com/doc/45318323/Cheat-Sheet>

**The inputs to capacity requirements include all of the following EXCEPT:**

Planned-order releases

Routing information

Job times information

**Bill of materials**

The necessary inputs are:

1. Planned order releases for MRP



2. The current shop load
3. Routing information
4. Job times

**Which of the following refers to the movement of materials and information within a facility and outgoing shipments of goods and materials in a supply chain?**

**Logistics**

Procurement

Shipment

Movement

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It also refers to the movement of materials and information within a facility and to incoming and outgoing shipments of goods and materials in a supply chain.

**Which of the following is NOT a supply chain performance driver?**

Quality

**Demand**

Cost

Flexibility

**Supply Chain Performance Drivers**

1. Quality
2. Cost
3. Flexibility
4. Velocity
5. Customer service

**Which of the following is the third step in Hungarian method of liner programming?**

Tabulation of cost information

Obtaining raw reduction

**Obtaining column reduction**

Modification of tabular sequence in case of difference between rows and

columns

### **Hungarian Method**

First of all, acquire the relevant cost information and arrange it in tabular form

Second, obtain the Row Reduction; this is obtained by subtracting the smallest

number in each row from every number in the row. Enter the results in a new

table.

**Third, Obtain the Column Reduction by subtracting the smallest number in**

**each column of the new table from every number in the column.**

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

Supply chain capabilities

Competitors' strengths

**Demand forecasts**

mid file

Overall cost estimates

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**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](http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html)

**Which one of the following best describes the cellular layout?**

It groups machines into departments to process items having similar processing requirements.

**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

**Who are the leaders and guidance providers in a six sigma team?**

**Master black belts**

Black belts

Program champions

Top management

**Six Sigma Team**

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Six Sigma Teams are formed for implement of Six Sigma in true spirit keeping in mind both managerial as well as technical aspects.

1. Top management
2. Program champions
3. Master “black belts”
4. “Black belts”
5. “Green belts”

**The basic requirement of effective inventory control used by managers is:**

**How much and when to order?**

(I think so.. :-p)

Why and when to order?

How much and why to order?

Why and how much to order?

**Which of the following is NOT a pre-requisite to implement a successful**

**Material Requirement Planning (MRP) system?**

**Top management’s commitment**

Employee empowerment

Accuracy of inputs

Computer support

Not exactly the answer but after research I conclude

This is not exclusively a software function, but a merger of people skills,

dedication to data base

**accuracy,**

and

**computer resources**

. It is a total company management concept for using

**human resources more productively.**

**which of the following enables managers to test 'what if' scenarios by**

**simulation?**

Material Resource Planning system (MRP)

**Manufacturing Resource Planning system (MRPII)**

Enterprise Resource Planning system (ERP)

Capacity Requirement Planning system (CRP)

**Manufacturing Resource Planning**

(

**MRP II**

) is defined and accepted by

professionals as a method for the effective planning of all resources of a manufacturing company.

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Ideally, it should answer operational planning in units, financial planning in

rupees,

**and has a simulation capability to answer "what-if" questions and extension of closed-loop MRP**

.

**Operational Efficiency is the key purpose of which of the following?**

Just-in time manufacturing

Manufacturing resource planning (MRPII)

Material requirements planning (MRP)

**All of the given options**

**Which of the following Just-In-Time strategy is useful for reducing the frequency of setups?**

**Line flow strategy**

Automated production strategy

Uniform workstation loads

Maintenance

**Line flow strategy is to reduce frequency of setups (product layout, one worker, multiple machines)**

[http://www.business.umt.edu/faculty/jones/BADM341/PowerPt%20Download/BADM%20341%20Chapter%2016.PPT#260,6,Slide 6](http://www.business.umt.edu/faculty/jones/BADM341/PowerPt%20Download/BADM%20341%20Chapter%2016.PPT#260,6,Slide%206)

**“Respect for worker” is the basic principle of which of the following management systems?**

American management system

**Japanese management system**

Asian management system

European management system

**A purchaser needs unique, low-money value part. This part is a critical**

**component of a product manufactured by the purchaser. The part is patented**

**and can only be obtained from two suppliers and is often on back order. The**

**purchaser’s company does not have expertise in the manufacturing of this**

**particular component. In this scenario what is the most appropriate action for**

**the purchaser?**

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To select a similar part from other reliable supplier and substitute the part

To set up a cross-functional team to make the part internally

To seek other suppliers through seeking a quotation or proposal

To recommend a change in product design to remove the need for that

unique

part

**For 10 numbers of jobs, cumulative flow time is 180. Under First Come First**

**Served (FCFS) rule of sequencing which of the following is average flow time?**

18 days

13 days

15 days

10 days

**In a mail-order operation, customer population is large and small fraction of**

**shoppers place order at anytime. In this case the customer population**

**is\_\_\_\_\_.**

**Infinite-source population**

Finite-source population

Certain in terms of number

Uncertain in terms of number

[http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJas](http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22_CTAw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%20customer%20population&f=false)

[RmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga](http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22_CTAw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%20customer%20population&f=false)

[22\\_CTAw&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#](http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22_CTAw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%20customer%20population&f=false)

[v=onepage&q=In%20a%20mail-](http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22_CTAw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%20customer%20population&f=false)

[order%20operation%20customer%20population&f=false](http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22_CTAw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%20customer%20population&f=false)

[order%20operation%20customer%20population&f=false](http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22_CTAw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%20customer%20population&f=false)

# Paper-7

2009

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

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

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**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.

.

### **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 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

### **Laplace**

**Determines the Average payoff for each alternative**

**And chooses the alternative with the best average.**

This is a cautious approach

Laplace approach treats the states of nature as equally likely.

**Which of the following is an advantage of standardization?**

**Frozen designs**

mid file

Customized parts

Interchangeable parts

Reduced variety

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**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

1. Design for Manufacturing (DFM)

**: The designers' consideration of the organization's**

**manufacturing capabilities when designing a product**

. The more general term

design for

operations encompasses services as well as manufacturing

**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

And last but not the least 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.

**Identify a quality guru among the following:**

Frank Gilbreth

Adam Smith

Henri Gantt

**Joseph Juran**

**Quality Guru**

*The Quality Gurus are given more respect and recognized as Key*



*Contributors to  
Quality Management.*

*Presented below is their contributions in a nut shell, students should  
learn to recognize  
these*

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1.

**Walter Shewhart**

is also known as “Father of statistical quality control”

2.

**W. Edwards Deming**

presented 14 points for quality management which  
focused primarily on  
common cause of variation.

3.

**Joseph M.**

Juran is famous for his concept of “Quality is the fitness for use”.

4.

**Armand Feigenbaum**

said, “Quality is a total field or total function”.

5.

**Philip B. Crosby**

is famous for his philosophy that “Quality is free”.

6.

**Kaoru Ishikawa**

- presented the “fish bone diagram” or “cause effect diagram”.

7.

**Genichi Taguchi**

–robust design for designing products insensitive to change  
in environment.

Taguchi’s contribution was, “Taguchi loss function”.

**Which of the following terms reflects the notions of “do it right”  
and “if it**

**does not right, fix it”?**

Competitive benchmarking

**Quality at the source**

Continuous improvement

Customer focus

**Which of the following is an example of external failure cost?**

Re-work cost

**Warranty cost**

Testing cost

Monitoring cost

Examples of external failure costs include customer returns and exchanges, repairs under warranties

, product recalls, and lost sales due to a reputation for selling defective products.

**Which of the following word is used for the cards used to control the flow of production through a factory?**

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Kaisan

Kaizan

Kaban

**Kanban**

[http://books.google.com.pk/books?id=s2ugfZEUS4EC&pg=PA460&lpg=PA460&dq=Which+of+the+following+word+is+used+for+the+cards+used+to+control+the+flow+of+production+through+a+factory?&source=bl&ots=C9YBsDj0M1&sig=FaewzWVMPDAIjZhBtt9YYQaI7f0&hl=en&ei=7C1BTdOzM87p4AbXhPEk&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CCIQ6AEwAg#v=onepage&q&f=false](http://books.google.com.pk/books?id=s2ugfZEUS4EC&pg=PA460&lpg=PA460&dq=Which+of+the+following+word+is+used+for+the+cards+used+to+control+the+flow+of+production+through+a+factory?&source=bl&ots=C9YBsDj0M1&sig=FaewzWVMPDAIjZhBtt9YYQaI7f0&hl=en&ei=7C1BTdOzM87p4AbXhPEk&sa=X&oi=book_result&ct=result&resnum=3&ved=0CCIQ6AEwAg#v=onepage&q&f=false)

1000

$(0.5 + 0.25)(1 + 0)$

**Which of the following is a technique for minimizing completion time for a**

**group of jobs to be processed on two machines or at two work centers?**

**Johnson's rule**

Linear programming

Assignment method

Linear decision rule

*Johnson's Rule*

:

**technique for minimizing completion time for a group of jobs to be processed on two machines or at two work centers.**

1. Minimizes total idle time

2. Several conditions must be satisfied

**Which of the following approaches helps workers perform preventive**

**maintenance on their machines**

?

Sensitive maintenance

**Predictive maintenance**

Reactive maintenance

Total productive maintenance

**Predictive Maintenance**

**Predictive maintenance:**

An attempt to determine when best to perform

preventive maintenance

activities Total productive maintenance: JIT approach where workers perform

preventive maintenance on the machines they operate

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**<http://www.vustudents.net>**

**Which one of the following is NOT an advantage of project management**

**software?**

Improvement in team communication

**Generation of a single chart type**

Multiple levels of reports

Automatic report formats

### **Advantages of PM Software**

1. Imposes a methodology
2. Provides logical planning structure
3. Enhances team communication
4. Flag constraint violations
5. Automatic report formats
6. Multiple levels of reports
7. Enables what-if scenarios
- 8.

### **Generates various chart types**

**Which one of the following describes the Naïve forecast?**

Attempts to predict the future value based on the past data.

Determines long term upward or downward movement in data.

**Forecasts for any period equals the previous period's actual value.**

### **Mid file**

Collects outside opinion of consumer and potential customers.

**A workers strike represents which of the following behaviors of a time series?**

Cyclical

Trend

Seasonal

**Irregular variations**

•

### ***Irregular variations***

-

caused by unusual circumstances such as severe weathers, earthquakes,

**worker strikes,**

or major change in product or service. They do not

capture or reflect the true behavior of a variable and can distort the overall

picture. These should be identified and removed from the data.

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

It can handle variety of processing requirements

Individual incentive system can possibly be used

**Material handling cost is slow**

Equipment utilization rate is less costly

**Disadvantages of Process Layouts**

1. In-process inventory costs can be high.

2. Challenging routing and scheduling.

3. Equipment utilization rates are low.

4

**. Material handling slow and inefficient.**

5. Complexities often reduce span of supervision.

**Which of the following statements is a general characteristic of a manufacturing organization, as compared to a service organization?**

Outputs are more intangible

**Operations are more capital intensive**

Quality is more difficult to measure

Short-term demand tends to be highly variable

**The production schedules of components that are needed to support the**

**master production schedule are determined through which of the following?**

Inventory transactions

Capacity Requirement Planning reports

**Material Requirement Planning explosion**

Engineering and process designs

**Purposes of the Master Production Schedule:**

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to set due dates for the availability of end items

•

to provide information regarding resources and materials required to

•

support the aggregate plan

**as an input to Materials Requirements Planning, which will set specific**

•

**production schedules for parts and components used in end items**

<http://www.uoguelph.ca/~dsparlin/mrp.htm#MPS>

Which of the following is the other name of Bill of Materials (BOM)?

- Product structure tree
- Time bucket schedule
- Inventory usage record

**Production parts plan**

**A bill of materials (BOM**

) is a multi-level document worked out by a company that represents a list of parts or a complete set of physical elements required to

manufacture a product. In process industries you can find other names for a

BOM such as the

*formula*

,

*recipe*

, or

*ingredients list*

.

**The management of a firm while implementing Just-In-Time system joined**

**hands together with labor and engineering to form a team to correct problems.**

**It presents an example of which of the following?**

- Continuous improvement
- Improving work methods
- Quality at the source
- Real employee empowerment

**500 = 1500 (0.5 + 0.25) (1+ alpha)**

**20**

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**Choose the correct value of alpha by solving the Kanban formula.**

7.88

8.88

9.7

6.89

**see p#168**

**The managers who primarily focus on product simplification, quality training to employees and maintenances are practicing which of the following?**

Romantic Just-In-Time System

Big Just-In-Time System

**Pragmatic Just-In-Time System**

Little Just-In-Time System

[http://cbapp.csudh.edu/depts/finance/frezayat/qms322solutions/OMG322chapter\\_15.htm](http://cbapp.csudh.edu/depts/finance/frezayat/qms322solutions/OMG322chapter_15.htm)

**Romantic JIT vs. Pragmatic JIT**

**Romantic JIT:**

Senior Management see JIT as a quick fix to many problems without realizing that there are no quick and easy solutions. They use slogans to solve problems such as reduction of excess inventories without having a specific plan of action.

**Pragmatic JIT:**

Senior management directs the organization in the application of techniques that may take years to perfect. A well executed JIT system requires successful implementation of techniques related to inventory, purchasing, machine changeovers, layout design, product simplification, quality training and preventive maintenance.

**Which of the following costs has to be incurred while using slower shipping**

**alternative in Supply Chain Management?**

Setup cost

Shipping cost

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### **Incremental holding cost**

Holding cost

The Incremental Holding cost incurred by using the slower alternative is computed as follows:

Incremental Holding Cost =  $H \left( \frac{d}{365} \right)$

Where H = Annual Holding cost for the item.

d = Time savings in days and d/365 is fraction of year saved.

**In Supply chain Management, flexibility refers to all of the following**

**EXCEPT:**

Upside production flexibility

Agility to obtain competitiveness

Supply chain response time

**Value-added per employee**

**Flexibility**

Supply chain response time

Upside production flexibility

Agility to obtain competitiveness

**For a job A and B, cumulative processing time is 14 and 24 respectively. Their**

**respective due dates of processing is 4 and 18. Which of the following is**

**average tardiness or job lateness?**

7 days

5 days

**8 days**

9 days

p-186

**In project network, which of the following denotes the steps which utilizes**

**resources of time and budget?**

Events

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**Activities**

Critical path

Critical activities



Activities: Project steps that consume or utilize resources (and or time).

**Which of the following is NOT included in key metrics of project management?**

Performance objectives

Cost factor

Time factor

**Organization structure**

Project Management has the following important key metrics

Time

Cost

Performance objectives

**Source of input to the service system in waiting line model is known as:**

Balking

**Customer population**

Reneging

Waiting population

1. Population Source

a. Infinite source: customer arrivals are unrestricted

b. Finite source: number of potential customers is limited

**Which of the following strategy is NOT feasible for the industries where**

**highly skilled labor is required and the competition for labor is intense?**

Level capacity strategy

**Chase demand strategy**

Proactive strategy

Mixed or hybrid strategy

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**Chase Demand Strategy:**

In this kind of strategy you normal keep workforce according to your demand.

your main target will be to modify your operations to meet the demand.

Suppose you have lesser demand you lay-off few worker. Now you got bigger

order then its hard to get labor at cheap rate.

Please do not be get confused with Level capacity planning  
in Level capacity Planning we use old inventories , overtime by  
workers and  
sub contracting etc to meet the demand or orders in case of higher  
demand.

**Which of the following is NOT a major factor due to which poor  
quality**

**affects an organization?**

Reputation and image

**Payroll taxes**

Productivity

Costs

**The common consequences of Poor Quality are:**

1. Loss of business: Loss in sales, revenues and customer base.
2. Liability: A poor quality product or service comes with the danger of  
the  
organization being  
taken to court by an unhappy or affected customer.
3. Productivity: Loss in productivity as more time is spend in rectifying  
the  
errors or short coming  
then producing more.
4. Costs: Increase in costs as a poor quality product is repaired or  
replaced or  
made new

.

## Paper-8

### 2008

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

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## **Value chain**

The transformation process

Quality control

Life cycle

### **Reference:**

Six business functions of the Value Chain:

Research and Development

•

Design of Products, Services, or Processes

•

Production

•

Marketing & Sales

•

Distribution

•

Customer Service

•

**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**

4th option is more sure before other three options because competition is the key

point element of the Operation Strategy.

<http://www.uoguelph.ca/~dsparlin/strategy.htm>

page#17 emphasis on competencies

[http://books.google.com.pk/books?id=W-](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=0)

[0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+stra](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=0)

[tegy&hl=e](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=0)

[n&ei=kJTmTIHZGIG44Aavr-](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=0)

[34Ag&sa=X&oi=book\\_result&ct=result&resnum=4&ved=0CDQQ6AE](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=0)

[wAw#v=0](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=0)

[nepage&q=competencies&f=false](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=0)

**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**

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**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

**Reference**

**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

**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

**Reference:**

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.

**Which method of forecasting is most widely used?**

Regression analysis

Adaptive forecasting

**Weighted moving average**

Exponential smoothing

**Reference**

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

**Randomness**

Non serious attitude

Non availability of data

Un qualified personnel

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**Ref:**

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

**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

**Ref**

:

Factor Rating: Decision based on quantitative and qualitative inputs (page

98)

**Suppose customers hold negative perception about service provided by XYZ**

**organization. According to SERVQUAL model; which of the following can be**

**the reason for this negative perception?**

Differences between Expected and Perceived Quality

**Difference between service delivery and external communication with**

**customers**

Difference between customer's expectations and management's perception about

their expectations

Difference between manager's expectations of service quality and specifications

of service quality of customers

**Explanation:**

The difference between what a customer hears about a company's service and what is actually delivered is represented by gap 4

This gap can lead to dangerously negative customer perceptions

**Which of the following depicts the overall goal of total quality management?**

**Achieve customer satisfaction**

Earn high profit

Enhance organization's productivity

Achieve cost efficiency

**Explanation:**

Total Quality Management is a philosophy that involves each and every individual in an organization in a continual effort to improve quality and

achieve customer satisfaction.

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**Which of the following involves incremental changes within the organization**

**whose cumulative effect is to deliver an increased rate of performance**

**enhancement?**

**Continuous improvement**

Competitive benchmarking

Business process re-engineering

Statistical process control

Ref:

**Continuous Improvement:**

Philosophy that seeks to make never-ending

improvements to the process of  
**converting inputs into outputs. The Japanese  
manufacturer as well as service providers have longed used  
this concept.**

Kaizen is the Japanese word for continuous improvement.  
(page 112)

**Which of the following cost is expected to be borne due to defective  
products?**

**Failure cost**

Prevention cost

Appraisal cost

Marketing cost

**Which of the following is an example of appraisal cost?**

Re-work cost

Warranty cost

**Testing cost**

Monitoring cost

**Explanation:**

Appraisal Costs are the Costs of activities designed to ensure  
quality or uncover defects.

**Which of the following is an example of prevention cost?**

Re-work cost

Warranty cost

Testing cost

**Monitoring cost**

**Ref:**

Prevention Costs include all TQM training, TQM planning, customer  
assessment, process control, and quality improvement costs to prevent  
defects  
from occurring.

**Which of the following statement defines process re-design?**

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It is collecting information, identifying each step and finding inputs and  
outputs  
of process

It is collecting information about cost reduction and improving the

defects

It relates to asking questions about process flow and identifying missing or duplicating activities

**It relates with taking a fresh approach to solve an issue on hand**

<http://www.health.vic.gov.au/managementinnovation/resources/what.htm>

**Which of the following represents a specified range of values in which**

**individual units of output must fall in order to be acceptable?**

**Tolerance**

Run test

Process capability

Process variability

**Explanation:**

Tolerances or specifications is the range of acceptable values established by engineering design or customer requirements

**What would be the total cost of inventory, if a firm holds 800 units of a**

**product A , with the carrying cost of Rs. 4 per unit?**

Rs. 796

Rs. 804

**Rs. 3200**

Rs. 200

Total cost= Number of units \*carrying cost

= 800\*4

**= 3200**

**MPS stands for which of the following?**

Material Production Schedule

Master Planning Schedule

Material Planning Schedule

**Master Production Schedule**

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

**annual ordering cost?**

$(D+Q)S$

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$(D/Q)S$

$D+Q+S$

$(D/S)Q$

**Rationale:**

The number of orders is  $D/Q$  and the annual setup or ordering cost is equal to the number of orders per year times the cost per run ( $D/Q$ ) $S$ .

**There is no inventory buildup when:**

Usage rate exceeds production rate

**Usage and production rates are equal**

Production rate exceeds usage rate

Orders are frequently placed

**Ref:**

If usage and production (delivery) rates are equal, then there is no buildup of inventory.

**Master schedule interfaces with all of the following Except:**

Capacity planning

**Resource planning**

Production planning

Distribution planning

**Which of the following statements defines the purpose of MRP (Material**

**Requirements Planning) system?**

**It is appropriate for all end items in the product line**

It can be used for independent demand items

It reduces inventory requirements, lead times, and delivery times

It determines an appropriate master production schedule

**Ref**

:

Material requirements planning (MRP): Computer-based information system that translates master schedule requirements for end items into time-phased requirements for subassemblies, components, and raw materials.

**(page 156)**

**Capacity requirements planning determines \_\_\_\_\_ range capacity**

**requirements**

**Short**

Intermediate

Long

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Both short and long

**Ref :**

Capacity requirements planning: The process of determining short-range

capacity requirements. (page 161)

**Which of the following reasons do NOT account for the importance of supply**

**chain Management?**

Increasing competitive pressures

**Decreasing globalization**

**Decreasing levels of outsourcing**

Increasing transportation costs

**Which of the following is a system for inventory management and distribution planning?**

Electronic Data Interchange (EDI)

Enterprise Resource Planning (ERP)

**Distribution Resource Planning (DRP)**

Materials Resource Planning (MRP)

**Which one of the following is a type of Gantt chart that shows management of**

**work flow and queues at the work centers?**

Load chart

Schedule chart

**Input/output control chart**

None of the given options

# Paper-9

2008

**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?**

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Operations Managers job responsibility includes

Forecasting, Capacity planning, Scheduling Inventory Management, Quality

Assurance and Control, Motivating employees, deciding where to locate facilities. It is not related to

OM

, it relates to marketing manager.

**All of the following are examples of transformation process**

**EXCEPT:**

**Facilitating**

Labeling

Cutting

Packing

**The Strategies that are more focus on maintaining or improving the quality of**

**an Organization's products or services is known as:**

Quality at the source

Time Based strategies

Cost leadership strategies

**Quality-based strategies**

**Reference:**

Quality based strategies

focuses on maintaining or improving the quality of an organization's products

or services Quality at the source.

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

A variety of processing requirements

Use of individual incentive system

**Minimizing material handling costs**

Equipment utilization rate is high

### **Disadvantages of Process Layouts**

1. In-process inventory costs can be high.
2. Challenging routing and scheduling.
3. Equipment utilization rates are low.
- 4

**. Material handling slow and inefficient.**

5. Complexities often reduce span of supervision.

**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**

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1.8 minutes

2700 minutes

291 minutes

### **Solution:**

**Cycle Time = OT/D**

**= 9 /300**

**= 0.03**

**Which one of the following types of manufacturing layout is considered a hybrid?**

Process layout

Product layout

Fixed-position layout

**All of the given options**

### **Reference:**

**Of the different types of product, process, fixed and hybrid types of configurations**

**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 a exponential smoothing

**If the goal is prediction, or forecasting, linear regression can be used to**

fit a predictive model to an observed data set of y and X values. After developing such a model, if an additional value of X is then given without its accompanying value of y, the fitted model can be used to make a prediction of the value of y.

**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**

**Reference:**

FDA, OSHA, CRS. There are legal issues in which even the CEO can be implicated if there are violations with respect to pollution which is environmental issue.

**OSHA stands for which one of the following?**

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Occupational stock hygiene administration

**Occupational safety hygiene administration**

Occupational safety hygiene agency

Occupational science hygiene administration

**Reference:**

**OSHA refers to Occupational Safety Hygiene Administration**

**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=mpa6](http://books.google.com.pk/books?id=kNRkTmMCXDc&pg=PA194&lpg=PA194&dq=advantages+of+specialization+to+management&source=bl&ots=mpa6)

zs7BT6&sig=6B

MseIWNyWQEVkPbyCb4WXFhO5w&hl=en&ei=yEXtTPSkH8GqccCY8LgP&sa=X&o

i=book\_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=advantages

%20of%20specialization%20to%20management&f=false

**Which of the following refers to service recovery?**

Satisfying the customers needs at the first instance

Providing the customer with extra benefits along with the desired service

**Satisfying a previously dissatisfied customer and making him loyal**

Providing the desired service to the customer

**Reference:**

**A**

*service recovery*

is satisfying a previously dissatisfied customer and making them a loyal customer.

**Identify the dimensions of quality that a performance measure matrix (RATE)**

**includes for a service firm.**

(a) Reliability (b) Responsiveness (c)

*Awareness*

(d) Assurance

(e) Tangibility (f) Empathy (g)

*Ease*

a, b, c, e, f

**a, b, d, e, f**

a, b, d, e, g

a, b, c, e, g

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**Reference:**

**1.**

*Reliability*

: Perform promised service dependably and accurately.

**2.**

*Responsiveness*

: Willingness to help customers promptly.

3.

*Assurance*

: Ability to convey trust and confidence.

4.

*Tangibles*

: Physical facilities and facilitating goods.

5.

*Empathy*

: Ability to be approachable.

**The employees responsible to assure quality of service delivery are known as:**

**Contact personnel**

Finance personnel

Operational personnel

Research personnel

**Explanation:**

Quality of delivery must be perfected during the interaction with the customer. The employees that are responsible for these actions are referred to

as contact personnel

**Which of the following is the origin of the word Poka Yoke ?**

America

China

Spain

**Japan**

**Reference**

:

Poka-Yoke: Poka Yoke (pronounced POH-kah YOH-kay) is the Japanese word for mistake proof.

**Poka yoke is a Japanese term that means mistake-proofing**

it helps an

equipment operator avoid mistakes. Its purpose is to eliminate product defects

by preventing, correcting, or drawing attention to human errors as they occur.

**Which of the following cost is associated with the quality of the**

**product?**

Stockholding cost

Distribution cost

Marketing cost

**Failure cost**

**Explanation:**

**Failure Costs**

- costs incurred by defective parts/products or faulty services. Experts are of the opinion that on average an organization loses 20 to

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30% of its revenue because of poor quality or costs associated with the failure of

the product or service. Failure costs are of two types internal and external:

**Which of the following statement defines process mapping?**

**It is collecting information, identifying each step and finding inputs and**

**outputs of process**

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or

duplicating activities

It relates with taking a fresh approach to solve an issue on hand

**Reference:**

Process mapping consists mainly of collecting information about the process, identifying the process for each step and determining the inputs and

outputs.

**Which of the following refers to the percentage level of defects at which**

**consumers are willing to accept lots as good ?**

Acceptable Quality Level (AQL)

**Lot Tolerance Percent Defective (LTPD)**

Average Outgoing Quality (AOQ)



Average Outgoing Quality Limit (AOQL)

**Reference:**

Lot tolerance percent defective (LTPD): the upper limit on the percentage of defects that a consumer is willing to accept

**In \_\_\_\_\_ sampling, one random sample is drawn from each batch.**

**Single**

Double

Multiple

None of the given options

**Reference:**

Single Sampling Characteristics

**One random is drawn from each lot.**

Every item in the sample is examined

Each item after examination is classified good or defective.

If the sample contains more than a specified number of defectives, rejected.

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**If the costs of inspection are higher than costs of obtaining the sample**

**\_\_\_\_\_ sampling should be used.**

Random

Single

Double

**Multiple**

**Reference:**

Where inspection costs are higher than costs of obtaining the sample, multiple samples are carried to ensure that a good or bad result can help terminate the sample testing thus ensuring savings in inspection cost.

**Identify the time span covered by the aggregate planning.**

3-7 months

2-10 months

**2-12 months**

4-8 months

**Reference:**

*Aggregate planning*

: Intermediate-range capacity planning, usually

covering 2 to 12 months.

**Which of the following refers to the costs incurred to get the equipment ready for the next job?**

Accepting cost

Holding cost

Shortage cost

**Setup cost**

**Reference:**

Setup cost: Expenses incurred in setting up a machine, work center, or assembly line, to switch from one production job to the next.

**Which of the following refers to the cost born by a firm if demand exceeds the supply?**

Ordering cost

Holding cost

Stock out cost

**Shortage cost**

**Reference:**

Shortage costs: Costs when demand exceeds supply. Shortage cost is also known as stock out cost. So, both options are correct.

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**Which one of the following concepts refers to achieve the lowest average total cost per unit when a large quantity is ordered?**

Economies of scale

Material requirements planning

Master production schedule

**Economic order quantity**

the basic EOQ Model minimizes the sum of carrying or holding costs as well as

setup or ordering cost.

**According to ABC classification system for inventory management, which of**

**the Following groups of items represents low value inventory items?**

Group A  
Group B  
**Group C**  
Group D

**Reference:**

Group C consists of Low Rupee (Monetary) Value, Group C items are not reviewed and order is placed directly

•

**All of the following are common types of inventories Except:**

Raw material  
Work in transit  
Work in progress

**Scrapped work**

**Reference:**

The five common types of inventories are:

1. Raw materials & purchased parts.
2. Partially completed goods called *work in progress*.
3. Finished-goods inventories:
  - a. ( *manufacturing firms* ) or
  - b. merchandise, ( *retail stores* )
4. Goods-in-transit to warehouses or customers.
5. Replacement parts, tools, & supplies.

**Which of the following refers to the actual amount of an item needed in each time period?**

Gross requirements

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**Net requirements**

Planned-order receipts

Planned-order releases

**Reference:**

Net requirements

a. Actual amount needed in each time period.

**Which of the following refers to the planned amount to order in each time period?**

Gross requirements

Net requirements

Planned-order receipts

**Planned-order releases**

**Reference:**

Planned-order releases

**a.**

Planned amount to order in each time period

.

**MRP secondary reports include all of the following EXCEPT:**

Performance control reports

Planning reports

Exception reports

**Planned order reports**

**Reference:**

MRP Secondary Report

1. Performance-control reports

2. Planning reports

3. Exception reports

**Which kind of production system is undertaken by JIT (Just In Time)**

**production?**

Intermittent processing

Job shop processing

**Repetitive processing**

Batch processing

**Which of the following factors does NOT impact the supply chain?**

Increased competition

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Reduced number of suppliers

Technology improvement

### **Aging of the population**

Supply Chain: A sequence of activities and organizations involved in producing and delivering a good or service.

#### **Reference:**

Social Trends

Aging of the population

Increase in Life expectancy

Two-income families, both the males and females of the family are working

Growth in number of single people

.

**Which of the following refers to time needed for setup and processing of a job?**

Standard time

**Job time**

**Setup time**

Slack time

#### **REFERENCE:**

*Job time*

: Time needed for setup and processing of a job.

**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

**Which of the following is NOT a limitation of PERT?Program Evaluation and Review Technique**

Omission of critical activities

**Correct precedence relationships**

Sole reliance on critical path

Inclusion of a fudge factor

#### **Reference:**

### **Limitations of PERT**

1. Important activities may be omitted
- 2. Precedence relationships may not be correct**

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3. Estimates may include a fudge factor
4. May focus solely on critical path

**Which of the following refers to business scope creep?**

Customer retention

**Customer pleasing**

Customer expectation

Customer needs

#### **Reference:**

Business Scope creep (often called customer pleasing) is the tendency of the business managers to over do the customer relationship with their customers

## **Paper-10**

### **2008**

**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 the decision areas of an operations manager EXCEPT:**

**Financial reporting**

Inventory management

Scheduling tasks

Supply chain management

**Operations Managers job responsibility includes but is not limited to:**

Forecasting

Capacity planning

Scheduling

Inventory Management

Quality Assurance and Control

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Motivating employees

Deciding where to locate facilities

**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

Maximin determines the worst payoff for each alternative; the operations

manager chooses the best

worst alternative. Meaning the least (best) of the worst.

It is a pessimistic approach.

Ensures a guaranteed minimum.

**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

The simple moving average model assumes an average is a good estimator of

future behavior

**What would be the utilization, if 40 cars are produced in a day with a design**

**capacity of 60 cars per day?**

**67%**

20%

100%

150%

**Solution:**

Utilization = Actual out put/ Designed capacity

= 40 / 60

= **67%**

**Which one of the following stages of product life cycle relates to more**

**predictable**

**behaviour in terms of capacity requirements?**

Introduction

Growth

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**Maturity**

Decline

**MATURITY PHASE:** When the product reaches maturity stage its demand can

only increase if design is refined or changed and some differentiation feature is

added this may increase the demand but when it goes down

**Which of the following refers the way an organization chooses to produce its**

**good 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. 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.

**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

The common Basic Layout Types are

1. Product/Service layout. A layout that uses standardized processing

operations to achieve smooth, rapid, high-volume flow

2. Process layout. A Layout that can handle varied processing requirements

**3. Fixed Position layout. A Layout in which the product or project**

**remains stationary, and workers, materials, and equipment are moved as**

**needed**

4. Hybrid/Combination. A Layout that makes use of the combination of Product,

Process or Fixed Position Layout.

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

Cost curve

**Bath tub curve**

Fish bone diagram

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Reliability curve

On the Y axis we represent the Failure rate and on the X axis we represent the

Time. A careful look at the graph would help us to identify the three phases

Phase I near the origin is called Infant Mortality.

Phase II in the middle refers to few random failures.

Phase III at the far end from the origin represent failures due to wear out.

**MTBF refers to which of the following?**

Measure time before failure

**Mean time between failures**

Mean time before failure

Measure test before failure

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

$\text{Availability} = \frac{\text{MTBF}}{\text{MTBF} + \text{MTR}}$

**Which one of the following refers to a team having representatives from**

**different Functional area of the organization?**

Traditional work group

Self-directed team

**Cross-functional team**

Self motivated team

**The quality guru Kaoru Ishikawa is famous for:**

Statistical quality control

**Fishbone diagram**

Zero defects

Cost of quality

The Quality Gurus are given more respect and recognized as Key Contributors to

Quality Management. Presented below is their contributions in a nut shell,

students should learn to recognize these

3. Joseph M. Juran is famous for his concept of “Quality is the fitness for use”.

**Who proposed the concept of total quality control in the mid 1950s?**

**Armand Feigenbaum**

G.S Radford

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W. Shewhart

David Gravin

**Ref:**

Armand Feigenbaum said, “Quality is a total field or total function”.

**Which of the following word is the meaning of the term Poka Yoke ?**

### **Mistake proof**

Low quality

Defective

Expensive

Poka-Yoke: Poka Yoke (pronounced POH-kah YOH-kay) is the Japanese word

for mistake proof. These devices/strategies/mechanisms/methods are used

either to prevent the special causes that result in defects, or to inexpensively

inspect each item that is produced to determine whether it is acceptable or

defective.

**Suppose customers hold negative perception about service provided by XYZ**

**organization According to**

**which of the following can be the reason for this negative perception?**

Differences between Expected and Perceived Quality

**Difference between service delivery and external communication with**

**customers**

Difference between customer s expectations and management s perception about

their expectations

Difference between manager s expectations of service quality and specifications

of service quality of customers

**Which of the following is NOT included in Juran's classification of costs of**

**quality**

?

Failure cost

Prevention cost

**Appraisal cost**

Management cost

2. Appraisal Costs are the Costs of activities designed to ensure quality

or

uncover defects

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**Problem solving is an example of which of the following?**

**Internal failure cost**

External failure cost

Prevention cost

Appraisal cost

Internal Failure Costs are the Costs incurred to fix problems that are detected

before the product/service is delivered to the customer

.

**Inspection equipment is an example of which of the following?**

Internal failure cost

External failure cost

Prevention cost

**Appraisal cost**

[http://www.accountingformanagement.com/quality\\_costs.htm](http://www.accountingformanagement.com/quality_costs.htm)

**Quality improvement cost falls under which of the following categories of**

**costs of**

**quality?**

Internal failure cost

External failure cost

**Prevention cost**

Appraisal cost

**Ref:**

Prevention Costs include all TQM training, TQM planning, customer assessment, process control, and quality improvement costs to prevent defects

from occurring.

**ISO 9000 standards are based on:**

**Quality management and quality assurance**

Quality management and costs of quality

Quality planning and quality assurance

Quality planning and quality control

**Ref:**

ISO 9000: Is a set of international standards on quality management and quality assurance, critical to international business.

**Which of the following refers to a control chart used to monitor the process dispersion?**

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Mean control chart

**Range control chart**

p-Chart

c-Chart

Control Charts for Variables

Mean control charts

Used to monitor the central tendency of a process.

X bar charts

Range control charts

Used to monitor the process dispersion

R charts

**Which of the following control charts is used to monitor the central tendency of a process?**

**Mean control chart**

Range control chart

p-Chart

c-Chart

Control Charts for Variables

Mean control charts

Used to monitor the central tendency of a process.

**Which one of the following mathematical expressions is used to compute the amount of inventory at the end of a given period?**

Where

a = Inventory at the end of previous period,

b = Production in the current period,

c = Amount of inventory used to satisfy demand in the current period

**a + b - c**

$a + b + c$

$a - c + b$

$a - b + c$

**The ultimate goal of rough-cut capacity planning is:**

**Test the feasibility of a master schedule**

Determining feasibility of a cost volume analysis

Achieving efficiency in the processes

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Approximating inventory requirements

**Explanation:**

With Rough cut capacity planning we can check capacities of production and warehouses constraints exist. This means checking capacities of

production and warehouse facilities, labor and vendors to ensure that no gross

deficiencies exist that will render master schedule unworkable.

**Which of the following refers to the cost associated with the order of inventory**

**and its receipt?**

**Ordering cost**

Holding cost

Shortage cost

Stock out cost

Ordering costs: Cost of ordering and receiving inventory. These are the actual

costs that vary with the actual placement of the order

**Which of the following is NOT an assumption of EOQ model**

?

Delivery lead time does not vary

Annual demand requirements are known

There are no quantity discounts

**Variable ordering cost**

1. Only one product is involved.

2. Annual demand requirements known.

3. Demand is even throughout the year.

4. Lead time does not vary.
5. Each order is received in a single delivery.
6. There are no quantity discounts.

**Which of the following formula is correct for Kanban system?**

$DX(1+T)=N$

C

$DC(1+X)=N$

T

$DT(1+X)=N$

C

$DT(1+C)=N$

X

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We can mathematically construct the Kanban Formula, If we designate the

following alphabets

N = Total number of containers (Or Kanban Cards)

D = Planned usage rate of using work center

T = Average waiting time for replenishment of parts plus average production time for a

container of parts

X = Policy variable set by management

- possible inefficiency in the system often called Alpha

C = Capacity of a standard container

$N = DT(1+X)$

C

**Which one of the following models is used for optimal assignment of tasks**

**and**

**resources?**

**Assignment model**

Hungarian model

Part per period method

Transportation model

**Ref:**

Assignment Model is a type of linear programming model for optimal

assignment of tasks and resources.

**All of the following cause difficulties in scheduling EXCEPT:**

Variability in setup times

Variability in processing times

Variability in set of jobs

**Variability in holding cost**

**Which of the following relates to estimating both the level and timing of**

**resources**

**needed over the project duration?**

Project estimating

Project planning

Project control

Project crashing

**PERT stands for which of the following?**

**Program Evaluation and Review Technique**

Project Evaluation and Review Technique

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Program Evaluation and Reactivity Technique

Program Economization and Review Technique

**Which of the following is NOT a risk associated with project management?**

**Cost reduction**

Time delays

Project termination

Inability to meet specifications

**Which of the following is a mathematical approach used for analysis of**

**waiting lines?**

**Queuing theory**

Waiting theory

Scheduling theory

Sequencing theory

**Explanation:**

Goal of queuing analysis is to minimize the sum of two costs

Customer waiting costs and Service capacity costs.



# Paper-11

2008

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

**Capital**

Energy

Labor

Machine

**An organization has describe its distinctive characteristic now what is the next**

**step in strategy formulation process?**

Competitor's distinctiveness

Selecting the market segment

**Environmental scanning**

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Productivity Measures

<http://www.referenceforbusiness.com/management/Sc-Str/Strategy-Formulation.html>

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

Job Shop

Batch processing

Assembly line

**Continuous processing**

**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.

**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**

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

A group is composed of a number of items

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A group exhibits a uniform behavior

**Forecasting errors among items in a group have a canceling effect**

A group behavior is relatively less uncertain

**Reference**

**Which of the following statement defines process re-design?**

It is collecting information, identifying each step and finding inputs and  
outputs  
of process

It is collecting information about cost reduction and improving the  
defects

It relates to asking questions about process flow and identifying missing  
or duplicating activities

**It relates with taking a fresh approach to solve an issue on hand**

**Which of the following refers to a variation resulted from an  
identifiable  
cause?**

Random variation

Regular variation  
Irregular variation  
**Assignable variation**

•

*Assignable variation*

: A variation whose source can be identified

**Identify the set of factors that affect the choice of a strategy for aggregate planning.**

**Cost and corporate policy**

Cost and location analysis

Cost and capacity constraints

Cost and training of employees

**Ref:**

The organization needs to consider two factors before choosing a strategy

1. Costs

2. Company/Corporate Policy

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**Which of the following mathematical expressions can be employed to compute the backorder cost?**

Backorder cost per unit + number of backordered units

Backorder cost per unit - number of backordered units

Backorder cost per unit ÷ number of backordered units

**Backorder cost per unit × number of backordered units**

**What would be the total cost of inventory, if a firm holds 600 units of a**

**product A ,where the carrying cost is Rs. 3 per unit?**

Rs. 200

**Rs. 1800**

Rs. 597

Rs. 603

**Explanation:**

Total cost of inventory = per unit carrying cost \* Number of units hold  
= 3\*600

= 1800

**What would be the total backorder cost, if 400 units of a product A are ordered**

**back .where the back order cost is Rs. 4 per unit?**

Rs. 100

Rs. 396

Rs. 404

**Rs. 160**

**Explanation:**

**Back Order =Back Order Cost Per Unit X Number of Backorder Units**

**= 4 \*400**

**= 160**

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**Which of the following is an advantage of perpetual inventory system?**

Periodic review of inventory

Economies in shipping orders

**Fixed order quantity**

Low cost of record keeping

<http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&>

[dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+qu](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&)

[source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7)

[Io5TO64GsKwrAfa3\\_G2CA&sa=X&oi=book\\_result&ct=result&resnu](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7)

[m=5&ved=](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7)

[0CCMQ6AEwBA#v=onepage&q=an%20advantage%20of%20perpetua](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7)

[l%20inven](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7)

[tory%20system%20is%20Fixed%20order%20quantity&f=false](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7)

**According to ABC classification system for inventory management,**

**which of**

**thefollowing groups of items represents high value inventory items?**

**Group A**

Group B

Group C

Group X

**Ref:**

Group A consists of High Rupee (Monetary) Value, which account for a small portion about 10% of the total inventory usage.

**EPP stands for which of the following?**

**Economic Part Period**

Economic Production Period

Equal Production Period

Equal Part Period

Economic Part Period (EPP) is the ratio of setup costs to the cost of hold a unit for one period.

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**JIT stands for which of the following?**

**Just In Time**

Just In Test

Job In Time

Job Inventory Time

**Which of the following is widely accepted as an effective planning method of**

**all resources of a manufacturing firm?**

Enterprise Resource Planning

Material Requirements Planning

**Material Requirements Planning I I**

Master Production Schedule

**Reference :**

Manufacturing Resource Planning (MRP II) is defined by

APICS

as a

method for the effective planning of all resources of a manufacturing company.

Ideally, it addresses operational planning in units, financial planning in dollars,

and has a simulation capability to answer "what-if" questions and extension of closed-loop

MRP

.

**EDI stands for which of the following?**

Enterprise Data Interchange

Economic Data Interchange

Equal Data Interchange

**Electronic Data Interchange**

**EDI (Electronic Data Interchange)**

**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

Program evaluation and review technique

**Simulation: a descriptive technique that enables a decision maker to evaluate**

**the behavior of a model under various conditions.**

**All Final Term Solved Paper of MGT613-POMA  
in One File  
Almost 8 Papers**

**FINAL TERM EXAMINATION**

Fall 2008

MGT613- Production / Operations Management (Session - 1)

**Question No: 1 ( 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: 2 ( 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: 3 ( 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: 4 ( 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: 5 ( Marks: 1 ) - Please choose one**

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

**<http://vustudents.ning.com>**

1

**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: 6 ( 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: 7 ( 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: 8 ( Marks: 1 ) - Please choose one**

Which method of forecasting is most widely used?

Regression analysis

Adaptive forecasting

Weighted moving average

**Exponential smoothing**

**Question No: 9 ( 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: 10 ( 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

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**Question No: 11 ( 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: 12 ( 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

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

Suppose customers hold negative perception about service provided by XYZ

organization. According to SERVQUAL model; which of the following can be the reason

for this negative perception?

Differences between Expected and Perceived Quality

**Difference between service delivery and external communication with customers**

Difference between customer s expectations and management s perception about their expectations

Difference between manager s expectations of service quality and specifications of

service quality of customers

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

Which of the following depicts the overall goal of total quality management?

**Achieve customer satisfaction**

Earn high profit

Enhance organization s productivity

Achieve cost efficiency

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

Which of the following involves incremental changes within the organization whose Cumulative effect is to deliver an increased rate of performance enhancement?

**Continuous improvement**

Competitive benchmarking

Business process re-engineering

Statistical process control

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

Which of the following cost is expected to be borne due to defective products?

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**Failure cost**

Prevention cost

Appraisal cost

Marketing cost

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

Which of the following is an example of appraisal cost?

Re-work cost

Warranty cost

**Testing cost**

Monitoring cost

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

Which of the following is an example of prevention cost?

Re-work cost

Warranty cost

Testing cost

**Monitoring cost**

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

Which of the following cost is associated with the quality of the product?

Stockholding cost

Distribution cost

Marketing cost

**Failure cost**

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

Identify the stage of the DMAIC (Define, Measure, Analyze, Improve and Control)

methodology which involves eliminating the root causes of non-random variation.

Define

Measure

Analyze

**Improve**

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

Which of the following statement defines process re-design?

It is collecting information, identifying each step and finding inputs and outputs of

process

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or

duplicating activities

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**It relates with taking a fresh approach to solve an issue on hand**

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

Which of the following represents a specified range of values in which individual units

of? output must fall in order to be acceptable?

Tolerance

Run test

**Process capability**

Process variability

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

Which one of the following is an example of a long range plan?

**Location layout**

Work schedule

Machine loading

Backorder

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

Identify the set of factors that affect the choice of a strategy for

aggregate planning.

Cost and corporate policy

Cost and location analysis

**Cost and capacity constraints**

Cost and training of employees

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

What would be the total cost of inventory, if a firm holds 800 units of a product A , with

the carrying cost of Rs. 4 per unit?

Rs. 796

Rs. 804

**Rs. 3200**

Rs. 200

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

MPS stands for which of the following?

Material Production Schedule

Master Planning Schedule

Material Planning Schedule

**Master Production Schedule**

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

Which of the following is the costs of carrying an item in inventory for a specific period

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of time?

Ordering cost

**Holding cost**

Shortage cost

Stock out cost

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

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

ordering cost?

$(D+Q)S$

**$(D/Q)S$**

$D+Q+S$

$(D/S)Q$

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

There is no inventory buildup when:

Usage rate exceeds production rate

**Usage and production rates are equal**

Production rate exceeds usage rate

Orders are frequently placed

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

Master schedule interfaces with all of the following Except:

Capacity planning

**Resource planning**

Production planning

Distribution planning

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

Which of the following statements defines the purpose of MRP (Material Requirements

Planning) system?

It is appropriate for all end items in the product line

It can be used for independent demand items

**It reduces inventory requirements, lead times, and delivery times**

It determines an appropriate master production schedule

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

Which of the following statements is TRUE about Just-in-Time?

It is essential for a project organization

It pushes inventory through the operations process

It is only useful in a high product variety environment

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**It seeks to reduce inventory in an effort to reduce waste**

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

Capacity requirements planning determines \_\_\_\_\_ range  
capacity requirements

**Short**

Intermediate

Long

Both short and long

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which of the following formula is correct for Kanban system?

$$N=DX$$

$$(1+$$

$$T$$

$$)/C$$

$$N=DC$$

$$(1 +$$

$$X$$

$$)/T$$

$$N=DT$$

$$(1 +$$

$$X$$

$$)/C$$

$$N=DT$$

$$(1 +$$

$$C$$

$$)/X$$

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

Big JIT includes all of the following EXCEPT:

Vendor relations

**Scheduling materials**

Human relations

Technology management

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

Which of the following reasons accounts for the importance of supply chain?

management?

Increasing competitive pressures

Decreasing globalization

Decreasing levels of outsourcing

**Increasing transportation costs**

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

Which of the following is NOT a benefit of supply chain management?

**Less variety**

Greater agility

Lower inventory

Higher productivity

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

Which of the following is a system for inventory management and distribution planning?

Electronic Data Interchange (EDI)

Enterprise Resource Planning (ERP)

**Distribution Resource Planning (DRP)**

Materials Resource Planning (MRP)

*Distribution requirements planning (DRP) is a system for inventory management and distribution planning.*

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

Which one of the following refers to the assignment of jobs to process centers?

Sequencing

**Loading**

Scheduling

Budgeting

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

Which one of the following is a type of Gantt chart that shows management of work flow and queues at the work centers?

Load chart

Schedule chart

**Input/output control chart**

None of the given options

**Question No: 41 ( Marks: 1 ) - Please choose one**

Which one of the following is focused to reduce the incidence of failures in the plant or equipment to avoid the associated costs?

Reactive maintenance

Total productive maintenance

**Preventive maintenance**

Predictive maintenance

*Preventive maintenance*

*: goal is to reduce the incidence of breakdowns or failures in the plant or equipment to avoid the associated costs*

**Question No: 42 ( Marks: 1 ) - Please choose one**

Which of the following relates to an organizational structure based on teams formed?

specifically for projects?

Project structure

Functional structure

Balanced matrix structure

**Project matrix structure**

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## **FINAL TERM EXAMINATION**

**Fall 2008**

**MGT613- Production / Operations Management (Session - 1)**

**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**

An organization has describe its distinctive characteristic now what is the next step in

strategy formulation process?

Competitor's distinctiveness

Selecting the market segment

Environmental scanning

Productivity Measures

**Question No: 3 ( 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 resisit human factor, personal opinions.**

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



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opinion.

**Question No: 4 ( 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: 5 ( Marks: 1 ) - Please choose one**

Given the table:

**Alternatives Possible future demand**

<b>Low (Rs.)</b>	<b>High (Rs.)</b>
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 MINIMAX regret approach?

**Rs. 12,000**

Rs. 6,000

Rs. 5,000

Rs. 16,000

**Solution:**

In MINIMAX regret best possible pay off is selected. Which is 12000 in this question.

**Low (Rs.)**

**High (Rs.)**

$10000 - 10000 = 0$     $8000 - 8000 = 0$

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10

$6000 - 10000 = -4000$     $20000 - 8000 = 12000$

$5000 - 10000 = -5000$     $15000 - 8000 = 7000$

**Question No: 6 ( 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: 7 ( 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: 8 ( 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

**Ref:**

[http://books.google.com.pk/books?id=zVvnckgGZgkC&pg=PA89&dq=](http://books.google.com.pk/books?id=zVvnckgGZgkC&pg=PA89&dq=Labour+costs+a)

["Labour+costs+a](http://books.google.com.pk/books?id=zVvnckgGZgkC&pg=PA89&dq=Labour+costs+a+re+higher+in+a+Job+Shop+operation+than+in+most+other+processes)

[re+higher+in+a+Job+Shop+operation+than+in+most+other+processes"](http://books.google.com.pk/books?id=zVvnckgGZgkC&pg=PA89&dq=Labour+costs+a+re+higher+in+a+Job+Shop+operation+than+in+most+other+processes)

[fTJe9E8GYrAeGlZ3KCw&sa=X&oi=book\\_result&ct=result&resnum=](http://books.google.com.pk/books?id=zVvnckgGZgkC&pg=PA89&dq=Labour+costs+a+re+higher+in+a+Job+Shop+operation+than+in+most+other+processes)

[3&ved=0CDEQ6](http://books.google.com.pk/books?id=zVvnckgGZgkC&pg=PA89&dq=Labour+costs+a+re+higher+in+a+Job+Shop+operation+than+in+most+other+processes)

[AEwAg#v=onepage&q&f=false](http://books.google.com.pk/books?id=zVvnckgGZgkC&pg=PA89&dq=Labour+costs+a+re+higher+in+a+Job+Shop+operation+than+in+most+other+processes)

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

Product life cycle is based on which of the following components?

Place

**Demand**

Supply

Price

**Question No: 10 ( 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: 11 ( Marks: 1 ) - Please choose one**

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

because:

A group is compose of a number of items

A group exhibits a uniform behavior

**Forecasting errors among items in a group have a canceling effect**

A group behavior is relatively less uncertain

**Ref:**

[http://books.google.com.pk/books?id=tqVIT0xE4NAC&pg=PA69&dq="Forecasting+for](http://books.google.com.pk/books?id=tqVIT0xE4NAC&pg=PA69&dq=)

[+groups+tend+to+be+more+accurate+than+forecasting+for+individual+items+because"](http://books.google.com.pk/books?id=tqVIT0xE4NAC&pg=PA69&dq=)

[+groups+tend+to+be+more+accurate+than+forecasting+for+individual+items+because"](http://books.google.com.pk/books?id=tqVIT0xE4NAC&pg=PA69&dq=)

[1Z20Aw&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CCoQ6AEwAA#v=onep](http://books.google.com.pk/books?id=tqVIT0xE4NAC&pg=PA69&dq=)

[age&q&f=false](http://books.google.com.pk/books?id=tqVIT0xE4NAC&pg=PA69&dq=)

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

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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: 13 ( Marks: 1 ) - Please choose one**

Who emphasized quality in terms of inspection and gauging?

G.S. Radford

W. Shewhart

**F.W. Taylor**

W.E. Deming

**Ref:**

Frederick Winslow Taylor the father of scientific management brought back the

concept of quality by incorporating product inspection as well as focusing on the importance of manufacturing management.

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

Which of the following word is the meaning of the term Poka Yoke ?

**Mistake proof**

Low quality

Defective

Expensive

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

Which of the following statement defines process re-design?

It is collecting information, identifying each step and finding inputs and outputs of process

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or

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duplicating activities

**It relates with taking a fresh approach to solve an issue on hand**

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

Which of the following statement defines process analysis?

It is collecting information, identifying each step and finding inputs and outputs of process

It is collecting information about cost reduction and improving the defects

**It relates to asking questions about process flow and identifying missing or duplicating activities**

It relates with taking a fresh approach to solve an issue on hand

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

The well-known Deming wheel is also referred to as:

Juran s cycle

Crosby s cycle

Ishikawa s cycle

**Shewhart s cycle**

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

Which of the following refers to the inherent variability in a process?

Control limits

Process capability

**Chance causes of variation**

Assignable causes of variation

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

Which of the following refers to a variation resulted from an identifiable cause?

Random variation

Regular variation

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Irregular variation

**Assignable variation**

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

Which of the following refers to the average of accepted lots and rejected lots?

Acceptable Quality Level (AQL)

Lot Tolerance Percent Defective (LTPD)

**Average Outgoing Quality (AOQ)**

Average Outgoing Quality Limit (AOQL)

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

If the costs of inspection are higher than costs of obtaining the sample  
\_\_\_\_\_ sampling should be used.

Random

Single

Double

**Multiple**

**Ref:**

Where inspection costs are higher than costs of obtaining the sample, multiple

samples are carried to ensure that a good or bad result can help terminate the sample

testing thus ensuring savings in inspection cost.

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

Identify the set of factors that affect the choice of a strategy for aggregate planning.

**Cost and corporate policy**

Cost and location analysis

Cost and capacity constraints

Cost and training of employees

**Explanation:**

As a rule of thumb, aggregate planners seek to match supply and demand

within in constraints by policies and minimum costs.

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

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Which of the following mathematical expressions can be employed to compute backorder cost?

Backorder cost per unit + number of backordered units

Backorder cost per unit - number of backordered units

Backorder cost per unit ÷ number of backordered units

**Backorder cost per unit × number of backordered units**

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

What would be the total cost of inventory, if a firm holds 600 units of a product A ,

where the carrying cost is Rs. 3 per unit?

Rs. 200

**Rs. 1800**

Rs. 597

Rs. 603

**Explanation:**

Total cost of inventory = per unit carrying cost \* Number of units hold  
=  $3 \times 600$   
= **1800**

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

What would be the total backorder cost, if 400 units of a product A are ordered back

.where the back order cost is Rs. 4 per unit?

Rs. 100

Rs. 396

Rs. 404

**Rs. 1600**

**Explanation:**

**Back Order =**

Back Order Cost Per Unit X Number of Backorder Units  
=  $4 \times 400$

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**= 1600**

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

Which of the following is an advantage of perpetual inventory system?

Periodic review of inventory

Economies in shipping orders

**Fixed order quantity**

Low cost of record keeping

**Reference:**

[http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7Io5TO64GsKwrAfa3\\_G2CA&sa=X&oi=book\\_result&ct=result&resnum=5&ved=0CCMQ6AEwBA#v=onepage&q=an%20advantage%20of%20perpetual%20inventory%20system%20is%20Fixed%20order%20quantity&f=false](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7Io5TO64GsKwrAfa3_G2CA&sa=X&oi=book_result&ct=result&resnum=5&ved=0CCMQ6AEwBA#v=onepage&q=an%20advantage%20of%20perpetual%20inventory%20system%20is%20Fixed%20order%20quantity&f=false)

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

Which of the following refers to the costs incurred to get the equipment ready for the next job?

Accepting cost

Holding cost

Shortage cost

**Setup cost**

**Ref: Setup cost:**

Expenses

incurred in setting up a machine

,

work center

, or

assembly

line

, to

switch

from one

production

job

to the next.

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

Which one of the following mathematical expressions can be employed to compute annual carrying cost?

$(Q-2)H$

$(Q+2)H$

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$(Q \div 2)H$

$(Q \times 2)/H$

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

According to ABC classification system for inventory management, which of the following groups of items represents high value inventory items?



**Group A**

Group B

Group C

Group X

**Ref:**

Group A consists of High Rupee (Monetary) Value, which account for a small

portion about 10% of the total inventory usage.

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

All of the following are common types of inventories Except:

Raw material

Work in transit

Work in progress

**Scrapped work**

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

EPP stands for which of the following?

**Economic Part Period**

Economic Production Period

Equal Production Period

Equal Part Period

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

ERP stands for which of the following?

**Enterprise Resource Planning**

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Enterprise Requirements Planning

Equal Resource Planning

Equal Requirements Planning

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

JIT stands for which of the following?

**Just In Time**

Just In Test

Job In Time

Job Inventory Time

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which of the following is widely accepted as an effective planning method of all

resources of a manufacturing firm?

Enterprise Resource Planning

Material Requirements Planning

**Material Requirements Planning I I**

Master Production Schedule

**Reference :**

**Manufacturing Resource Planning**

(

**MRP II**

) is defined by

APICS

as a

method for the effective planning of all resources of a manufacturing company. Ideally, it

addresses operational planning in units, financial planning in dollars, and has a simulation

capability to answer "what-if" questions and extension of closed-loop

MRP

.

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

Which of the following formula is correct for Kanban system?

$DX$

$(1$

$T$

$) =$

$N$

$C$

$DC$

$(1$

$X$

$) =$

$N$

$T$

$DT$

$(1 +$

$X$

$) =$

*N*

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*C*

*DT*

(1

*C*

) =

*N*

*X*

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

EDI stands for which of the following?

Enterprise Data Interchange

Economic Data Interchange

Equal Data Interchange

**Electronic Data Interchange**

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

Which of the following is a system for inventory management and distribution planning?

Electronic Data Interchange (EDI)

Enterprise Resource Planning (ERP)

**Distribution Resource Planning (DRP)**

Materials Resource Planning (MRP)

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

Which of the following refers to an area where a person works with special equipment on a specialized job?

Workshop

Work area

Workplace

**Workstation**

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

Which of the following is TRUE about a project activity?

**It is a unique, one-time activity**

It is static in nature

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It is often simple to outline

It is a set of unrelated tasks

**Reference:**

This property of being a temporary and a one-time venture contrast with operations, which are permanent or semi-permanent ongoing functional work to create

the same product or service over-and-over again.

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

Successful project management includes all of the following factors EXCEPT:

Interchangeable staff

Competent team members

Responsiveness to clients

Control mechanisms

**Question No: 41 ( Marks: 1 ) - Please choose one**

Network activities are used to determine all of the following EXCEPT:

Expected project duration

Slack time

Critical path

**Budgeted cost**

**Question No: 42 ( Marks: 1 ) - Please choose one**

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

Program evaluation and review technique

**Question No: 43 ( Marks: 3 )**

Explain the importance of employee empowerment in TQM.

**Question No: 44 ( Marks: 3 )**

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What would be the annual ordering cost, if annual demand is 300 units where the order

size is 250 units and ordering cost is Rs. 10 per order?

Note: Provide answer with complete working. Failure to show working

will result  
deduction of marks.

**Question No: 45 ( Marks: 3 )**

Gantt charts are of various types. Give a brief description about at least two types of Gantt charts.

**Question No: 46 ( Marks: 5 )**

"Six sigma is related to quality improvement" Elaborate this statement.

**Question No: 47 ( Marks: 5 )**

MRP (Materials Requirement Planning) processing is made up of various components. Explain some of them.

**Question No: 48 ( Marks: 10 )**

Implementation of six sigma aims at reducing defects. What could be the various obstacles in implementing Six Sigma?

**Question No: 49 ( Marks: 10 )**

Double sampling plan is better than the single sampling plan. Elaborate some of the features of double sampling plan and how it takes care of the limitation of single sampling plan.

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**FINAL TERM EXAMINATION**

**Fall 2008 MGT603- Strategic Management (Session - 1)**

Marks: 81

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

Strategic management integrates all of the following areas EXCEPT:

Management

Marketing

Research and development

**Human resource management PAGE 2**

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

Strategist is an individual who is involved in the strategic management process, thus may be known as:

Member board of director

**President PAGE 6**

Division manager

All of the given options

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

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"A desired future state that the organization attempts to realize".

Identify the term

relevant to the given statement.

Policy

Procedure

Goal

**Strategy**

**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**

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

Which type of trend can be exemplified by the increase in average level of education in a society?

**Cultural**

Technological

Economic

Social

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

Allocation and reallocation of capital and resources to projects, products, assets, and

divisions of an organization is known as:

**Investment decisions**

Financing decisions

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Restructuring decisions

Strategic decision

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

All of the following fall under the category of "Process" function of production

management EXCEPT:

Choice of technology

**Quality assurance**

Process flow analysis

Transportation analysis

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

A planned activity aimed at discovery of new knowledge with the hope of developing

new or improved products and services and translation of its findings into a plan or

design of new or improved products and services is known as:

Marketing

**Research and development**

Production

Management information system

**Question No: 9 ( 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

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**Question No: 10 ( 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

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

The extent to which a business concentrates on a narrowly defined market is best referred

to as:

**Niche strategy**

Cost leadership strategy

Differentiation strategy

Segmentation

**Question No: 12 ( 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 PAGE 91**

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

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

Which of the following stages in the strategy-formulation framework focuses on

summarizing the basic information needed to formulate strategies?

Output

**Input PAGE 97 STAGE 1**

Decision

Matching

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

Which of the following stages of "Strategy Formulation Framework" involves

development of Internal-Factor Evaluation Matrix?



Input stage

Output stage

**Matching stage PAGE 97**

Decision stage

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

Which of the following stages of strategy formulation framework involves development of Internal External Matrix?

Input stage

Output stage

**Matching stage PAGE 105**

Decision stage

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

In order to avoid the emergence of substitute products, AF & Z Corporation has an access and control over the scarce natural resources necessary for the production of their products, Which of the following strategies AF & Z is using?

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SO

WO

SW

ST

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

What type of strategies would you recommend when a firm's SPACE Matrix directional vector has the coordinates (-2, +3)?

Aggressive

Conservative

Competitive

**Defensive PAGE 100**

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

Which of the following is NOT a step for the preparation of a SPACE matrix?

Select a set of variables to relating to financial strength, competitive advantage,

environmental stability, and industry strength

Assign a numerical value ranging from +1 (worst) to +6 (best) to each of the

variables that make up the financial strength and industry strength dimensions

**Assign weights to the variables according to their relative importance for the**

**fir PAGE 102**

Compute an average score and dividing by the number of variables

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

"The business has a strong competitive position but is in a slow-growth industry. Further,

the business typically has high cash flow levels and limited internal growth needs." The

statement refers which of the following?

The firm falling in Quadrant I of Grand Strategy Matrix

The firm falling in Quadrant II of Grand Strategy Matrix

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The firm falling in Quadrant III of Grand Strategy Matrix

**The firm falling in Quadrant IV of Grand Strategy Matrix PAGE 108**

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

What is the product of weights and attractiveness scores for each strategy in QSPM?

Sum total attractiveness scores

Total attractiveness scores

Weighted scores

**Total weighted scores**

**REF:**

**Total weighted scores = total weighted score for the organization.**

**Highest possible weighted score for the organization is 4.0; the lowest, 1.0. Average**

**= 2.5**

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

Which of the following is a Functional Q objective?

Achieving return on investment of at least 15%

**Aiming to achieve a market share of 10% PAGE 113**

Attaining operating profit of over Rs.10 million

Increase earnings per share by at least 10% every

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

Which of the following is a Corporate level objective?

Getting 75% customer awareness of company's brand in target markets

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**Increasing earnings per share by at least 10% PAGE 113**

Building customer database of at least 250,000 companies

Achieving a 10% share of International market

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

The manager of MZ firm has defined the goal that "the firm wants to increase its

production by at least 200 units in size." Thus, which part of the SMART criteria has

been focused by the firm through this goal statement?

Specific

Measurable

Achievable

Relevant

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

Mr. Ali, the operations manager of ABC Company did not agree with the proposal of

marketing manager - Mr. Zeeshan at the meeting regarding launch of a new product.

There was an exchange of hot word among them. The matter was referred to CEO, so that

the conflict could be resolved, but the CEO did not take any action in the hope that the

conflict will resolve itself. The statement describes which of the conflict resolution

mood?

Avoidance

Compliance

Diffusion

Confrontation

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

Ahmad fisheries is going to arrange a meeting with AH& T distributors so that the matters regarding wrong delivery by AH & T and conflict arising from it can be settled.

Which of the following conflict resolving approach is followed in the situation?

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**Avoidance**

Confrontation

Resistance

Diffusion

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

Why do changes in company strategy often require changes in the way an organization is structured?

Because structure depicts how goals will be established

Because structure dictates how authorities will be delegated

**Because structure dictates how resources will be obtained**

Because structure dictates how financial resources are spent

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

Which one of the following is the organizational structure that most of the medium-size organizations follow?

**Divisional structure PAGE 117**

Strategic business unit

Functional structure

Matrix structure

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

Of the following, which one is least likely to be considered an advantage presented by matrix organizational structure?

It facilitates the use of highly specialized staff and equipment

It minimizes the project cost because the key people can be shared

**It can raise dual reporting and communication problems PAGE 120**

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It provides excellent training ground for strategic managers

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

Zairian Corporation has streamlined its operations by cutting costs, such as decrease in

payroll or reduction in its size through the sale of assets. In which of the following

activity Zaria Corporation is involved?

E-Engineering

Re-engineering

**Restructuring**

Benchmarking

REF:

**Restructuring**

INCLUDE reducing the size of the firm in terms of number of employees

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

Which of these is not one of the tests used to determine whether a performance-pay plan

will benefit an organization?

Do employees understand the plan?

**Is the plan improving communications?**

Does the plan pay out when it should?

Does the plan reduce management layers?

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

All of the following are the managerial issues for managing natural environment

EXCEPT:

Global warming- depletion of rain forests

**Employee understanding about environment PAGE124**

Developing biodegradable products and packages

Waste management to clean air and water

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

Production processes typically constitute of what percentage of firm's total assets?

**More than 70 % ;PAGE 126**

More than 65 %

More than 60 %

More than 55 %

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

Which one of the following is TRUE about two different market segments?

They can be served with the same marketing strategy

They usually require different marketing strategies

They are always in different geographic locations

**There is heterogeneity within the segment in its needs**

**Question No: 34 ( Marks: 1 ) - Please choose one**

XYZ Company has segmented its market by keeping in view occupation and education

level of customers. Which of the following bases of segmentation the company has used?

**Demographic PAGE 130**

Psychographic

Behavioral

Geographic

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

Which variable would be considered as a part of pricing decisions?

Warranty

**Bundling PAGE 133**

Safety

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Functionality

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

Which of the following statement is TRUE about 'firm infrastructure' as a support activity

of Michael Porter's value chain model?

It includes procurement of raw materials, servicing, spare parts, buildings,

machines

It Includes technology development to support the value chain activities like

Process automation

It includes the activities associated with recruiting and development of employees and managers

**It includes general management, planning management, legal, finance, accounting, public affairs PAGE 147**

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

Which of the following statement is correct about human resource management?

It includes procurement of raw materials, servicing, spare parts, buildings, machines

It Includes technology development to support the value chain activities like

Process automation

**It includes the activities associated with recruiting and development of employees**

**and managers PAGE 58**

It includes general management, planning management, legal, finance, accounting, public affairs

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

All of the following are the cost drivers of Porter's supply chain activities EXCEPT:

Capacity utilization

Timing of market entry

Economies of scale

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**Firm's infrastructure PAGE 147**

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

Which one of the following is NOT considered as a difficulty in evaluation of strategies?

Increase in environment's complexity

Difficulty predicting future with accuracy

**Decreasing number of variables PAGE 149**

Rate of obsolescence of plans

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

Which of the following statement is TRUE about 'Controls' which are used in strategy evaluation stage?

They are strategy-oriented

**They are action-oriented PAGE 154**

They are control-oriented

They are information-oriented

**Question No: 41 ( Marks: 1 ) - Please choose one**

A good evaluation system must possess various qualities. Which of the following is not a characteristic of a good strategy evaluation system?

Strategy-evaluation activities must be economical

Strategy-evaluation activities should be meaningful

**Strategy-evaluation activities should dominate the decisions PAGE 154**

Strategy-evaluation activities should provide timely information

**Question No: 42 ( Marks: 1 ) - Please choose one**

The people who perform audit can be categorized as all of the following EXCEPT:

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Independent auditors

**Financial auditors PAGE 155**

Government auditors

Internal auditors

**Question No: 43 ( Marks: 3 )**

If you construct a SPACE Matrix and the directional vector points to the lower left

quadrant, what type of strategies would you recommend?

**Question No: 44 ( Marks: 3 )**

Define Functional level objectives. Provide at least two statements exemplifying such objectives.

**Question No: 45 ( Marks: 3 )**

Auditors who perform audit can be divided into three groups? Identify and define each of



them.

**Question No: 46 ( Marks: 5 )**

Identify the five steps that must be followed while developing an IE Matrix.

**Question No: 47 ( Marks: 5 )**

Positioning is actually the way that a product is introduced to its market audience. What

are the five steps required for effective product positioning?

**Question No: 48 ( Marks: 10 )**

You are the business executive of Omar textiles Mills. You are asked to evaluate the

strengths, weaknesses, opportunities and threats of the firm and develop altogether

different strategies by using different combinations of any two of these.

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**Question No: 49 ( Marks: 10 )**

Quantitative Strategic Planning Matrix (QSPM) is a high-level strategic management

approach for evaluating possible strategies. You are required to prepare a (QSPM) of

XYZ Manufacturing Company for evaluating any two strategies?

**FINAL TERM EXAMINATION**

**Fall 2009**

**MGT613- Production / Operations Management (Session - 4)**

**Time: 120 min**

**Marks: 79**

**Question No: 1 ( 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 resist human factor, personal**

**opinions.**

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

opinion.

**Question No: 2 ( 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: 3 ( 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 MINIMAX regret approach?

Rs. 12,000

Rs. 6,000

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**Rs. 5,000**

Rs. 16,000

**Question No: 4 ( 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: 5 ( 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: 6 ( Marks: 1 ) - Please choose one**

Which one of the following designs resists modifications?

**Frozen design**

Product design

Service design

Robust design

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

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

Growth

**Decline**

Maturity

Planning

**Question No: 8 ( 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

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

How many dimensions are used for determining service quality?

Four

Five

Six

**Seven**

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

Which of the following is NOT an element of TQM?

Continuous improvement

Perceived quality

Employee empowerment

**Customer focus**

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

Which of the following represents a specified range of values in which individual units

of output must fall in order to be acceptable?

Tolerance

Run test

Process capability

**Process variability**

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

Which of the following refers to the upper limit on the percentage of defects that a

customer is willing to accept?

Acceptable Quality Level (AQL)

**Lot Tolerance Percent Defective (LTPD)**

Average Outgoing Quality (AOQ)

Average Outgoing Quality Limit (AOQL)

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

Which of the following require intermediate plans?

Job assignments

Machine loading

**Subcontracting**

Layout design

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

Which of the following is the costs of carrying an item in inventory for a specific period

of time?

Ordering cost

**Holding cost**

Shortage cost

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Stock out cost

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

Which of the following is a schedule that specifies the timing and size of production

quantities for product in the product families?

**Master production scheduling**

Aggregate plan

Inventory management scheduling

Master rescheduling

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

Which of the following contains a listing of all the assemblies, sub-assemblies, parts and

raw materials needed to produce one unit of a finished product?

Master schedule

**Bill of materials file**

Inventory records file

Rough – cut capacity plan

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

Which of the following statements is CORRECT about master schedule?

It is visible to all levels of management

**It include only demand from production areas**

It is not influenced by the aggregate plan

It is not concerned with customer order processing

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

Which of the following refers to the planned amount to order in each time period?

Gross requirements

Net requirements

**Planned-order receipts**

Planned-order releases

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

Which of the following reports compares known and expected future capacity

requirements with projected capacity availability?

**Performance control report**

Exception report

Load report

Planned order report

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

Big JIT includes all of the following EXCEPT:

Vendor relations

**Scheduling materials**

Technology management

Human relations

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

Which should be one of the selection criteria if two potential suppliers can deliver a part

with the same quality and prices?

Size of the firm

A coin flip

**External evaluation**

Flexibility of the firm

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

Scheduling is a function of which of the following?

**Volume of systems' output**

Nature of systems' output

Timing of systems' output

Value of systems' output

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

Which of the following refers to an area where a person works with special equipment

on a specialized job?

**Workshop**

Work area

Workplace

Workstation

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

Which of the following refers to the total time needed to complete a group of jobs from

the beginning of the first job to the completion of the last job?

Job lateness

**Job flow time**

Makespan

Slack time

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

Which of the following is TRUE about a project activity?

**It is a unique, one-time activity**

It is static in nature

It is often simple to outline

It is a set of unrelated tasks

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

Which of the following relates to an organizational structure based on teams formed

specifically for projects?

**Project matrix structure**

Project structure

Functional structure

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Balanced matrix structure

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

Which of the following is NOT a limitation of PERT?

**Omission of critical activities**

Correct precedence relationships

Sole reliance on critical path

Inclusion of a fudge factor

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

With reference to Network activities, what does the term 'LS' stand for?

**Late Start**

Long Start

Lazy Start

Low Start

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

With reference to Network activities, what does the term 'LF' stand for?

**Late Finish**

Long Finish

Lazy

Finish

Low Finish

**Question No: 30 ( 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: 31 ( Marks: 1 ) - Please choose one**

Which one of the following is a possible disadvantage of a moving average forecast?

The method is unable to forecast the demand accurately

**The method is easy to compute and easy to understand**

All the values in the average are weighted equally

The most recent values are given the more weightage

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

Which of the following determinants of effective capacity is taken into account by

operations manager at macro level?

**Supply chain**

Process factors

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Product and service factors

Operational factors

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

Which of the following is true about the design process?

Concurrent design has proven to be the more effective method for design

The design process involves four basic steps, if followed in sequential order,

ensure success

Only representatives from design department should work together on the design

**It is better to separate marketing, engineering, and production personnel**

**from each other in a design process**



**Question No: 34 ( Marks: 1 ) - Please choose one**

Which of the following initiated "Just-In-Time" inventory management system?

Germany

**United States**

United Kingdom

Japan

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

In the environment where material flow is complex and demand is highly variable,

which of the following system will NOT be feasible?

Material Requirement Planning (MRP)

Just-In-Time Production Systems

**Manufacturing requirement planning (MRPII)**

Enterprise Resource planning (ERP)

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

Which of the following elements of supply chain prevent organization from bull-whip effect?

Predicting quantity and timing of demand

Incorporating customer's wants in manufacturing

**Controlling quality and scheduling work**

Determining what customers want

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

Difference between length of a path and critical path gives which of the following values?

**Critical activities**

Slack activities

Activity on node

Activity on arrow

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

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During the period of high unemployment or when low-skilled labor is acceptable, which

of the following strategy would be cost effective?

Chase demand strategy

**Level capacity strategy**

Proactive strategy

Mixed or hybrid strategies

**Question No: 39 ( Marks: 3 )**

**What are the salient features of six sigma quality management?**

ANS: following are the 4 salient features of sigma quality management

1. Selecting and training appropriate people.
2. Providing strong leadership.
3. Selecting projects likely to succeed.
4. Defining performance merits.

.

**Question No: 40 ( Marks: 3 )**

**How would you illustrate the problems that you may encounter in scheduling the service operations?**

ANS

: there are many problem of scheduling like flight schedules, reservation system, and control costumer services, scheduling the workforce etc.

**Question No: 41 ( Marks: 5 )**

**What would happen if customer's expected quality and perceived quality do not match? Explain by giving an example.**

Differences between Expected and Perceived Quality

ANS:

Customers expect certain things from certain companies so that is called costumer

expected quality. Everyone has perception of service quality

The perceived quality is the quality after the perceptions of costumer.

**Question No: 42 ( Marks: 5 )**

What is the importance of Material Requirement Planning (MRP)? Why companies

should invest in the implementation of MRP system? (3+2)

A material requirement planning is a computer based information

system that translates master schedule requirements for end items into time-phased requirements for raw materials, components, subassemblies.

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Company should invest to improve the implementation of MRP SYSTEM because it is very important tool for the future planning of material needs. By MRP systems a company can improve its customer services and reduce its cost. Also companies can control inventories, improved scheduling

,  
and Productive relationships with suppliers.

**Question No: 43 ( Marks: 5 )**

Differentiate Big vs Little Just-In-Time System. Which one of the both answers the most pressing questions that an organization faces? 4+1

**1. Big JIT:**

it has broad focus in, vendor relations, materials and inventory management, technology management, human relations

**2. Little JIT**

: it has narrow focus Internal to organization, Scheduling materials, and Scheduling services of production.

By JIT systems organization can achieve a balanced smooth flow of production, it will flexible their system with reduction in wastes and lead time.

**Question No: 44 ( Marks: 10 )**

**How would you compare a TV set (a product) and TV repair (a service) in terms of at least five dimensions of quality?**

I will compare it with the following dimensions of quality.

**1. Performance**

: as we know the performance of new TV set is very good with high

quality but when it is repaired its performance and quality is reduced because of repairing services.

## **2. Aesthetics**

: it is the appearance of TV set. As new TV set is looking very nice from every angle but when it is repaired its looking is affected by poor services.

## **3. Special Features**

: a TV set has many extra features in it. But when it is repaired most of its features will be disabled due to repairing process. For example some times its sound will be change some times its colors or buttons not working.

4. Conformance - how well product/service conforms to customer's expectations

5. Reliability - consistency of performance

6. Durability - useful life of the product/service

## **7. Perceived Quality**

: is the quality which will be accepted after repairing services of TV. While a new TV has its expected quality.

## **8. Serviceability**

: this is the service after sale. When you buy a new TV set, you will get a warranty for that TV. And also some changeable service. But when it is repaired for one time then its warrant as well as guarantee will be finished and there is no service ability for that repaired TV.

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## **Question No: 45 ( Marks: 10 )**

Long waiting lines and long waiting times force customers to balk or renege. What mathematical and non-mathematical ways and techniques management should take in order to avoid such kind of problems?

**ANS:**

Some times there are long lines of people in offices for example for

interviews,  
customer's centers, banks etc. it is due to the poor management system and poor.

But there are some mathematical as well as non mathematical methods due to those  
methods we can control these long waiting lines problems.

### **Queuing theory**

:

This is a Mathematical method use for the analysis of waiting lines.

Its main goal is to minimize the sum of two costs Customer waiting costs and

Service capacity costs.

Its main points about waiting lines are as following.

Waiting lines are non-value added occurrences implications of waiting lines.

To provide space for waiting it will cost.

There is a threat of Loss of business due to long waiting lines.

Because of these problems most of costumer will leave.

Customers always refuse to wait.

Overcrowding can disrupt other business operations.

Long waiting lines reduces in customer satisfaction.

By queuing analysis organizations minimizes these types of threats and can manage their

business in a very pleasant way.

Some of Non Mathematical Approaches are the following which are also used to reduce

long waiting lines problems.

1. There should be Magazines or newspapers in waiting rooms for people who are waiting because of this they will not become bore.

2. Also if there is Radio or a television set so the waiting costumers be wait easily.

3. In-flight movies.

4. By Filling out forms we can reduce waiting times of people.

5. Derive benefits from waiting

6. By Placing impulse items near checkout so people will see and analyze it for some

time.

7. Reduce perceived waiting time

8. If there is advertisement of other goods or services in waiting place, people will study that so they can wait easily.

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### **FINAL TERM EXAMINATION**

Fall 2008

MGT613- Production / Operations Management (Session - 1)

**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**

All of the following are examples of transformation process EXCEPT:

Facilitating

**Labeling**

Cutting

Packing

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

The Strategies that are more focus on maintaining or improving the quality of an

organization s products or services is known as:

Quality at the source

Time Based strategies

Cost leadership strategies

**Quality-based strategies**

**Question No: 4 ( 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**

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

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

A variety of processing requirements

Use of individual incentive system

**Minimizing material handling costs**

Equipment utilization rate is high

**Question No: 6 ( 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

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

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

Which one of the following types of manufacturing layout is considered a hybrid?

Process layout

Product layout

Fixed-position layout

**All of the given options**

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

**Ans required)**

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: 9 ( 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: 10 ( Marks: 1 ) - Please choose one**

OSHA stands for which one of the following?

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Occupational stock hygiene administration

**Occupational safety hygiene administration**

Occupational safety hygiene agency

Occupational science hygiene administration

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

Product life cycle is based on which of the following components?

Place

**Demand**

Supply

Price

**Question No: 12 ( 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: 13 ( Marks: 1 ) - Please choose one**

Which of the following refers to service recovery?

Satisfying the customers needs at the first instance

Providing the customer with extra benefits along with the desired service

**Satisfying a previously dissatisfied customer and making him loyal**

Providing the desired service to the customer

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

Identify the dimensions of quality that a performance measure matrix (RATE) includes

for a service firm.

(a) Reliability (b) Responsiveness (c) Awareness (d) Assurance

(e) Tangibility (f) Empathy (g) Ease

a, b, c, e, f



**a, b, d, e, f**

a, b, d, e, g

a, b, c, e, g

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

The employees responsible to assure quality of service delivery are known as:

**Contact personnel**

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Finance personnel

Operational personnel

Research personnel

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

Which of the following is the origin of the word Poka Yoke ?

America

China

Spain

**Japan**

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

Which of the following terms reflects Japanese view of continuous improvement?

**Kaizen**

Poka-yoke

Six sigma

Inspection

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

Problem solving is an example of which of the following?

**Internal failure cost**

**(Not sure)**

External failure cost

Prevention cost

Appraisal cost

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

Which of the following cost is associated with the quality of the product?

Stockholding cost

Distribution cost

Marketing cost

**Failure cost**

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

Which of the following statement defines process mapping?

**It is collecting information, identifying each step and finding inputs and outputs of process**

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or

duplicating activities

It relates with taking a fresh approach to solve an issue on hand

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

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Which of the following refers to the percentage level of defects at which consumers are

willing to accept lots as good ?

**Acceptable Quality Level (AQL)**

Lot Tolerance Percent Defective (LTPD)

Average Outgoing Quality (AOQ)

Average Outgoing Quality Limit (AOQL)

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

In \_\_\_\_\_ sampling, one random sample is drawn from each batch.

**Single**

Double

Multiple

None of the given options

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

If the costs of inspection are higher than costs of obtaining the sample

---

sampling should be used.

Random

Single

Double

**Multiple**

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

Identify the time span covered by the aggregate planning.

3-7 months

2-10 months

**2-12 months**

4-8 months

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

Which of the following refers to the costs incurred to get the equipment ready for the next job?

Accepting cost

Holding cost

Shortage cost

**Setup cost**

**Setup cost:**

Expenses

incurred in setting up a machine

,

work center

, or assembly, to

switch

from

one

production

job

to the next.

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

Which of the following refers to the cost born by a firm if demand exceeds the supply?

<http://vustudents.ning.com>

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Ordering cost

Holding cost

Stock out cost

**Shortage cost**

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

Which one of the following concepts refers to achieve the lowest average total cost per unit when a large quantity is ordered?

**Economies of scale**

Material requirements planning

Master production schedule

Economic order quantity

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

According to ABC classification system for inventory management, which of the

following groups of items represents low value inventory items?

Group A

Group B

**Group C**

Group D

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

All of the following are common types of inventories Except:

Raw material

Work in transit

Work in progress

**Scrapped work**

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

Which of the following is known as a visual representation of the requirements in a bill of

materials having all the components listed in levels?

Master production schedule

Material requirements planning

**Product structure tree**

Inventory status record

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

Which of the following refers to the actual amount of an item needed in each time

period?

Gross requirements

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**Net requirements**

Planned-order receipts

Planned-order releases

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

Which of the following refers to the planned amount to order in each time period?

Gross requirements

Net requirements

Planned-order receipts

**Planned-order releases**

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

MRP secondary reports include all of the following EXCEPT:

Performance control reports

Planning reports

Exception reports

**Planned order reports**

**Question No: 34 ( Marks: 1 ) - Please choose one**

ERP stands for which of the following?

**Enterprise Resource Planning**

Enterprise Requirements Planning

Equal Resource Planning

Equal Requirements Planning

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

Which kind of production system is undertaken by JIT (Just In Time) production?

Intermittent processing

Job shop processing

**Repetitive processing**

Batch processing

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

Which of the following factors does NOT impact the supply chain?

Increased competition

**Reduced number of suppliers**

Technology improvement

Aging of the population

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

Scheduling is a function of which of the following?

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Volume of systems output

Nature of systems output

**Timing of systems output**

Value of systems output

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

Which of the following refers to time needed for setup and processing of a job?

Standard time

**Job time**

Setup time

Slack time

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

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

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

Which of the following relates to an organizational structure based on teams formed specifically for projects?

**Project matrix structure**

Project structure

Functional structure

Balanced matrix structure

**Question No: 41 ( Marks: 1 ) - Please choose one**

Which of the following is NOT a limitation of PERT?

Omission of critical activities

**Correct precedence relationships**

Sole reliance on critical path

Inclusion of a fudge factor

**Question No: 42 ( Marks: 1 ) - Please choose one**

Which of the following refers to business scope creep?

Customer retention

**Customer pleasing**

Customer expectation

<http://vustudents.ning.com>

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Customer needs

**FINAL TERM EXAMINATION**

Fall 2008

MGT613- Production / Operations Management (Session - 1)

**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**

An organization has describe its distinctive characteristic now what is the next step in

strategy formulation process?

Competitor s distinctiveness

Selecting the market segment

**Environmental scanning**

Productivity Measures

**Question No: 3 ( 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: 4 ( Marks: 1 ) - Please choose one**

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

Time dimension

<http://vustudents.ning.com>

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Reliability factor

**Degree of accuracy**

Measuring units

**Question No: 5 ( 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 MINIMAX regret approach?

**Rs. 12,000**

Rs. 6,000

Rs. 5,000

Rs. 16,000

**Question No: 6 ( 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: 7 ( 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: 8 ( 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

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

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

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Product life cycle is based on which of the following components?

Place

**Demand**

Supply

Price

**Question No: 10 ( 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

**REFERENCE**

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

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

because:

A group is compose of a number of items

A group exhibits a uniform behavior

**Forecasting errors among items in a group have a canceling effect**

A group behavior is relatively less uncertain

**Question No: 12 ( 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: 13 ( Marks: 1 ) - Please choose one**

Who emphasized quality in terms of inspection and gauging?

G.S. Radford

W. Shewhart

**F.W. Taylor**

W.E. Deming

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

Which of the following word is the meaning of the term Poka Yoke ?

**Mistake proof**

Low quality

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Defective

Expensive

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

Which of the following statement defines process re-design?

It is collecting information, identifying each step and finding inputs and outputs of process

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or

duplicating activities

**It relates with taking a fresh approach to solve an issue on hand**

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

Which of the following statement defines process analysis?

It is collecting information, identifying each step and finding inputs and outputs of process

It is collecting information about cost reduction and improving the

defects

**It relates to asking questions about process flow and identifying missing or**

**duplicating activities**

It relates with taking a fresh approach to solve an issue on hand

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

The well-known Deming wheel is also referred to as:

Juran s cycle

Crosby s cycle

Ishikawa s cycle

**Shewhart s cycle**

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

Which of the following refers to the inherent variability in a process?

Control limits

Process capability

**Chance causes of variation**

Assignable causes of variation

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

Which of the following refers to a variation resulted from an identifiable cause?

Random variation

Regular variation

Irregular variation

**Assignable variation**

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

Which of the following refers to the average of accepted lots and rejected lots?

Acceptable Quality Level (AQL)

Lot Tolerance Percent Defective (LTPD)

**Average Outgoing Quality (AOQ)**

Average Outgoing Quality Limit (AOQL)

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

If the costs of inspection are higher than costs of obtaining the sample

---

sampling should be used.

Random

Single

Double

**Multiple**

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

Identify the set of factors that affect the choice of a strategy for aggregate planning.

Cost and corporate policy

Cost and location analysis

**Cost and capacity constraints**

Cost and training of employees

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

Which of the following mathematical expressions can be employed to compute

backorder cost?

Backorder cost per unit + number of backordered units

Backorder cost per unit - number of backordered units

Backorder cost per unit  $\div$  number of backordered units

**Backorder cost per unit  $\times$  number of backordered units**

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

What would be the total cost of inventory, if a firm holds 600 units of a product A ,

where the carrying cost is Rs. 3 per unit?

Rs. 200

**Rs. 1800**

Rs. 597

Rs. 603

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

What would be the total backorder cost, if 400 units of a product A are ordered back

where the back order cost is Rs. 4 per unit?

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Rs. 100

Rs. 396

Rs. 404

**Rs. 1600**

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

Which of the following is an advantage of perpetual inventory system?

Periodic review of inventory

**Economies in shipping orders**

Fixed order quantity

Low cost of record keeping

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

Which of the following refers to the costs incurred to get the equipment ready for the next job?

Accepting cost

Holding cost

Shortage cost

**Setup cost**

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

Which one of the following mathematical expressions can be employed to compute annual carrying cost?

$(Q-2)H$

$(Q+2)H$

**$(Q \div 2)H$**

$(Q \times 2)/H$

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

According to ABC classification system for inventory management, which of the following groups of items represents high value inventory items?

**Group A**

Group B

Group C

Group X

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

All of the following are common types of inventories Except:

Raw material

Work in transit

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Work in progress

**Scrapped work**

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

EPP stands for which of the following?

**Economic Part Period**

Economic Production Period

Equal Production Period

Equal Part Period

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

ERP stands for which of the following?

**Enterprise Resource Planning**

Enterprise Requirements Planning

Equal Resource Planning

Equal Requirements Planning

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

JIT stands for which of the following?

**Just In Time**

Just In Test

Job In Time

Job Inventory Time

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which of the following is widely accepted as an effective planning method of all

resources of a manufacturing firm?

Enterprise Resource Planning

Material Requirements Planning

Material Requirements Planning I I [

**Manufacturing Resource Planning**

(

**MRP II**

)]

Master Production Schedule

**Manufacturing Resource Planning**

(

**MRP II**

) is defined and accepted by professionals

as a method for the effective planning of all resources of a manufacturing company.

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

Which of the following formula is correct for Kanban system?

$$N=DX$$

$$(1+$$

$$T$$

$$)/C$$

$$N=DC$$

$$(1 +$$

$$X$$

$$)/T$$

$$N=DT$$

$$(1 +$$

$$X$$

$$)/C$$

$$N=DT$$

$$(1 +$$

$$C$$

$$)/X$$

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

EDI stands for which of the following?

Enterprise Data Interchange

Economic Data Interchange

Equal Data Interchange

**Electronic Data Interchange**

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

Which of the following is a system for inventory management and distribution planning?

Electronic Data Interchange (EDI)

Enterprise Resource Planning (ERP)

**Distribution Resource Planning (DRP)**

Materials Resource Planning (MRP)

Distribution requirements planning (DRP) is a system for inventory management and distribution

planning. Extends the concepts of MRPII.

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

Which of the following refers to an area where a person works with

special equipment on  
a specialized job?

Workshop

Work area

Workplace

**Workstation**

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

Which of the following is TRUE about a project activity?

**It is a unique, one-time activity**

It is static in nature

It is often simple to outline

It is a set of unrelated tasks

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

Successful project management includes all of the following factors

EXCEPT:

**Interchangeable staff**

Competent team members

Responsiveness to clients

Control mechanisms

**Question No: 41 ( Marks: 1 ) - Please choose one**

Network activities are used to determine all of the following EXCEPT:

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Expected project duration

Slack time

Critical path

**Budgeted cost**

**Question No: 42 ( Marks: 1 ) - Please choose one**

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

Program evaluation and review technique

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## **FINAL TERM EXAMINATION**

Fall 2008

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

**Reference from wikipedia:**

**Strategic or institutional management**

is the conduct of drafting, implementing and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives

**By umeed-e subh**

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

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

Capital

**Energy**

Labor

Machine

**Question No: 3 ( 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: 4 ( Marks: 1 ) - Please choose one**

Which one of the following is an outcome of Maximax?

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The best of the worst possible payoff

**The best possible payoff**

The best average payoff

The least of the worst regrets

**Question No: 5 ( 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

**REFERENCE**

**By umeed-e subh**

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

Which one of the following is a possible disadvantage of a moving average forecast?

**The method is unable to forecast the demand accurately**

The method is easy to compute and easy to understand

All the values in the average are weighted equally

The most recent values are given the more weighted

**Question No: 7 ( 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: 8 ( Marks: 1 ) - Please choose one**

**(Ans required)**

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

variety to high volume/low variety?

Fixed position, process, cell, product

Fixed position, cell, process, product

Fixed position, process, product, cell

Process, fixed position, cell, product

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

Which one of the following designs resists modifications?

**Frozen design**

Product design

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Service design

Robust design

**Question No: 10 ( 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: 11 ( 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: 12 ( 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: 13 ( Marks: 1 ) - Please choose one**

Who emphasized quality in terms of inspection and gauging?

G.S. Radford

W. Shewhart

**F.W. Taylor**

W.E. Deming

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

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

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

Which of the following is NOT true about TQM?

**Focused on worker s activity rather than management**

Meeting the needs and expectations of customers

Inclusion of every person in the organization

Covering all the functional areas of the organization

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

Which of the following involves incremental changes within the organization whose

cumulative effect is to deliver an increased rate of performance enhancement?

**Continuous improvement**

Competitive benchmarking

Business process re-engineering

Statistical process control

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

Which of the following terms reflects Japanese view of continuous improvement?

**Kaizen**

Poka-yoke

Six sigma

Inspection

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

Problem solving is an example of which of the following?

**Internal failure cost (not sure)**

External failure cost

Prevention cost

Appraisal cost

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

Which of the following statement defines process analysis?

It is collecting information, identifying each step and finding inputs and outputs of

process

It is collecting information about cost reduction and improving the defects

**It relates to asking questions about process flow and identifying missing or**

**duplicating activities**

It relates with taking a fresh approach to solve an issue on hand

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

The well-known Deming wheel is also referred to as:

Juran s cycle

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Crosby s cycle

Ishikawa s cycle

**Shewhart s cycle**

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

Which of the following refers to the upper limit on the percentage of defects that a

customer is willing to accept?

Acceptable Quality Level (AQL)

**Lot Tolerance Percent Defective (LTPD)**

Average Outgoing Quality (AOQ)

Average Outgoing Quality Limit (AOQL)

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

Aggregate planning usually covers time span of how many months?

**2 12 months**

2 15 months

2 16 months

2 17 months

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

Identify the mathematical expression to determine the number of workers in a given

period. Where a = Number of workers at the end of previous period, b = Number of new

workers at the start of the period,  $c$  = Number of laid-off workers at the start of the period

**$a + b - c$**

$a + b + c$

$a - b + c$

$a - b - c$

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

What would be the total cost of inventory, if a firm holds 200 units of a product A ,  
where the carrying cost is Rs. 2 per unit?

Rs. 202

Rs. 100

Rs. 198

**Rs. 400**

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

Which of the following time fences in a Master Production Schedule (MPS) allows  
many? Variations in products with multiple changes?

Fixed time fence

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Moderately firm time fence

Frozen time fence

**Flexible time fence**

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

Which of the following mathematical expressions can be employed to  
compute inventory  
cost?

Carrying cost per unit + average inventory cost

**Carrying cost per unit  $\times$  average inventory cost**

Carrying cost per unit  $\div$  average inventory cost

Carrying cost per unit average inventory cost

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

The cost of a particular plan for a given period can be computed by  
using which one of  
the following expressions?

Output cost + hire/layoff cost + inventory cost backorder cost

**Output cost + hire/layoff cost + inventory cost + backorder cost**

Output cost - hire/layoff cost + inventory cost + backorder cost

Output cost + hire/layoff cost - inventory cost + backorder cost

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

Which of the following is the costs of carrying an item in inventory for a specific period of time?

Ordering cost

**Holding cost**

Shortage cost

Stock out cost

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

Which one of the following mathematical expressions can be employed to compute annual carrying cost?

$(Q-2)H$

$(Q+2)H$

**$(Q \div 2)H$**

$(Q \times 2)/H$

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

In which of the following systems an item s inventory is stored at two different locations?

Optional replenishment system

Base stock system

**Two bin system**

Universal bar code system method

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

Which of the following is known as a visual representation of the requirements in a bill of materials having all the components listed in levels?

Master production schedule

Material requirements planning

**Product structure tree**

Inventory status record

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

Which of the following refers to the quantity expected to be received by the beginning of the period in which it is shown?

Gross requirements

Net requirements

**Planned-order receipts**

Planned-order releases

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

ERP stands for which of the following?

**Enterprise Resource Planning**

Enterprise Requirements Planning

Equal Resource Planning

Equal Requirements Planning

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which kind of production system is undertaken by JIT (Just In Time) production?

Intermittent processing

Job shop processing

**Repetitive processing**

Batch processing

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

Which of the following refers to a card or device that communicates demand for work or materials from the preceding station?

**Kanban**

Kaizen

Inventory file

Master schedule

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

DRP stands for which of the following?

Demand Requirements Planning

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**Distribution Requirement Planning**

Dividend Requirements Planning

Data Resource Planning



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

Which one of the following is a condition for a successful supply chain?

A large number of suppliers

Many short-term contracts

**Trust among trading partners**

Continuous competitive bidding

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

Which of the following refers to the length of time, a job is in the shop at a particular workstation?

Slack time

Lead time

**Job flow time**

Make-span

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

Which one of the following is focused to reduce the incidence of failures in the plant or equipment to avoid the associated costs?

Reactive maintenance

Total productive maintenance

**Preventive maintenance**

Predictive maintenance

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

Successful project management includes all of the following factors EXCEPT:

**Interchangeable staff**

Competent team members

Responsiveness to clients

Control mechanisms

**Question No: 41 ( Marks: 1 ) - Please choose one**

Which of the following relates to delegation of responsibility to an organizational department for a project?

**Project structure**

Functional structure

Balanced matrix structure

Project matrix structure

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**Question No: 42 ( Marks: 1 ) - Please choose one**

Which of the following refers to the longest path taken for the project to complete?

Sensitive path

Coverage path

**Critical path**

Permanent path

## **MGT613 Online Quiz#3 From Lecture# 1 to 25**

Question # 1 of 15 ( Start time: 12:54:05 AM ) Total Marks: 1

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

Select correct option:

Maximin

**Maxima x**

Minimax regret

Laplace

Question # 2 of 15 ( Start time: 12:54:37 AM ) 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 # 3 of 15 ( Start time: 12:55:09 AM ) Total Marks: 1

All of the following are examples of transformation process EXCEPT:

Select correct option:

Cutting

Packing

**Facilitating**

Lab eling

Question # 4 of 15 ( Start time: 12:55:48 AM ) 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**

Question # 5 of 15 ( Start time: 12:56:23 AM ) 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 # 6 of 15 ( Start time: 12:56:53 AM ) Total Marks: 1

Four important pillars capital, quality, \_\_\_\_\_ and technolog y. are responsible for positively as well as negatively affecting on the Productivity of the organization.

Select correct option:

Customers

Process

System

**Management**

Question # 7 of 15 ( Start time: 12:57:48 AM ) Total Marks: 1

“Business forecasting is only used fo r predicting demand”. This statement is

Select correct option:

Totally right

**Totally wrong**

Partially right

None of the above

Question # 8 of 15 ( Start time: 12:58:29 AM ) Total Marks: 1

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

Select correct option:

Time series

Delphi

**Naïve**

Associative

Question # 9 of 15 ( Start time: 12:59:11 AM ) Total Marks: 1

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 # 10 of 15 ( Start time: 01:00:07 AM ) 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

Question # 11 of 15 ( Start time: 01:00:59 AM ) Total Marks: 1

As the time horizon increases the accuracy of the forecast:

Select correct option:

**Decreases**

Increases

Is not affected with time horizon

None of the above

Question # 12 of 15 ( Start time: 01:01:33 AM ) 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

Question # 13 of 15 ( Start time: 01:02:25 AM ) Total Marks: 1

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

Select correct option:

**Inputs**

Transformation

Outputs

Productivity

Question # 14 of 15 ( Start time: 01:02:54 AM ) Total Marks: 1

Forecasting or prediction for organizations will always be:

Select correct option:

Failure

Success

**Sometimes failure and sometimes success**

Complex

Question # 15 of 15 ( Start time: 01:04:04 AM ) 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 # 1 of 15 ( Start time: 01:09:46 AM ) Total Marks: 1

Suppose an operations manager is having a pessimistic approach of decision making under uncertain conditions.

What approach

he will follow for decision making?

Select correct option:

**Maximin**

Maximax

Laplace

Non of the above

Question # 2 of 15 ( Start time: 01:10:44 AM ) 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

Question # 3 of 15 ( Start time: 01:11:30 AM ) Total Marks: 1

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

Question # 4 of 15 ( Start time: 01:12:52 AM ) Total Marks: 1

The three major business functions necessary to all organizations are:

Select correct option:

Accounting, personnel, operations

Marketing, finance/accounting, operations

Marketing, accounting, personnel

**Marketing, finance, operations**

Question # 5 of 15 ( Start time: 01:21:30 AM ) Total Marks: 1

In forecasting, planning the use of system relates to the \_\_\_\_\_ plans.

Select correct option:

Long term

**Short term**

Both long and short term

None of the above

Question # 6 of 15 ( Start time: 01:22:33 AM ) Total Marks: 1

What are the ways to promote growth of an y or ganization in terms of its output?

Select correct option:

Bring additional inputs into production

Increase productivity

**Both A & B**

Non of the above

Question # 7 of 15 ( Start time: 01:24:02 AM ) Total Marks: 1

Which of the following is the main source of a poor decision making by the managers?

Select correct option:

Failure to ch eck their facts

Failure to plan for unexpected events

Failure to conn ect the problem to the overall strategy

**All of the above**

Question # 8 of 15 ( Start time: 01:25:09 AM ) 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 # 9 of 15 ( Start time: 01:25:31 AM ) Total Marks: 1

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 # 10 of 15 ( Start time: 01:25:53 AM ) Total Marks: 1

The concept of Agile organization refers to:

Select correct option:

Flexibility

Quality

**Quick Response**

Profitability

Question # 11 of 15 ( Start time: 01:26:48 AM ) 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**

Reliability

Operations ratio

Question # 12 of 15 ( Start time: 01:28:03 AM ) Total Marks: 1

Decision Tree is read from:

Select correct option:

Right to left

**Left to right**

Top to bottom

Bottom to top

Question # 13 of 15 ( Start time: 01:28:32 AM ) Total Marks: 1

Completion of any operations depends upon the slowest process in the assembly line. What operations managers need to do in order to be successful?

Select correct option:

**Target and eliminate bottlenecks**

Identify the bottlenecks

Make slowest process more slow

Non of the above

Question # 14 of 15 ( Start time: 01:29:10 AM ) 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**

Question # 15 of 15 ( Start time: 01:29:38 AM ) Total Marks: 1

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

Select correct option:

**Planning**

Organizing

Leading

Controlling

Question # 1 of 15 ( Start time: 01:37:22 AM ) 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**

Question # 2 of 15 ( Start time: 01:38:22 AM ) Total Marks: 1

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

Question # 3 of 15 ( Start time: 01:39:20 AM ) 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

Question # 4 of 15 ( Start time: 01:39:45 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

Question # 5 of 15 ( Start time: 01:40:34 AM ) Total Marks: 1

The systematic processing of data to yield information is a part of \_\_\_\_\_.

Select correct option:

Management science

**Information sciences**

Industrial engineering

Scientific management

Question # 6 of 15 ( Start time: 01:41:58 AM ) Total Marks: 1

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

Question # 7 of 15 ( Start time: 01:45:54 AM ) Total Marks: 1

Productivity ratios are used for planning workforce requirements, scheduling equipments and \_\_\_\_\_.

Select correct option:

Satisfying customers

**Financial analysis**

Management decisions

None of the above

Question # 8 of 15 ( Start time: 01:46:33 AM ) Total Marks: 1

A term strategy is referred to as

Select correct option:

The goal that is to be achieved

A functional area of the firm

**An action plan to achieve a mission**

The purpose for which an organization is established

Question # 9 of 15 ( Start time: 01:47:09 AM ) Total Marks: 1

The three major business functions necessary to all organizations are:

Select correct option:

Accounting, personnel, operations

Marketing, finance/accounting, operations

Marketing, accounting, personnel

**Marketing, finance, operations**

Question # 10 of 15 ( Start time: 01:47:34 AM ) Total Marks: 1

Following are all examples of distinctive competencies EXCEPT;

Select correct option:

Price

**Note:**

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Quality

**Planning**

Flexibility

Question # 11 of 15 ( Start time: 01:48:51 AM ) Total Marks: 1

Which of the following provide guidance and directions for carrying out operations?

Select correct option:

**Tactics**

Strategies

Policies

Mission

Question # 12 of 15 ( Start time: 01:49:28 AM ) 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

Question # 13 of 15 ( Start time: 01:50:04 AM ) Total Marks: 1

\_\_\_\_\_ allows the managers to anticipate the future so that they can plan accordingly.

Select correct option:

Planning

Controlling

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**Forecasting**

Organizing

Question # 14 of 15 ( Start time: 01:50:35 AM ) 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

Question # 15 of 15 ( Start time: 01:51:13 AM ) 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 # 1 of 15 ( Start time: 01:37:22 AM ) 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**

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Question # 2 of 15 ( Start time: 01:38:22 AM ) Total Marks: 1

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

Question # 3 of 15 ( Start time: 01:39:20 AM ) 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

Question # 4 of 15 ( Start time: 01:39:45 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

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Question # 5 of 15 ( Start time: 01:40:34 AM ) Total Marks: 1

The systematic processing of data to yield information is a part of \_\_\_\_\_.

Select correct option:

Management science

**Information sciences**

Industrial engineering

Scientific management

Question # 6 of 15 ( Start time: 01:41:58 AM ) Total Marks: 1

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

Question # 7 of 15 ( Start time: 01:45:54 AM ) Total Marks: 1

Productivity ratios are used for planning workforce requirements, scheduling equipments and \_\_\_\_\_.

Select correct option:

Satisfying customers

**Financial analysis**

Management decisions

None of the above

***Note:***

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Question # 8 of 15 ( Start time: 01:46:33 AM ) Total Marks: 1

A term strategy is referred to as

Select correct option:

The goal that is to be achieved

A functional area of the firm

**An action plan to achieve a mission**

The purpose for which an organization is established

Question # 9 of 15 ( Start time: 01:47:09 AM ) Total Marks: 1

The three major business functions necessary to all organizations are:

Select correct option:

Accounting, personnel, operations

Marketing, finance/accounting, operations

Marketing, accounting, personnel

**Marketing, finance, operations**

Question # 10 of 15 ( Start time: 01:47:34 AM ) Total Marks: 1

Following are all examples of distinctive competencies EXCEPT;

Select correct option:

Price

Quality

**Planning**

Flexibility

Question # 11 of 15 ( Start time: 01:48:51 AM ) Total Marks: 1

Which of the following provide guidance and directions for carrying out operations?

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Select correct option:

**Tactics**

Strategies

Policies

Mission

Question # 12 of 15 ( Start time: 01:49:28 AM ) 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

Question # 13 of 15 ( Start time: 01:50:04 AM ) Total Marks: 1

\_\_\_\_\_ allows the managers to anticipate the future so that they can plan accordingly.

Select correct option:

Planning

Controlling

**Forecasting**

Organizing

Question # 14 of 15 ( Start time: 01:50:35 AM ) Total Marks: 1

The productivity measure output/ (labor + machine) will be named as:

**Note:**

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Select correct option:

Partial measure

**Multifactor measure**

Total measure

None of the above

Question # 15 of 15 ( Start time: 01:51:13 AM ) 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 # 1 of 15 ( Start time: 01:55:37 AM ) Total Marks: 1

Decision Tree is read from:

Select correct option:

Right to left

**Left to right**

Top to bottom

Bottom to top

Question # 2 of 15 ( Start time: 01:55:58 AM ) Total Marks: 1

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

**Note:**

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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 # 3 of 15 ( Start time: 01:56:18 AM ) Total Marks: 1

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.**

Question # 4 of 15 ( Start time: 01:56:41 AM ) Total Marks: 1

The concept of Agile organization refers to:

Select correct option:

Flexibility

Quality

**Quick Response**

Profitability

Question # 5 of 15 ( Start time: 01:56:59 AM ) Total Marks: 1

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

Select correct option:

Flexibility + profit+ operations

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Work + profit + value

**Quality + speed + flexibility**

Profit + Incentives + standards

Question # 6 of 15 ( Start time: 01:57:24 AM ) Total Marks: 1

A term strategy is referred to as

Select correct option:

The goal that is to be achieved

A functional area of the firm

**An action plan to achieve a mission**

The purpose for which an organization is established

Question # 1 of 15 ( Start time: 03:18:02 AM ) Total Marks: 1

Which one of the following is not a step of decision process:

Select correct option:

Specify objectives

**Determine the product of chance probabilities**

Analyze and select alternative

Implement and monitor the result

Question # 2 of 15 ( Start time: 03:18:53 AM ) Total Marks: 1

Collaborative Planning, Forecasting, and Replenishment (CPFR) a Web based tool used to coordinate demand forecasting,

\_\_\_\_\_ and inventory replenishment between supply chain trading partners.

Select correct option:

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**Production and purchase planning**

Demand and supply planning

Quantitative forecasting

Demand management

Question # 3 of 15 ( Start time: 03:19:40 AM ) Total Marks: 1

Forecasting or prediction for organizations will always be:

Select correct option:

Failure

Success

Sometimes failure and sometimes success

Complex

Question # 4 of 15 ( Start time: 03:21:27 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**

Question # 5 of 15 ( Start time: 03:21:54 AM ) Total Marks: 1

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

Select correct option:

Maximin

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**Maxima x**

Minimax regret

Laplace

Question # 6 of 15 ( Start time: 03:22:19 AM ) 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 # 7 of 15 ( Start time: 03:23:02 AM ) Total Marks: 1

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

Select correct option:

**Delphi method**

Time series method

Exponential smoothing

Associative model

Question # 8 of 15 ( Start time: 03:23:41 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**

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The task is more quantitative and repetitive

The task is more physical and tangible

The task is more good-producing and standardized

Question # 9 of 15 ( Start time: 03:24:31 AM ) Total Marks: 1

The companies that are competing on cost, their chance to gain the competitive advantage over their competitors is:

Select correct option:

Based on flexibility

Based on uniqueness of their products

Based on reliability of scheduling

**Based upon low cost leadership**

Question # 10 of 15 ( Start time: 03:25:03 AM ) Total Marks: 1

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

Select correct option:

Time series

Delphi

**Naïve**

Associative

Question # 11 of 15 ( Start time: 03:26:04 AM ) Total Marks: 1

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

Select correct option:

**Qualitative**

Quantitative

Associative

Trend forecast

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Question # 12 of 15 ( Start time: 03:26:57 AM ) Total Marks: 1

Forecasting accuracy has \_\_\_\_\_ relation with time horizon.

Select correct option:

**Inverse**

Linear

Direct

Parallel

Question # 13 of 15 ( Start time: 03:27:35 AM ) Total Marks: 1

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

Select correct option:

**Capital**

Energy

Labour

Machine

Question # 14 of 15 ( Start time: 03:28:07 AM ) Total Marks: 1

Productivity ratios are used for planning workforce requirements, scheduling equipments and \_\_\_\_\_.

Select correct option:

Satisfying customers

**Financial analysis**

Management decisions

None of the above

Question # 15 of 15 ( Start time: 03:29:06 AM ) Total Marks: 1

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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

Question # 1 of 15 ( Start time: 03:31:04 AM ) 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 # 2 of 15 ( Start time: 03:32:27 AM ) Total Marks: 1

The systematic processing of data to yield information is a part of \_\_\_\_\_.

Select correct option:

Management science

**Information sciences**

Industrial engineering

Scientific management

Question # 3 of 15 ( Start time: 03:33:16 AM ) Total Marks: 1

“Business forecasting is only used for predicting demand”. This statement is

Select correct option:

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Totally right

**Totally wrong**

Partially right

None of the above

Question # 4 of 15 ( Start time: 03:33:36 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

Question # 5 of 15 ( Start time: 03:34:46 AM ) Total Marks: 1

All of the following are examples of transformation process EXCEPT:

Select correct option:

Cutting

Packing

**Facilitating**

Lab eling

Question # 6 of 15 ( Start time: 03:35:09 AM ) Total Marks: 1

The concept of Agile organization refers to:

Select correct option:

Flexibility

Quality

**Quick Response**

**Note:**

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Profitability

Question # 7 of 15 ( Start time: 03:35:28 AM ) Total Marks: 1

The industrial revolution came into;

Select correct option:

**1770**

1920

1911

1815

Question # 8 of 15 ( Start time: 03:35:45 AM ) Total Marks: 1

The operational strategy must be in line with the:

Select correct option:

Department goals

**Organizational goals**

Management goals

None of the above

Question # 9 of 15 ( Start time: 03:36:34 AM ) Total Marks: 1

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

Select correct option:

**Delphi method**

Time series method

Exponential smoothing

Associative model

Question # 10 of 15 ( Start time: 03:36:52 AM ) Total Marks: 1

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



Select correct option:

Budgeting

Capacity planning

Inventory management

**Quality control**

Question # 11 of 15 ( Start time: 03:38:05 AM ) 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

Question # 12 of 15 ( Start time: 03:38:52 AM ) Total Marks: 1

Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs

Qualitative technique

**Quantitative technique**

Delphi method

Question # 13 of 15 ( Start time: 03:39:20 AM ) Total Marks: 1

Completion of any operations depends upon the slowest process in the assembly line. What operations managers need to do in

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order to be successful?

Select correct option:

**Target and eliminate bottlenecks**

Identify the bottlenecks

Make slowest process more slow

Non of the above

Question # 14 of 15 ( Start time: 03:39:40 AM ) Total Marks: 1

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

Question # 15 of 15 ( Start time: 03:40:07 AM ) Total Marks: 1

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

Select correct option:

**Planning**

Organizing

Leading

Controlling

Question # 1 of 15 ( Start time: 03:41:54 AM ) Total Marks: 1

Group Consensus relates to which of the following judgmental forecasting technique?

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Select correct option:

Sales force

Consumer surveys

**Delphi method**

Executive opinions

Question # 2 of 15 ( Start time: 03:42:22 AM ) 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

Question # 3 of 15 ( Start time: 03:43:03 AM ) 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

**Note:**

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Question # 4 of 15 ( Start time: 03:43:26 AM ) Total Marks: 1

The method that uses explanatory variables to predict the future is known as:

Select correct option:

Delphi method

Naïve forecast

**Associative model**

Judgmental forecast

Question # 5 of 15 ( Start time: 03:44:25 AM ) Total Marks: 1

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

Select correct option:

Informations

**Services**

Facilities

Materials

Question # 6 of 15 ( Start time: 03:45:29 AM ) Total Marks: 1

The ratio of the real value of output to the combined input of labor and capital is called:

Select correct option:

Labor Productivity

Capital Productivity

Energy Productivity

**Multifactor Productivity**

Question # 7 of 15 ( Start time: 03:45:53 AM ) Total Marks: 1

The industrial revolution came into;

Select correct option:

**Note:**

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**1770**

1920

1911

1815

Question # 8 of 15 ( Start time: 03:46:11 AM ) Total Marks: 1

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

Question # 9 of 15 ( Start time: 03:46:44 AM ) 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

Question # 10 of 15 ( Start time: 03:47:35 AM ) 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

**Note:**

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**Operations**

Manufacturing

Production

Question # 11 of 15 ( Start time: 03:47:55 AM ) Total Marks: 1

The method that considers several variables related to the variable being predicted is:

Select correct option:

Exponential smoothing

Weighted moving average

**Multiple regressions**

Moving average

Question # 12 of 15 ( Start time: 03:49:03 AM ) Total Marks: 1

Which of the following provide guidance and directions for carrying out operations?

Select correct option:

**Tactics**

Strategies

Policies

Mission

Question # 13 of 15 ( Start time: 03:49:26 AM ) Total Marks: 1

The pioneers of transforming management to scientific domain are:

Select correct option:

Fredrick Taylor

Lillian and Frank Gilbreths

Henry Fayol

**Both A & B**

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Question # 14 of 15 ( Start time: 03:50:29 AM ) Total Marks: 1

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

Select correct option:

**Delphi method**

Time series method

Exponential smoothing

Associative model

Question # 15 of 15 ( Start time: 03:50:56 AM ) 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 # 1 of 15 ( Start time: 03:52:43 AM ) Total Marks: 1

Productivity refers to the ratio of output to input, in your views what are the measures by which productivity can be increased?

Select correct option:

Inputs increase while outputs remain the same

Outputs decrease while inputs remain the same

Inputs and outputs increase proportionately

**Inputs decrease while outputs remain the same**

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Question # 2 of 15 ( Start time: 03:53:58 AM ) Total Marks: 1

The ratio of the real value of output to the combined input of labor and capital is called:

Select correct option:

Labor Productivity

Capital Productivity

Energy Productivity

**Multifactor Productivity**

Question # 3 of 15 ( Start time: 03:55:23 AM ) Total Marks: 1

Which of the following provide guidance and directions for carrying out operations?

Select correct option:

**Tactics**

Strategies

Policies

Mission

Question # 4 of 15 ( Start time: 03:55:49 AM ) Total Marks: 1

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

Question # 5 of 15 ( Start time: 03:57:12 AM ) Total Marks: 1

The forecasting time horizon that would typically be easiest to predict would

be:

Select correct option:

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Medium-range

Long-range

**Short-range**

Intermediate range

Question # 6 of 15 ( Start time: 03:58:05 AM ) 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**

Question # 7 of 15 ( Start time: 03:58:39 AM ) Total Marks: 1

Forecasts help managers by reducing the degree of:

Select correct option:

Accuracy

Precision

**Uncertainty**

Reliability

Question # 8 of 15 ( Start time: 03:59:03 AM ) Total Marks: 1

Which of the following includes the quantitative methods of forecasting?

Select correct option:

Sales force composite

**Exponential smoothing**

Consumer market survey

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Jury of executive opinion

Question # 9 of 15 ( Start time: 03:59:43 AM ) 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

Question # 10 of 15 ( Start time: 04:00:42 AM ) Total Marks: 1

Group Consensus relates to which of the following judgmental forecasting technique?

Select correct option:

Sales force

Consumer surveys

**Delphi method**

Executive opinions

Question # 11 of 15 ( Start time: 04:01:26 AM ) Total Marks: 1

Flexible operations comes under the example of:

Select correct option:

**Strategy**

Tactics

Mission

Goals

Question # 12 of 15 ( Start time: 04:02:34 AM ) Total Marks: 1

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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

Question # 13 of 15 ( Start time: 04:03:08 AM ) Total Marks: 1

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**

Question # 14 of 15 ( Start time: 04:03:37 AM ) 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

Question # 15 of 15 ( Start time: 04:03:55 AM ) Total Marks: 1

The operational strategy must be in line with the:

Select correct option:

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Department goals

**Organizational goals**

Management goals

None of the above

Question # 1 of 15 ( Start time: 04:22:44 AM ) Total Marks: 1

Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs

Qualitative technique

**Quantitative technique**

Delphi method

Question # 2 of 15 ( Start time: 04:23:08 AM ) 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 # 3 of 15 ( Start time: 04:23:31 AM ) Total Marks: 1

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

Select correct option:

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

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Question # 4 of 15 ( Start time: 04:24:26 AM ) 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

Question # 5 of 15 ( Start time: 04:25:05 AM ) 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**

Reliability

Operations ratio

Question # 6 of 15 ( Start time: 04:25:27 AM ) Total Marks: 1

Productivity refers to the ratio of output to input, in your views what are the measures by which productivity can be increased?

Select correct option:

Inputs increase while outputs remain the same

Outputs decrease while inputs remain the same

Inputs and outputs increase proportionately

**Inputs decrease while outputs remain the same**

Question # 7 of 15 ( Start time: 04:26:01 AM ) Total Marks: 1

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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

Question # 8 of 15 ( Start time: 04:26:40 AM ) Total Marks: 1

Overall broad picture o f the organization is depicted by its \_\_\_\_\_ that provides detailed and broader scope.

Select correct option:

Operations strategy

**Organizational strategy**

Marketing strategy

Manufacturing units

Question # 9 of 15 ( Start time: 04:27:26 AM ) Total Marks: 1

The forecasting model that is based upon estimates of salesperson's ex pected sales is likely to be called \_\_\_\_\_.

Select correct option:

Delphi method

**Sales force combination**

Consumer market survey

Panel of executive opinion

Question # 10 of 15 ( Start time: 04:27:52 AM ) Total Marks: 1

The industrial revolution came into;

Select correct option:

**1770**

1920

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1911

1815

Question # 11 of 15 ( Start time: 04:28:11 AM ) Total Marks: 1

All of the following are examples of Qualitative forecasting except:

Select correct option:

Judgmental

Delphi Method

Consumer Survey

**Naïve Forecasting**

Question # 12 of 15 ( Start time: 04:29:28 AM ) Total Marks: 1

\_\_\_\_\_ allows the managers to anticipate the future so that they can plan accordingly.

Select correct option:

Planning

Controlling

**Forecasting**

Organizing

Question # 13 of 15 ( Start time: 04:29:57 AM ) Total Marks: 1

Planning workforce requirements, scheduling of the equipment and financial analysis are the major uses of\_\_\_\_\_.

Select correct option:

**Productivity ratios**

Productivity Growth

Multifactor productivity

Operations strategy

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Question # 14 of 15 ( Start time: 04:31:07 AM ) 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: 04:31:55 AM ) Total Marks: 1

Four important pillars capital, quality, \_\_\_\_\_ and technology are responsible for positively as well as

negatively affecting on the Productivity of the organization.

Select correct option:

Customers

Process

System

**Management**

Question # 1 of 15 ( Start time: 04:33:17 AM ) Total Marks: 1

The forecasting time horizon that would typically be easiest to predict would be:

Select correct option:

Medium-range

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Long-range

**Short-range**

Intermediate range

Question # 2 of 15 ( Start time: 04:33:40 AM ) Total Marks: 1

Planning workforce requirements, scheduling of the equipment and financial analysis are the major uses of\_\_\_\_\_.

Select correct option:

**Productivity ratios**

Productivity Growth

Multifactor productivity

Operations strategy

Question # 3 of 15 ( Start time: 04:34:00 AM ) Total Marks: 1

“What business are we in?” This statement will come under:

Select correct option:

**Mission Statement**

Goals

Tactics

Strategies

Question # 4 of 15 ( Start time: 04:34:27 AM ) Total Marks: 1

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

Select correct option:

**Tangibility**

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Perishability

Simultaneity

Degree of customer contact

Question # 5 of 15 ( Start time: 04:34:56 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

Question # 6 of 15 ( Start time: 04:35:28 AM ) Total Marks: 1

Which one of the following is NOT used for decision making under uncertainty?

Select correct option:

Maximax

Mmaximin

Mminimax regret

**EMV criterion**

Question # 7 of 15 ( Start time: 04:36:39 AM ) Total Marks: 1

In forecasting, planning the use of system relates to the \_\_\_\_\_ plans.

Select correct option:

Long term

**Short term**

Both long and short term

None of the above

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Question # 8 of 15 ( Start time: 04:37:44 AM ) Total Marks: 1

The three major business functions necessary to all organizations are:

Select correct option:

Accounting, personnel, operations

Marketing, finance/accounting, operations

Marketing, accounting, personnel

**Marketing, finance, operations**

Question # 9 of 15 ( Start time: 04:38:12 AM ) 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

Question # 10 of 15 ( Start time: 04:38:29 AM ) 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**

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Question # 11 of 15 ( Start time: 04:38:47 AM ) Total Marks: 1

The forecasting model that is based upon estimates of salesperson's expected sales is likely to be called \_\_\_\_\_.

Select correct option:

Delphi method

**Sales force combination**

Consumer market survey

Panel of executive opinion

Question # 12 of 15 ( Start time: 04:39:12 AM ) 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:

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 # 13 of 15 ( Start time: 04:39:39 AM ) Total Marks: 1

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 # 14 of 15 ( Start time: 04:40:07 AM ) Total Marks: 1

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The method that uses explanatory variables to predict the future is known as:

Select correct option:

Delphi method

Naïve forecast

**Associative model**

Judgmental forecast

Question # 15 of 15 ( Start time: 04:40:29 AM ) Total Marks: 1

Collaborative Planning, Forecasting, and Replenishment (CPFR) a Web based tool used to coordinate demand

forecasting,

\_\_\_\_\_ and inventory replenishment between supply chain trading partners.

Select correct option:

**Production and purchase planning**

Demand and supply planning

Quantitative forecasting

Demand management

Question # 4 of 15 ( Start time: 04:52:02 AM ) 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

Question # 9 of 15 ( Start time: 04:54:11 AM ) Total Marks: 1

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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

Question # 11 of 15 ( Start time: 04:55:00 AM ) 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 # 13 of 15 ( Start time: 04:55:37 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

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**Service organizations**

Question # 3 of 15 ( Start time: 04:58:54 AM ) Total Marks: 1

Which one of the followings appears to provide the best prospect for increases in productivity?

Select correct option:

**Management**

Raw materials

Labor

Capital

Question # 7 of 15 ( Start time: 05:00:22 AM ) 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 # 5 of 15 ( Start time: 05:05:44 AM ) Total Marks: 1

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

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Question # 10 of 15 ( Start time: 05:07:24 AM ) Total Marks: 1

Which one of the following is not the property of the Naïve forecast?

Select correct option:

Simplicity of usage

**Costly**

Quick and easy to prepare

Easily understandable

Question # 12 of 15 ( Start time: 05:08:15 AM ) Total Marks: 1

Suppose an operations manager is having a pessimistic approach of decision making under uncertain conditions.

What approach

he will follow for decision making?

Select correct option:

**Maximin**

Maximax

Laplace

Non of the above

Question # 6 of 15 ( Start time: 05:12:01 AM ) 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

**Note:**

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Question # 9 of 15 ( Start time: 05:12:58 AM ) 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

Question # 15 of 15 ( Start time: 05:14:21 AM ) Total Marks: 1

The subjective inputs obtained from sources such as consumer surveys, sales staff, managers and executives are the classification of \_\_\_\_\_ forecast.

Select correct option:

**Judgmental**

Time series

Associate models

Naive

Question # 1 of 15 ( Start time: 05:16:44 AM ) Total Marks: 1

Tools like Decision trees and Graphical sensitivity analysis are being used for what purpose?

Select correct option:

For the evaluation of the alternatives

**For analyzing decision problems**

For making optimistic decisions

Non of the above

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Question # 8 of 15 ( Start time: 05:18:28 AM ) Total Marks: 1

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

Question # 2 of 15 ( Start time: 05:22:53 AM ) Total Marks: 1

In terms of operations management the forecast which projects a company's sales is called:

Select correct option:

Economic forecast

Technological forecast

**Demand forecast**

Associative model

Question # 4 of 15 ( Start time: 05:24:02 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**

Question # 1 of 15 ( Start time: 03:07:11 AM ) Total Marks: 1

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

Select correct option:

**Competition**

Financial resources

Human resources

Products and services

Question # 2 of 15 ( Start time: 03:07:47 AM ) Total Marks: 1

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

Question # 3 of 15 ( Start time: 03:08:22 AM ) Total Marks: 1

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

Select correct option:

**Tangibility**

Perishability

Simultaneity

Degree of Customer Contact

Question # 4 of 15 ( Start time: 03:09:15 AM ) 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**

***Note:***

***Solve these Quizzes by yourself***

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***Composed & Solved***

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The least of the worst regrets

Question # 5 of 15 ( Start time: 03:09:28 AM ) Total Marks: 1

Which of the following is the main source of a poor decision making by the managers?

Select correct option:

Failure to check their facts

Failure to plan for unexpected events

Failure to connect the problem to the overall strategy

**All of the above**

Question # 6 of 15 ( Start time: 03:10:09 AM ) Total Marks: 1

Which one of the followings appears to provide the best prospect for increases in productivity?

Select correct option:

**Management**

Raw materials

Labor

Capital

Question # 7 of 15 ( Start time: 03:10:42 AM ) Total Marks: 1

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

Question # 8 of 15 ( Start time: 03:11:09 AM ) Total Marks: 1

“Business forecasting is only used for predicting demand”. This statement is

Select correct option:

Totally right

**Totally wrong**

Partially right

None of the above

Question # 9 of 15 ( Start time: 03:11:43 AM ) Total Marks: 1

Units of output per shift is:

Select correct option:

Energy Productivity

Machine Productivity

## **Labor Productivity**

Capital Productivity

Question # 10 of 15 ( Start time: 03:12:35 AM ) Total Marks: 1

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

Question # 11 of 15 ( Start time: 03:13:06 AM ) Total Marks: 1

Productivity ratios are used in;

Select correct option:

Planning work force requirements

Scheduling equipments

Financial analysis

**All of the above**

Question # 12 of 15 ( Start time: 03:14:01 AM ) Total Marks: 1

The industrial revolution came into;

Select correct option:

**1770**

1920

1911

1815

Question # 13 of 15 ( Start time: 03:14:32 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

Question # 14 of 15 ( Start time: 03:14:51 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

Change over time

Response Time

**Planning time**

Question # 15 of 15 ( Start time: 03:15:20 AM ) Total Marks: 1

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

## **QUIZ NO 5**

Question # 10 of 10 ( Start time: 08:31:55 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**

Question # 9 of 10 ( Start time: 08:30:30 PM ) Total Marks: 1

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

Select correct option:

**Delphi method**

Time series method

Exponential smoothing

Associative model

Question # 8 of 10 ( Start time: 08:30:09 PM ) Total Marks: 1

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

Select correct option:

Capital

Energy

**Labor**

Machine

Question # 7 of 10 ( Start time: 08:28:59 PM ) Total Marks: 1

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

Select correct option:

210 units per day

**3.5 units per day**

0.004 units per day

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14 units per day

Question # 6 of 10 ( Start time: 08:27:53 PM ) Total Marks: 1

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

In \_\_\_\_\_ sampling, one random sample is drawn from each lot

Select correct option:

**Single**

Double

Multiple

None of the above

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 # 3 of 10 ( Start time: 08:22:35 PM ) Total Marks: 1

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

Question # 1 of 10 ( Start time: 01:17:35 PM ) Total Marks: 1

Which of the following is a schedule that specifies the timing and size of production

quantities for product in the product families?

Select correct option:

**Master production scheduling**

Aggregate plan

Inventory management scheduling

None of the above

Quiz Start Time: 01:17 PM Time Left 89

sec(s)

Question # 2 of 10 ( Start time: 01:19:08 PM ) Total Marks: 1

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Which of the following statements is not true while comparing Quality Assurance with

Strategic Approach?

Select correct option:

**Strategic Approach is reactive while Quality Assurance is a proactive approach**

Strategic Approach is the superlative form of Quality Assurance

Quality Assurance places emphasis on finding and correcting defects before reaching

market

Strategic Approach is proactive rather than reactive

Quiz Start Time: 01:17 PM Time Left 86

sec(s)

Question # 3 of 10 ( Start time: 01:20:40 PM ) Total Marks: 1

Which of the following is TRUE about a periodic review?

Select correct option:

Ordering inventory to supplier as per requirement

Ordering inventory at a predetermined re-order level

**Ordering inventory at a fixed and regular time interval**

Ordering inventory when it falls below the safety stock level

sec(s)

Question # 6 of 10 ( Start time: 04:26:21 PM ) Total Marks: 1

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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

Quiz Start Time: 01:17 PM Time Left 89

sec(s)

Question # 8 of 10 ( Start time: 04:28:46 PM ) Total Marks: 1

Which stage comes after the “compare” stage of control process?

Select correct option:

Measure

**Evaluate**

Correct

Monitor

Quiz Start Time: 01:17 PM Time Left 89

sec(s)

Question # 9 of 10 ( Start time: 04:29:21 PM ) Total Marks: 1

Which one of the following is a formula to compute annual carrying cost?

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Select correct option:

(Q-2)H

(Q+2)H

**(Q/2)H**

(Q×2)/H

Quiz Start Time: 01:17 PM Time Left 88

sec(s)

Question # 10 of 10 ( Start time: 04:29:57 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

Question # 1 of 15 ( Start time: 05:38:04 PM ) Total Marks: 1

Capacity options are usually of \_\_\_\_\_ range in nature

Select correct option:

Short

**Long**

Intermediate

Periodical

Question # 2 of 15 ( Start time: 05:39:23 PM ) Total Marks: 1

Identify the mathematical expression to determine the number of workers in a given

period. Where a = Number of workers at the end of previous period, b = Number of new

workers at the start of the current period, c = Number of laid-off workers at the start of



the current period

Select correct option:

**a + b - c**

a + b + c

a - b + c

a - b - c

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Question # 4 of 15 ( Start time: 05:42:19 PM ) Total Marks: 1

Which method of forecasting is most widely used?

Select correct option:

Regression analysis

Adaptive forecasting

Weighted moving average

Exponential smoothing

Question # 5 of 15 ( Start time: 05:43:53 PM ) Total Marks: 1

Cycle time for the economic run size is a function of which of the following?

Select correct option:

Run time and usage rate

Run time and production rate

Run size and production rate

Run size and usage rate

Question # 6 of 15 ( Start time: 05:45:30 PM ) Total Marks: 1

What are the chances of the batch containing defect exceeding LTPD will be accepted is known as?

Select correct option:

Acceptance risk

Consumer risk

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Producer risk

None of the above mentioned

Question # 9 of 15 ( Start time: 05:50:21 PM ) Total Marks: 1

The optimal order quantity shows a trade-off between which one of the following sets of costs?

Select correct option:

Carrying costs and shortage costs

**Carrying costs and ordering costs**

Carrying costs and stock out costs

Carrying costs and setup

Question # 10 of 15 ( Start time: 05:52:04 PM ) Total Marks: 1

If the costs of inspection are higher than costs of obtaining the sample

---

sampling should be used?

Select correct option:

Single

**Double**

Multiple

Random

Question # 11 of 15 ( Start time: 05:53:39 PM ) Total Marks: 1

Which of the following shows the quality and timing of specific end items for a scheduled horizon?

Select correct option:

Simulation model

**Master schedule**

Aggregate plan

Critical path model

1.

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

a) Customer satisfaction and variety

b) Reliability and variety

c) Quality and reliability

**d) Customer satisfaction and profitability**

**2. Which one of the following statements is true about OSHA?**

**a) To safeguard against potential hazards**

b) To develop cost effective processes

c) To implement legal standards

d) To carry out implication of manufacturability and fitness

**3. Which one of the following is the most significant disadvantage of standardization?**

a) Frozen designs

b) Interchangeable parts

**c) Reduced variety**

d) Customized parts

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

a) Growth

**b) Decline**

c) Maturity

d) Planning

**5. \_\_\_\_\_ is the bringing together of engineering design and manufacturing personnel early in the design phase.**

a) Reverse engineering

**b) Concurrent engineering**

c) Manufacturability

d) Serviceability

**6. Robustness of a product is \_\_\_\_\_ related with the probability of failure.**

a) Directly

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**b) Inversely**

c) Linearly

d) Positively

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

**pute availability?**

**a)  $(MTBF) / (MTBF + MTR)$**

b)  $(MTBF) / (MTBF - MTR)$

c)  $(MTR) / (MTBF + MTR)$

d)  $(MTR) / (MTBF - MTR)$

**8. A product 'A' is specified to work well up to 30 degree Celsius temperature and 30% humidity. What would these specifications represent?**

**e and 30% humidity. What would these specifications represent?**

a) Reliability factor

b) Standard conditions

**c) Normal operating conditions**

d) Standard operating procedure

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

a) Cost curve

**b) Bath tub curve**

c) Fish bone diagram

d) Reliability curve

**10. The frequency of capacity choice decisions is influenced by all of the following factors EXCEPT:**

**lowing factors EXCEPT:**

a) Stability of demand

b) Technological changes

c) Competitive forces

**d) Cost factor**

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

**produce under ideal conditions?**

**a) Design capacity**

b) Effective capacity

c) Capacity planning

d) Utilization rate

**12.**

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

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- a) Capacity planning
- b) Design of work systems
- c) Production forecasts**
- d) Selection of technology

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

- a) Continuous Flow
- b) Assembly Line**
- c) Batch
- d) Job Shop

**14. The type of processing structure that is used to produce gasoline, chemicals, and steel is known as.**

- a) Job Shop
- b) Batch
- c) Assembly Line
- d) Continuous Flow**

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

- a) Product
- b) Process**
- c) Fixed-position
- d) Storage

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

- a) Fixed position, process, cell, product**
- b) Fixed position, cell, process, product
- c) Fixed position, process, product, cell
- d) Process, fixed position, cell, product

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

- a) It represents daily operating time divided by desired production
- b) It is the maximum allowable time at each work station
- c) It determines the time often items take to roll off in assembly line

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

**18. What would be the required cycle time for a process that operates 9 hours**

**daily with a desired output of 300 units per day?**

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**3**

- a) 0.03 minutes
- b) 1.8 minutes**
- c) 2700 minutes
- d) 33.33 minutes

**19. What would be the output capacity if an assembly line operates for 7 hours**

**per day with a cycle time of 2.0 minutes?**

**a) 210 units per day**

- b) 3.5 units per day
- c) 0.004 units per day
- d) 14 units per day

**20. Which one of the following is TRUE about work sampling?**

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

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

**c)**

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

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

**21. Which of the following forecasting techniques generates trend forecasts?**

a.

Delphi method

b.

Moving averages

c.

Single exponential smoothing

d.

**N**

**naïve forecast**

**22. Which of the following smoothing constants would make an exponential smoothing forecast equivalent to a naïve forecast?**

a.

0

b.

0.01

c.

0.5

**d.**

**1.0**

**23. The temperature on Tuesday was 80 degrees, on Wednesday it was 82**

**degrees, on Thursday it was 78 degrees. A naïve forecast for the temperature on Friday would be:**

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**a.**

**78 degrees**

b.

80 degrees

c.

82 degrees

**d.**

84 degrees

**24. A design that focuses on reducing the number of parts in a product and**

**on assembly methods and sequence is known as:**

a.

Design for manufacturing

b.

Design for recycling

c.

**Design for assembly**

d.

Design for disassembly

**25. DFM stands for:**

a.

Design for Maintenance

b.

**Design for Manufacturing**

c.

Design for Management

d.

Design for Manpower

**26. As the number of components in a series increases, the reliability of the system:**

a.

Increases

b.

**Decreases**

c.

Remains the same

d.

Becomes zero

**27. The purpose of \_\_\_\_\_ is to arrive at a consensus forecast.**

a.

Naïve forecast

b.

Associative models

c.

Time series forecast

d.

**Delphi method**

**28. 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:**

1.  
Improve component design
2.  
Improve testing
3.  
Use backup components
4.  
Improve strategy formulation
- 5.**  
Quality assurance

**Which of the following combinations would be the best to improve reliability of the system?**

- a.  
1,2, 5
- b.**  
**1,2,3**
- c.  
1,4,5
- d.**  
3,4,5

**29. As time horizon increases, forecast accuracy:**

- a.  
Increases
- b.**  
**Decreases**
- c.  
Levels off
- d.**  
Becomes zero

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**30. 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:**

- a.  
105 units
- b.  
75 units
- c.  
40 units

**d.  
50 units**

**31. Who introduced the use of statistical control charts for monitoring production?**

- a)  
G.S. Radford
- b)  
**Walter Shewhart**
- c)  
Frederick Taylor

d)  
Kaoru Ishikawa

**32. Which of the following quality gurus advocated the “cost of quality” concept?**

- a)  
Edwards. Deming
- b)  
**Joseph Juran**

c)  
Kaoru Ishikawa

d)  
Philip Crosby

**33. 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?**

a)

Performance

b)

**Aesthetics**

c)

Reliability

d)

Conformance

**34. 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?**

a)

Reliability

b)

Conformance

c)

**Serviceability**

d)

Aesthetics

**35. Which of the following reflects the meaning of the word “Poka – Yoke”?**

a)

**Mistake proof**

b)

Low quality

c)

Defective

d)

Expensive

**36. Which one of the following denotes QFD?**

a)

Quality Function Development

- b)  
Quality Foundation Development
- c)  
Quality Foundation Deployment

**d)**  
**Quality Function Deployment**

**37. Which of the following terms best defines the nature of Total Quality Management?**

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- a)  
An art

**b)**  
**A philosophy**

- c)  
A science

- d)**  
A social activity

**38. Which of the following terms reflects Japanese view of continuous improvement?**

**a)**  
**Kaizen**

- b)  
Poka-yoke

- c)  
Six sigma

- d)**  
Control limits

**39. Which of the following is NOT an element of TQM?**

- a)  
Leader ship

**b)**  
**Perceived quality**

- c)

Employee empowerment

d)

Customer focus

**40. Which of the following is an example of appraisal cost?**

a)

Rework costs

b)

Returned goods

c)

**Testing labs**

d)

Quality improvement programs

**41. Warranty cost is an example of which of the following?**

a)

Internal failure cost

b)

**External failure cost**

c)

Prevention cost

d)

Appraisal cost

**42. Refer to the stage of PDCA (Plan, Do, Check, Act) cycle that involves**

**evaluating the improvement plan.**

a)

Plan

b)

Do

c)

**Check**

d)

Act

**43. 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?**

a)

**Benchmarking**

b)

Gap analysis

c)

Statistical process control

d)

Continuous improvement

**44. Which of the following is the focus of statistical process control?**

a)

Determining the efficiency of an operations system

b)

Measuring the amount of re-work required to rectify faulty goods

c)

Identifying the security needs of an operations system

d)

**Measuring and controlling process variations**

**45. Which of the following is a measure of how closely a product or service**

**meets the specifications?**

a)

**Quality of Conformance**

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b)

Continuous improvement

c)

Competitive benchmarking

d)

Statistical process control

**46. ----- is the maximum output rate or service capacity an**

**operation, process or facility.**

a. Efficiency

b. Effective Capacity

c.

### **Design Capacity**

47. ----- is the rate of output actually achieved.

d.

### **Actual Output**

e. Design Capacity

f. Utilization

48. A knowledge of economies and diseconomies of scale is -----

g.

### **Important for operations manager**

h. Not Important for operations manager

i. It makes no difference

49. If the output rate is less than the optimal level, increasing output rate

results in ----- average unit cost

j. Increasing

k.

### **Decreasing**

l. Stabilizing

50. As the output is increased, the unit cost is decreased because

m. Of external factors

n.

### **Because there are more units to absorb the fixed costs**

o. None of the above

51. As the general capacity of the plant increased, the optimal output rate

increases and the minimal cost for the optimal rate

p.

### **Decreases**

q. Increases

r. It has no effect with the output rate

52. The primary purpose of cost- volume analysis is:

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s.

### **To estimate the income of an organization**

t. To analyze initial costs incurred under different operating conditions

u. Both A and B

**53. Variable costs vary ----- with volume of output**

v. Inversely

w.

**Directly**

**54. ----- refers to the way, an organization chooses to produce its goods or services**

x.

**Process selection**

y. Capacity planning

z. Cost volume analysis

**55. Ice cream is an example of**

aa.

**Batch processing**

bb. Job shop

cc. Repetitive processing

**56. The prime determinants of choosing a sampling plan include:**

Cost

Time

Environment

**Both cost and time**

**57. The ideal sampling plan requires \_\_\_\_\_ inspection of each lot.**

a)

**100%**

b)

50%

c)

10%

**d)**

25%

**58. As the lot quality decreases, the probability \_\_\_\_\_.**

a)

Increases

**b)**

**Decreases**

c)



Remains neutral

d)

None of the given options

**59. \_\_\_\_\_ represents maximum AOQ for a range of fractions defective.**

a)

Acceptable Quality Level (AQL)

b)

**Average Outgoing Quality Limit (AOQL)**

c)

Lot Tolerance Percent Defective (LTPD)

d)

None of the given options

**60. \_\_\_\_\_ refers to intermediate range capacity planning, usually covering 2 to 12 months.**

a)

**Aggregate planning**

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b)

Moderate planning

c)

Long range planning

d)

Short range planning

**61. \_\_\_\_\_ is an optimizing technique that seeks to minimize combined costs, using a set of cost-approximating functions to obtain a single quadratic equation.**

a)

Linear programming

b)

**Linear decision rule**

c)

Aggregate planning

d)

Lot Tolerance Percent Defective (LTPD)

**62. \_\_\_\_\_ takes physical count of items at periodic intervals.**

a)

**Periodic inventory system**

b)

Perpetual inventory system

c)

Two-bin system

d)

Universal bar code system

**63. \_\_\_\_\_ refers to the cost to carry an item in inventory for a length of time.**

a)

Shortage cost

b)

Ordering cost

c)

**Holding cost**

d)

None of the given options

**64. Inputs to MRP include all of the following except:**

a)

Master schedule plan

b)

Bill of materials

c)

Inventory records

d)

**Control charts**

**65. \_\_\_\_\_ represents the process of determining short-range capacity requirements.**

a)

## Capacity requirements planning

b)

Aggregate planning

c)

Capacity planning

d)

Schedule planning

**66. \_\_\_\_\_ allows the manager to anticipate the future so then can plan accordingly.**

**Forecasting**

•

Planning

•

Organizing

•

Leading

•

**67. Forecasts are rarely perfect because of:**

Internal factors

•

**Randomness**

•

External factors

•

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All of the given options

•

**68. Forecast accuracy \_\_\_\_\_ as time horizon increases.**

Increases

•

**Decreases**

•

Remains the same

•

None of the given options

•

**69. \_\_\_\_\_ use explanatory variables to predict the future.**

Judgmental forecasts

•

Time series forecasts

•

**Associative models**

•

All of the given options

•

**70. All of the following are examples of judgmental forecasts except:**

Executive opinions

•

Consumer surveys

•

Delphi method

•

**Naïve forecasts**

•

**71. \_\_\_\_\_ 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**

•

**72. One of the drawbacks of naïve forecasts is:**

**Low accuracy**

•

High cost

•

No ease at using

•

None of the given options

•

**73. All of the following are responsible for irregular variations except:**

Severe weather

- Earthquake

- Worker strikes

- **Cultural changes**

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**74. \_\_\_\_\_ 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

**75. MAPE stands for:**

- Measure Actual Performance Error

- **Mean Absolute Percent Error**

- Mean Actual Percent Error

- Mean Absolute Performance Error

**76. The goal of Total Quality Management is:**

**a)**

**Customer satisfaction**

b)

Product differentiation

c)

Brand equity

**d)**

Acting globally

**77. The most common form of quality control includes:**

- a. Planning
- b. Organizing

c.

**Inspection**

- d. Directing

**78. Process selection is primarily considered during:**

**a.**

**Planning**

b.

Organizing

c.

Leading

**d.**

Controlling

**79. 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)**

**80. Repetitive processing results in output that is:**

- a) Highly standardized
- b) Highly customized

**c) Partially customized**

- d) None of the given options

**81. Job shop and batch processing are differentiated on the basis of:**

**a)**

**Job requirements**

b)

Degree of standardization

- c) Volume of output

<http://www.vustudents.net>

12

- d) Both (b) and (c)

**82. 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**

**83. Product layout is preferably used for:**

**a)**

**Repetitive processing**

b)

Intermittent processing

c)

Both (a) and (b)

**d)**

Neither (a) nor (b)

**84. Process layout is used for:**

a)

Repetitive processing

**b)**

**Intermittent processing**

c)

Both (a) and (b)

d)

Neither (a) nor (b)

**85. 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

**86. The goal of motion study is to achieve:**

a)

Cost minimization

**b)**

**Maximum efficiency**

c)

Profitability

**d)**

All of the given options

**87. Location decisions are viewed primarily as part of:**

a)

Marketing strategy

b)

Growth factors

c)

Financial aspect

**d)**

**Both (a) and (b)**

**88. Regional factors for location planning include all of the following except**

:

a)

Raw materials

b)

Markets

c)

Labor considerations

**d)**

**Attitudes**

**89. Transportation method is a \_\_\_\_\_ approach.**

**a)**

**Quantitative**

b)

Qualitative

c)

Scientific

**d)**

All of the given options

**90. Fredrick Taylor's concern for quality includes:**

a)



Product inspection

b)

Gauging system

c)

Statistical control chart

<http://www.vustudents.net>

13

d)

**Both (a) and (b**

)

**91. Kaoru Ishikawa is famous for:**

a)

Statistical quality control

**b)**

**Fish bone diagram**

c)

Loss function concept

**d)**

All of the given options

**92. Poor quality adversely affects:**

a)

Costs

b)

Productivity

c)

Profitability

**d)**

**All of the given options**

**93. \_\_\_\_\_ 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

**94. 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

**95. A product performing consistently refers to which of the following dimensions of quality:**

a)

Safety

b)

Conformance

c)

Durability

d)

**Reliability**

**96. All of the following are the major factors affecting design strategy except:**

.

Cost

.

Market

.

Time-to-market

.

**Revenue**

**97. All of the following are the primary reasons for design process except:**

.

Economic

.

Social and demographic

.

Political, liability, or legal

.

### **Personal**

**98.\_\_\_\_\_ 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

<http://www.vustudents.net>

14

**99.\_\_\_\_\_ is the postponement tactic.**

.

Product differentiation

.

### **Delayed differentiation**

.

Service differentiation

.

All of the given options

**100.The situation in which a product, part or system does not perform as intended is referred to as:**

.

Reliability

.

Durability

.

## **Failure**

.

Maturity

**101.DFA stands for:**

.

Design for Assurance

.

Design for Accuracy

.

Design for Authenticity

.

## **Design for Assembly**

**102.Taguchi approach helps in determining:**

.

Controllable factors only

.

Un -controllable factors only

.

**Both controllable factors and un -controllable factors**

.

None of the given options

**103.\_\_\_\_\_ is the bringing together of engineering, design and manufacturing personnel together early in the design phase.**

.

Robust design

.

## **Concurrent engineering**

.

Cannibalization

.

Design for Manufacturing (DFM)

**104.Reliability can be measured effectively by using:**

.

## **Probability**

.

Durability

.

Failure

.

Forecasting

**105. 105. \_\_\_\_\_ determines the best possible outcome.**

.

Maximum

.

Minimax

.

**Maximax**

.

Laplace

**106. 106. Decision tree is analyzed from:**

.

Left to right

.

**Right to left**

.

Any side

.

All of the above

**107 107. Judgment al forecasts include all of the following except:**

.

Executive opinion

.

Consumer surveys

.

Delphi method

<http://www.vustudents.net>

15

.

**Regression analysis**

**108 108. 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

**109 109. FDA, OSHA and CRS resolve:**

.

**Legal issues**

.

Political issues

.

Ethical issues

.

Environmental issues

**110 110. 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

**111. 111. 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

**112 112 Steps in CPFR include all of the following except:**

- .  
Creation of a front end partnership agreement
- .  
Sharing forecast
- .  
Inventory replenishment
- .

**Development of supply forecasts**

**113 113. 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

**114 114. In the absence of enough time, \_\_\_\_\_ forecasts are preferred**

- .
- .

**Qualitative**

- .  
Quantitative
- .  
Naïve forecasts
- .

None of the given options

**115 115. \_\_\_\_\_ are based on samples taken from potential customers.**

- .  
Executive opinion
- .

**Consumer surveys**

- .

Delphi method

.

All of the given options

<http://www.vustudents.net>

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**116 116. Which of the following activities is unnecessary ,when an organization decides to design its new product or service or refi design its**

**existing product or service:**

a

Translate customer wants and needs into product and service requirements

b

Refine existing products and services

c

Develop new products and services

**d**

**Manage the purchasing activities religiously and diligently.**

**117 117. While focusing on capacity planning, organizations look for which**

**of the following alternatives.**

**a.**

**How much will it cost**

b.

How much holiday s the workers can enjoy.

c.

How much compensation they need to pay to their CEO.

**d.**

None of the above

**118. Which of the following is not one of the assumptions for Cost Volume**

**Analysis**

**e.**

**One product is not involved**

f.

Everything produced can be sold



g.

Variable cost per unit is the same regardless of volume

h.

Fixed costs do not change with volume

**119. Which of the following does not fall under Economic Production**

**Quantity ( EPQ)**

**i.**

**Only two or more item are involved**

j.

Annual demand is known

k.

Usage rate is constant

**l.**

Usage occurs continually

**120. Advantages of Process Layout Include**

**m.**

**Equipment used is less costly**

n.

Low unit cost.

o.

Labor specialization.

p.

Low material handling cost

**121. Common types of Operations include**

q.

Continuous Processing.

r.

Intermittent Processing.

s.

Automation

**t.**

**All of the above**

**122. System performance is measured by**

u.

Average number of customers being refused service

v.

Average time customers wait

w.

System utilization

x.

**b and c.**

**123. Inventory carrying costs are influenced by:**

y.

Order Quantity in Units

z.

Holding carrying cost per unit.

<http://www.vustudents.net>

17

aa.

Demand

bb.

**a and b only.**

**124. Bar coding helps in determining the :**

cc.

Status of the inventory of an item in warehouse

dd. Price of the product

ee.

Size of the lot as well as the size and specifications of the product

**ff.**

**All of the above**

**125. Therbligs are basic elemental motions which include:**

gg.

Search

hh.

Select

ii.

Throw

jj.

**a and b only**

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

Select correct option:

**Competition**

Financial resources

Human resources

Products and services

**Rationale:**

Competition is an external factor not internal.

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 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

CBR stands for which one of the following?

Select correct option:

<http://www.vustudents.net>

18

Commercial Board of Revenue

Central Board of Recycling

Central Board of Renovation

**Central Board of Revenue**

The method that uses explanatory variables to predict the future is known as:

Select correct option:

Delphi method

Naïve forecast

**Associative model**

Judgmental forecast

**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.

OSHA stands for: which one of the following?

Select correct option:

**Occupational Safety Hygiene Administration**

Occupational Stock Hygiene Administration

Occupational Safety Hygiene Agency

Occupational Science Hygiene Administration

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

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

<http://www.vustudents.net>

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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.

**Page No.1**

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

Select correct option:

Reverse engineering

**Concurrent engineering**

Manufacturability

Serviceability

**Page No.53**

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

Select correct option:

**Normal**

Exponential

Beta

Pareto

**Ref**

:

[http://highered.mcgraw-hill.com/sites/0073041912/student\\_view0/chapter3/interactive\\_quiz.html](http://highered.mcgraw-hill.com/sites/0073041912/student_view0/chapter3/interactive_quiz.html)

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

Select correct option:

<http://www.vustudents.net>

20

Cost curve

**Bath tub curve**

Fish bone diagram

Reliability curve

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

**Ref:**

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

Remanufactured products are sold at 30 to 50% of the price of new product .e.g. Printers, copiers, cameras, PCs and Cell/Telephones. (Page No.51)

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

**Ref:**

The ability of a product, part, or system to perform its intended function under a prescribed set of conditions. (Page No.49)

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

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**

<http://www.vustudents.net>

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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>

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

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

Select correct option:

Maximin

**Maximax**

Minimax regret

Laplace

Productivity ratios are used in;

Select correct option:

Planning work force requirements

Scheduling equipments

Financial analysis

**All of the above**

<http://www.vustudents.net>

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### **Page No.19**

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 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

In exponential smoothing model,  $\alpha$  denotes:

Select correct option:

**Smoothing constant**

Previous forecast

Forecast error

Actual forecast

### **Page No.39**

The industrial revolution came into;

Select correct option:

**1770**

1920

<http://www.vustudents.net>

23

1911

1815

### **Page No.8**

Manufacturability is the ease of fabrication and/or assembly which is important for:



Select correct option:

Cost and Productivity

Productivity and Quality

Cost and Quality

**Cost, productivity and Quality**

**Ref:**

Manufacturability means the ease of fabrication or assembly of a product as it directly affects cost, quality and productivity. Page 46

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

Select correct option:

**Regression**

Trend

Cycle

Moving average

Question # 1 of 15 ( Start time: 11:08:26 AM )

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 # 2 of 15 ( Start time: 11:09:20 AM )

Total Marks: 1

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

Select correct option:

<http://www.vustudents.net>

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Production Engineering

**Operations Management**

Industrial Management

Operations Engineering

Question # 3 of 15 ( Start time: 11:10:35 AM )

Total Marks: 1

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

Question # 4 of 15 ( Start time: 11:11:08 AM )

Total Marks: 1

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

Select correct option:

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 # 5 of 15 ( Start time: 11:11:58 AM )

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

Question # 6 of 15 ( Start time: 11:13:27 AM )

Total Marks: 1

<http://www.vustudents.net>

25

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**

Question # 7 of 15 ( Start time: 11:13:59 AM )

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 # 8 of 15 ( Start time: 11:14:38 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

Question # 9 of 15 ( Start time: 11:16:05 AM )

Total Marks: 1

Which of the following provide guidance and directions for carrying out operations?

Select correct option:

**Tactics**

<http://www.vustudents.net>

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Strategies

Policies

Mission

Question # 10 of 15 ( Start time: 11:17:24 AM )

Total Marks: 1

Product life cycle is based on:

Select correct option:

Price

Place

**Demand**

Supply

Question # 11 of 15 ( Start time: 11:18:55 AM )

Total Marks: 1

Which one of the following statements relates to the final stage of product life cycle?

Select correct option:

Improved reliability, and reduced quality

**Improved packaging, and reliability**

Improved reliability, and reduced production costs

Improved reliability, and reduced promotion costs

**Ref**

:DECLINE: In this phase, 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

**.(Page No.50)**

Question # 12 of 15 ( Start time: 11:20:19 AM )

Total Marks: 1

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

Select correct option:

Growth

**Decline**

<http://www.vustudents.net>

27

Maturity

Planning

Question # 13 of 15 ( Start time: 11:20:56 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

Question # 14 of 15 ( Start time: 11:22:17 AM )

Total Marks: 1

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

Select correct option:

**Informations**

Services

Facilities

Materials

1. Which of the following forecasting techniques generates trend forecasts?

a.

Delphi method

b.

Moving averages

c.

Single exponential smoothing

**d.**

**Naïve forecast**

2. Which of the following smoothing constants would make an exponential

smoothing forecast equivalent to a naive forecast?

a.

0

b.

0.01

c.

0.5

**d.**

**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:

**a.**

**78 degrees**

b.

80 degrees

c.

82 degrees

d.

84 degrees

<http://www.vustudents.net>

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4. A design that focuses on reducing the number of parts in a product and on

assembly methods and sequence is known as:

a.

Design for manufacturing

b.

Design for recycling

**c.**

**Design for assembly**

d.

Design for disassembly

5. DFM stands for:

a.

Design for Maintenance

**b.**

**Design for Manufacturing**

c.

Design for Management

d.

Design for Manpower

6. As the number of components in a series increases, the reliability of the system:

a.

Increases

**b.**

**Decreases**

c.

Remains the same

d.

Becomes zero

7. The purpose of \_\_\_\_\_ is to arrive at a consensus forecast.

a.

Naïve forecast

b.

Associative models

c.

Time series forecast

**d.**

**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:

1.

Improve component design

2.

Improve testing

3.

Use backup components

4.

Improve strategy formulation

5.

Quality assurance

Which of the following combinations would be the best to improve reliability of the system?

a.

1,2, 5

**b.**

**1,2,3**

c.

1,4,5

d.

3,4,5

9. As time horizon increases, forecast accuracy:

a.

Increases

**b.**

**Decreases**

c.

Levels off

d.

Becomes zero

<http://www.vustudents.net>

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<http://www.vustudents.net>

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:

a.

105 units

b.

75 units

c.

40 units

**d.**

**50 units**

Question # 1 of 15 ( Start time: 04:07:25 AM ) Total Marks: 1

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

Select correct option:

**Inputs**

Transformation

Outputs

Productivity

Question # 2 of 15 ( Start time: 04:07:44 AM ) Total Marks: 1

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**

REF:Whether profit or non profit, the role of an OPERATIONS MANAGER is to

sustain, protect, and

project the company's operations side.(Page No.1

)

Question # 3 of 15 ( Start time: 04:08:42 AM ) Total Marks: 1

Which of the following forecasting technique is used when introducing new

products, services, new features and new packaging?

Select correct option:

<http://www.vustudents.net>

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Quantitative technique

Associative model

Focus group

**Judgmental forecast**



Question # 4 of 15 ( Start time: 04:09:18 AM ) Total Marks: 1

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

Select correct option:

Establishing durability

Finding reliability

Scheduling services

Quality improvement

Question # 5 of 15 ( Start time: 04:10:22 AM ) Total Marks: 1

All of the following are examples of transformation process EXCEPT:

Select correct option:

Cutting

Packing

**Facilitating**

Labeling

Question # 6 of 15 ( Start time: 04:10:46 AM ) Total Marks: 1

Forecasting accuracy has\_\_\_\_\_ relation with time horizon.

Select correct option:

**Inverse**

Linear

Direct

Parallel

<http://www.vustudents.net>

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Question # 7 of 15 ( Start time: 04:11:02 AM ) Total Marks: 1

Which one of the following is a pessimistic approach in decision making theory?

Select correct option:

**Maximin**

Maximax

Minimax regret

Laplace

Question # 8 of 15 ( Start time: 04:11:47 AM ) 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

Question # 9 of 15 ( Start time: 04:12:15 AM ) 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 # 10 of 15 ( Start time: 04:12:33 AM ) Total Marks: 1

Which of the following statements is TRUE about production system?

Select correct option:

<http://www.vustudents.net>

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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

A productive system is defined as a user of resources to transform inputs into

some desired outputs

(products as well as services) where as production system refers specifically to

only desired output in

the form of products or manufactured goods

.

Question # 11 of 15 ( Start time: 04:13:02 AM ) Total Marks: 1

For which of the following approaches, the forecast of any period equals the

previous period's forecast?

Select correct option:

Delphi method

**Naïve forecast**

t

Associative model

Judgmental forecast

Question # 12 of 15 ( Start time: 04:13:59 AM ) 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 # 13 of 15 ( Start time: 04:14:35 AM ) Total Marks: 1

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

input?

<http://www.vustudents.net>

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Select correct option:

**Capital**

Energy

Labor

Machine

Question # 14 of 15 ( Start time: 04:14:51 AM ) 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 # 15 of 15 ( Start time: 04:15:11 AM ) Total Marks: 1

\_\_\_\_\_ is a wave like variations of more than one year's duration.

Select correct option:

**Cycle**

Trend

Seasonality

Random variation

Question # 1 of 15 ( Start time: 04:44:07 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

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Question # 2 of 15 ( Start time: 04:44:52 PM ) Total Marks: 1

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

Select correct option:

**Qualitative**

Quantitative

Associative

Trend forecast

Question # 3 of 15 ( Start time: 04:45:55 PM ) Total Marks: 1

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

Select correct option:

**Tangibility**

Perishability

Simultaneity

Degree of customer contact

[Answer provided by roshni](#)

[Ref:A service is a time-perishable, intangible experience performed for a customer acting in the role of a co-producer.](#)

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 # 5 of 15 ( Start time: 04:48:33 PM ) Total Marks: 1

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

REF:production and consumption takes place at about the same time. This is a characteristic of Service Sector.

**for more contents visit**

<http://www.vustudents.net>

35

Question # 6 of 15 ( Start time: 04:49:04 PM ) Total Marks: 1

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

Question # 7 of 15 ( Start time: 04:49:35 PM ) Total Marks: 1

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

Question # 8 of 15 ( Start time: 04:50:54 PM ) Total Marks: 1

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

Select correct option:

**Capital**

Energy

Labor

Machine

Question # 9 of 15 ( Start time: 04:51:20 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

Question # 10 of 15 ( Start time: 04:51:42 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

<http://www.vustudents.net>

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**Quality + speed + flexibility**

Profit + Incentives + standards

Question # 11 of 15 ( Start time: 04:52:04 PM ) Total Marks: 1

All of the following are examples of Qualitative forecasting except:

Select correct option:

Judgmental

**Delphi Method**

Consumer Survey

Naïve Forecasting

Question # 12 of 15 ( Start time: 04:52:50 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 # 13 of 15 ( Start time: 04:53:43 PM ) Total Marks: 1

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

Select correct option:

**Inputs**

Transformation

Outputs

Productivity

Question # 14 of 15 ( Start time: 04:54:56 PM ) Total Marks: 1

Forecasts help managers by reducing the degree of:

Select correct option:

Accuracy

Precision

**Uncertainty**

Reliability

Question # 15 of 15 ( Start time: 04:56:27 PM ) Total Marks: 1

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

Select correct option:

Tangibility

<http://www.vustudents.net>

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**Perishability**

Simultaneity

Degree of Customer Contact

**Rationale:**Service cannot be perishable like goods but can be

tangible.

Question # 1 of 15 ( Start time: 05:09:23 PM ) Total Marks: 1  
Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs

Qualitative technique

**Quantitative technique**

Delphi method

Question # 2 of 15 ( Start time: 05:10:23 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

Question # 3 of 15 ( Start time: 05:11:46 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

**Ref**

:The Moving Average model takes the average of several periods of data; the result is a dampened or smoothed data set; use this model when demand is stable and there is no evidence of a trend or seasonal pattern.

Read More:

<http://www.vustudents.net>

38

<http://www.shmula.com/308/forecasting-unweighted-and-weighted-moving-average-model#ixzz0nQN1qeSi>



Question # 7 of 15 ( Start time: 05:15:05 PM ) Total Marks: 1

All of the following are examples of transformation process

EXCEPT:

Select correct option:

Cutting

Packing

**Facilitating**

Labeling

Question # 8 of 15 ( Start time: 05:16:06 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**

Reliability

Operations ratio

Question # 9 of 15 ( Start time: 05:16:46 PM ) Total Marks: 1

Following are all examples of distinctive competencies EXCEPT;

Select correct option:

Price

Quality

**Planning**

Flexibility

Question # 10 of 15 ( Start time: 05:18:01 PM ) Total Marks: 1

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

Select correct option:

<http://www.vustudents.net>

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<http://www.vustudents.net>

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 # 12 of 15 ( Start time: 05:19:22 PM ) Total Marks: 1

Which one of the following is NOT used for decision making under uncertainty?

Select correct option:

Maximax

Mmaximin

Mminimax regret

**EMV criterion**

Question # 1 of 15 ( Start time: 05:23:32 PM ) Total Marks: 1

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 # 2 of 15 ( Start time: 05:24:34 PM ) Total Marks: 1

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

Question # 3 of 15 ( Start time: 05:24:54 PM ) Total Marks: 1

Which of the following provide guidance and directions for carrying out operations?

Select correct option:

**Tactics**

<http://www.vustudents.net>

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Strategies

Policies

Mission

Question # 4 of 15 ( Start time: 05:25:51 PM ) Total Marks: 1

Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs

Qualitative technique

**Quantitative technique**

Delphi method

Question # 5 of 15 ( Start time: 05:26:11 PM ) Total Marks: 1

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

Question # 6 of 15 ( Start time: 05:27:39 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

Question # 8 of 15 ( Start time: 05:28:16 PM ) Total Marks: 1

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

Select correct option:

**Informations**

<http://www.vustudents.net>

41

Services

Facilities

Materials

Question # 10 of 15 ( Start time: 05:30:44 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**

Question # 11 of 15 ( Start time: 05:31:52 PM ) Total Marks: 1

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

Select correct option:

Time series

Delphi

**Naïve**

Associative

Question # 15 of 15 ( Start time: 05:34:41 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

**Reference:**

Question # 1 of 15 ( Start time: 05:39:49 PM ) Total Marks: 1

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

<http://www.vustudents.net>

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Select correct option:

Certainty

**Uncertainty**

Risk

Bounded rationality

Question # 2 of 15 ( Start time: 05:40:09 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 # 3 of 15 ( Start time: 05:41:35 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

**for more contents visit**

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

<http://www.vustudents.net>

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Select correct option:

**Operations**

Marketing

Accounting

Finance

**Reference:**

Operations management is in regard to all operations within the organization.

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

Select correct option:

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

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

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

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

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

Select correct option:

Cycle

**Trend**

<http://www.vustudents.net>

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Seasonality

Random variation

Techniques having numerical data include which of the following?

Select correct option:

Subjective inputs

Qualitative technique

**Quantitative technique**

Delphi method

pioneers of transforming management to scientific domain are:

Select correct option:

Fredrick Taylor

**Lillian and Frank Gilbreths**

Henry Fayol

Both A & B

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.

<http://www.vustudents.net>

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

Select correct option:

Tactics

**Strategies**

Policies

Mission

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

Organizational strategy is different from operations strategy because it is;

Select correct option:

Prepared by middle managers

Narrower in scope

<http://www.vustudents.net>

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**Longer in time horizon**

All of the above

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**

Which one of the following is NOT used for decision making under uncertainty?

Select correct option:

Maximax

Mmaximin

Mminimax regret

**EMV criterion**

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

Select correct option:

**Planning**

<http://www.vustudents.net>

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Organizing

Leading

Controlling

**Answer provided by Usman Aslam .**

**Reference**

:Planning includes forecasting, establishing objectives, devising strategies, developing policies, and setting goals,

**(mgt603 page number 53)**

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 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

**for more contents visit**

Question # 1 of 15 ( Start time: 08:01:09 PM ) Total Marks: 1

<http://www.vustudents.net>

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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

Question # 2 of 15 ( Start time: 08:01:51 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 # 3 of 15 ( Start time: 08:03:14 PM ) Total Marks: 1

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

Select correct option:

**Delphi method**

Time series method

Exponential smoothing

Associative model

Question # 4 of 15 ( Start time: 08:03:46 PM ) Total Marks: 1

\_\_\_ is most limited in scope and address production processes only

Select correct option:

**ISO 9001 (not sure)**

ISO 9003

ISO 14000

ISO 9004

Question # 5 of 15 ( Start time: 08:05:20 PM ) Total Marks: 1

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

Select correct option:

<http://www.vustudents.net>

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<http://www.vustudents.net>

**Transportation**

Quality of life

Development support

Location of new markets

Question # 6 of 15 ( Start time: 08:06:40 PM ) Total Marks: 1

Which chart is used for controlling the proportion of defective products / service

generated by the process?

Select correct option:

p-chart

**c-chart**

R-chart

X- chart

Question # 7 of 15 ( Start time: 08:08:00 PM ) Total Marks: 1

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

Select correct option:

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 # 8 of 15 ( Start time: 08:08:38 PM ) Total Marks: 1

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

Question # 9 of 15 ( Start time: 08:09:15 PM ) Total Marks: 1

\_\_\_\_\_ is a set of standards governing documentation of a quality program

Select correct option:

<http://www.vustudents.net>

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**ISO 9000**

ISO 14000

ISO 9002

ISO 9004

Question # 10 of 15 ( Start time: 08:10:20 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

Question # 11 of 15 ( Start time: 08:12:02 PM ) Total Marks: 1

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

Question # 12 of 15 ( Start time: 08:13:27 PM ) Total Marks: 1

Which of the following costs is born by the firm when demand exceeds the supply?

Select correct option:

Ordering cost

Holding cost

Stock out cost

**Shortage cost**

Question # 13 of 15 ( Start time: 08:14:51 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:

<http://www.vustudents.net>

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Measuring attributes

Measuring variables

Measuring dimensions

**None of the above**

Question # 14 of 15 ( Start time: 08:16:06 PM ) Total Marks: 1

Often the managers and employees have \_\_\_\_\_ centered approach towards their

business

Select correct option:

**Process**

Product / service

Customer

Management

Question # 15 of 15 ( Start time: 08:17:41 PM ) Total Marks: 1

\_\_\_\_\_ is central to the philosophy of continuous improvement:

Select correct option:

Management involvement

Employee involvement

**Organization's operations**

Problem solving

Question # 1 of 15 ( Start time: 08:29:05 PM ) Total Marks: 1

Which of the following is one of the two relevant costs in Economic Order Quantity

Model?

Select correct option:

Shortage costs

**Annual inventory holding cost**

Opportunity cost

Shrinkage cost

Question # 2 of 15 ( Start time: 08:30:33 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”

<http://www.vustudents.net>

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To reduce the degree of automation

To create a concurrent design

Question # 3 of 15 ( Start time: 08:31:12 PM ) Total Marks: 1

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

Question # 4 of 15 ( Start time: 08:31:55 PM ) Total Marks: 1

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

Select correct option:

Growth

**Decline**

Maturity

Planning

Question # 5 of 15 ( Start time: 08:33:20 PM ) Total Marks: 1

Which chart is used for controlling the proportion of defective products / service

generated by the process?

Select correct option:

p-chart

**c-chart**

R-chart

X- chart

Question # 6 of 15 ( Start time: 08:33:57 PM ) Total Marks: 1

In exponential smoothing model,  $\alpha$  denotes:

Select correct option:

**Smoothing constant**

Previous forecast

<http://www.vustudents.net>

53

Forecast error

Actual forecast

Question # 7 of 15 ( Start time: 08:34:41 PM ) Total Marks: 1

Which one of the following statements relates to the final stage of product life cycle?

Select correct option:

Improved reliability, and reduced quality

**Improved packaging, and reliability**

Improved reliability, and reduced production costs

Improved reliability, and reduced promotion costs

Question # 8 of 15 ( Start time: 08:35:40 PM ) Total Marks: 1

What would be the total backorder cost if 800 units of a product 'A' are ordered back

where the back order cost is Rs. 8 per unit?

Select correct option:

**Rs. 6400**

Rs. 808

Rs. 100

Rs. 792

**Back Order Back Order Cost Per Unit X Number of Backorder Units**

Question # 9 of 15 ( Start time: 08:36:19 PM ) Total Marks: 1

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

Select correct option:

**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 # 10 of 15 ( Start time: 08:37:16 PM ) Total Marks: 1

In \_\_\_\_\_ sampling, one random sample is drawn from each lot

Select correct option:

**Single**

Double

Multiple

None of the above

<http://www.vustudents.net>

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Question # 11 of 15 ( Start time: 08:38:24 PM ) Total Marks: 1

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

Question # 12 of 15 ( Start time: 08:39:21 PM ) Total Marks: 1

Identify the set of factors that affect the choice of a strategy for aggregate planning.

Select correct option:

Cost and corporate profits

Cost and location analysis

**Cost and capacity constraints**

Cost and training of employees

Question # 13 of 15 ( Start time: 08:40:10 PM ) Total Marks: 1

The industrial revolution came into;

Select correct option:

**1770**

1920

1911

1815

Question # 14 of 15 ( Start time: 08:40:46 PM ) Total Marks: 1

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

Question # 15 of 15 ( Start time: 08:41:37 PM ) Total Marks: 1

Which of the following mathematical expressions can be employed to compute backorder cost?

Select correct option:

Backorder cost per unit + number of backordered units

Backorder cost per unit - number of backordered units

Backorder cost per unit /number of backordered units

**Backorder cost per unit  $\times$  number of backordered units**

## Solved MCQs of MGT613 POMA

### Quiz

1. 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.**

2. 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

3. 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

4. Which of the following does not fall under Economic Production

Quantity (

EPQ)

**Only two or more item are invol**

**ved**

Annual demand is known

Usage rate is constant

Usage occurs continually

5. Advantages of Process Layout Include

**Equipment used is less costly**

Low unit cost.

Labor specialization.

Low material handling cost

6. Common types of Operations include

Continuous Processing.

Intermittent Processing.

<http://vustudents.ning.com>

1

Automation

**All of the above**

7. System performance is measured by

Average number of customers being refused service

Average time customers wait

System utilization

**b and c.**

8. Inventory carrying costs are influenced by:

Order Quantity in Units

Holding carrying cost per unit.

Demand

**a and b only.**

9. 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**

10. Therbligs are basic elemental motions which include:

Search

Select

Throw

**a and b only**

## 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

<http://vustudents.ning.com>

2

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:

<http://vustudents.ning.com>

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

<http://vustudents.ning.com>

3

**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: <http://vustudents.ning.com>

**ISO 14000**

ISO 9000

Six sigma

All of the given options

<http://vustudents.ning.com>

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**

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. <http://vustudents.ning.com>

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**

### **(EPQ)**

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.

<http://vustudents.ning.com>

5

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**

21.

### **Fixed Position Layouts**

are used when size, fragility, cost or other factors make it undesirable or impractical to move a product through a system.

22. The design of work systems involves job design,

### **work measurements**

and

compensation

23. 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.**

24. Most organizations are influenced by location of raw materials,

### **labor supply**

,

market considerations, community related factors, site related factors and climate.

25. ISO 9000 and ISO 14000 represent quality standards and **environment standards** respectively.

26. Two basic tools of process control are control charts and run tests.

27. 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.

28. The ultimate goal of a Just in Time System is to achieve a **balanced**

, smooth

flow of production.

29.

**Logistics**

involve movement of materials to and from the organization including shipment and distribution.

<http://vustudents.ning.com>

6

30.

**Electronic Data Interchange**

has increased productivity and accuracy in Supply Chain Management Systems.

## **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

<http://vustudents.ning.com>

7

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:

<http://vustudents.ning.com>

8

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: <http://vustudents.ning.com>

**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. Who introduced the use of statistical control charts for monitoring production?

G.S. Radford

**Walter Shewhart**

<http://vustudents.ning.com>

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**

<http://vustudents.ning.com>

10

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

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Statistical process control

**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:

<http://vustudents.ning.com>

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**

<http://vustudents.ning.com>

12

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

**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

<http://vustudents.ning.com>

13

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. <http://vustudents.ning.com>

Maximum

Minimax

**Maximax**

Laplace

11. Decision tree is analyzed from:

<http://vustudents.ning.com>



14

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**

<http://vustudents.ning.com>

15

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. 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 naïve 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 naïve 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

<http://vustudents.ning.com>

16

**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

<http://vustudents.ning.com>

17

40 units

50 units

## 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

<http://vustudents.ning.com>

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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. \_\_\_\_\_ 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

<http://vustudents.ning.com>

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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

<http://vustudents.ning.com>

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## Quiz

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**Process selection**

Capacity planning

Cost volume analysis

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## **Batch processing**

Job shop

Repetitive processing

## **Quiz**

### **Fill in the blanks.**

1.

Eliminating the disruptions and making the system flexible are \_\_\_\_\_ goals of the JIT.

**(supporting)**

2.

*Incremental Holding Cost*

incurred by using slower alternative is computed through Incremental Holding Cost = \_\_\_\_\_.

**(  $H \cdot (d/365)$  )**

3. One of the basic elements of the Supply Chain Management is \_\_\_\_\_ for

evaluating suppliers and supporting operations

**.( purchasing)**

4. CPFR stands for \_\_\_\_\_.

**(Collaborative Planning**

**Forecasting and Replacement)**

5. \_\_\_\_\_ reflects company's efforts to achieve response from EDI and bar codes

**.(Efficient Consumer Response(ECR) )**

6. The rate at which inventory goes through the supply chain is

\_\_\_\_\_  
**(Inventory velocity)**

7. In \_\_\_\_\_ we establish the timing of the use of equipment, facilities and

human activities in an organization

**.( Scheduling)**

8. Scheduling for high-volume flow system is referred to as

\_\_\_\_\_  
**(Flow-shop Scheduling)**

9. \_\_\_\_\_ is used as a visual aid for loading and scheduling.

**(Gantt chart)**

10. Executive responsibilities, project selection, project manager selection, and organizational structure are major administrative issues of

---

**(Project Management)**

<http://vustudents.ning.com>

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## Quiz

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Kaoru Ishikawa

Philip Crosby

8. 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

9. 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? <http://vustudents.ning.com>

Reliability

Conformance

**Serviceability**

Aesthetics

10. Which of the following reflects the meaning of the word “Poka – Yoke”?

**Mistake proof**

Low quality

Defective

Expensive

11. Which one of the following denotes QFD?

Quality Function Development

Quality Foundation Development

Quality Foundation Deployment

**Quality Function Deployment**

12. Which of the following terms best defines the nature of Total Quality

Management?

<http://vustudents.ning.com>

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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

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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. 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

<http://vustudents.ning.com>

25

**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

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 shift?

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

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 p#19

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



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

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

All of the following are examples of quantitative forecasting EXCEPT:

- ▶ **Delphi method** p#35
- ▶ Time series analysis
- ▶ Associative models
- ▶ Naïve forecasting

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

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

- ▶ Efficiency
- ▶ Effective capacity
- ▶ Effectiveness

▶ Utilization p#66

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

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

▶ Fixed position layout

▶ Process layout

▶ **Product layout**

▶ Hybrid layout

**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**

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>

## Objectives of Product and Service Design

- Main focus
- Customer satisfaction
- Secondary focus
- Function of product/ service
- Cost/ profit
- Quality
- Appearance
- Ease of production/ assembly
- Ease of maintenance/ service

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

- ▶ Growth
- ▶ **Decline**
- ▶ Maturity
- ▶ Planning

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

**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](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

□ □ *J 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)

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

**Capital**

Energy

Labor

Machine

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

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

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](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](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 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

**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**

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](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

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

In exponential smoothing model, denotes:

**Smoothing constant**

Actual forecast

Forecast error

Previous forecast

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

Functional design

Production design

Service design

**Product design**

**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**

**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

**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**

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?**

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=kNRkTmMCXDSC&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](http://books.google.com.pk/books?id=kNRkTmMCXDSC&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=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](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)

**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 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**

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

Process plant strategy

**Market area plant strategy**

Cost conservation strategy

Product plant strategy

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

**Supply chain capabilities**

Competitors' strengths

Demand forecasts

Overall cost estimates

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=IHBB-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](http://books.google.com.pk/books?id=IHBB-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)

**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.**

**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](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

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

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

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

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

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

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

Rules

**Strategies**

Policies

Mission

**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

**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



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**

Time series forecast

Consumer survey

Executive opinion

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

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 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**

Actual output + effective capacity

Actual output - design capacity

**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

**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

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

Fixed position layout

Process layout

**Product layout**

Hybrid layout

**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

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

**Normal**

Exponential

Beta

Pareto

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

Functional design

Production design

Service design

**Product design**

**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**

[http://books.google.com.pk/books?id=4dC0WP0VrdcC&pg=PA398&lpg=PA398&dq=car+wash+is+the+example+of+Standardized+service&source=bl&ots=qIIIR3kpQV&sig=771YBzi3PRXOPLap7GP58ShHSYg&hl=en&ei=VirtTK-CcTDQcYfl\\_I4P&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=car%20wash%20is%20the%20example%20of%20Standardized%20service&f=false](http://books.google.com.pk/books?id=4dC0WP0VrdcC&pg=PA398&lpg=PA398&dq=car+wash+is+the+example+of+Standardized+service&source=bl&ots=qIIIR3kpQV&sig=771YBzi3PRXOPLap7GP58ShHSYg&hl=en&ei=VirtTK-CcTDQcYfl_I4P&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=car%20wash%20is%20the%20example%20of%20Standardized%20service&f=false)

**Which of the following is an advantage of standardization?**

**Frozen designs**

Customized parts

Interchangeable parts

Reduced variety



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

Reduced design costs

Interchangeable parts

**Reduced variety**

Customized parts

**Product life cycle is based on which of the following components?**

Place

**Demand**

Supply

Price

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

Growth

**Decline**

Maturity

Planning

**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

**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**

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

More absenteeism

Minimum responsibility

More turnovers

**More difficult to teach the job**

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

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

**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

**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

## 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 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.

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

Reference: 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](http://en.wikipedia.org/wiki/Value_chain)

**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

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

- ▶  $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$
- ▶  **$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$  p#10**
- ▶  $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$
- ▶  $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

**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

**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 bank's 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

▶  $Q = VC / (R + FC)$

▶  $Q = FC / (R + VC)$

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

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.

**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 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).

**In exponential smoothing model,  $\alpha$  denotes:**

► **Smoothing constant** p#40

- Actual forecast
- Forecast error
- Previous forecast

**Which one of the following designs resists modifications?**

► **Frozen design** p#48

- Product design

▶ Service design

▶ Robust design

▶ 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

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

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

▶ Cost curve

▶ **Bath tub curve** p#60

- ▶ Fish bone diagram
- ▶ Reliability curve

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 is an example of site related factors that affect location decision?**

- ▶ **Transportation p#96**
- ▶ Quality of life
- ▶ Location of new markets
- ▶ Location of raw materials

**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.

**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](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>

**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.**

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

\_\_\_\_\_ 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**

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>

**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.

**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

Solution:

$50/3=16.66$  per hr

**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?**

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

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

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

(Quality + Speed+ Cost) / Flexibility

**Ref:**

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

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

**Ref:**

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

So

Performance = Quality +Speed+ Flexibility

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

**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

**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 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 resisit human factor, personal opinions.

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

**Ref:**

- 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.

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

**Associative forecast**

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.

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 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

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 mathematical expressions is used to compute utilization?

Actual output / effective capacity

**Actual output / design capacity**

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 stages of product life cycle relates to more predictable behaviour in terms of capacity requirements?**

Introduction

Growth

**Maturity**

Decline

Ref: *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 under different operating conditions. It is particularly useful as a tool for comparing capacity alternatives.

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

$$Q = VC / (R - VC)$$

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

$$Q = VC / (R + FC)$$

$$Q = FC / (R + VC)$$

**Ref:**

$$QBEP = FC / R - VC$$

**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..

**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=7m8VJP0I\\_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](http://books.google.com.pk/books?id=7m8VJP0I_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)

**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 Out put= 300 units per day

CT=Cycle Time = OT/D

CT = 9/300

CT = 0.03 minutes

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 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.

**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

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

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

**$(MTBF) / (MTBF + MTR)$**

$(MTBF) / (MTBF - MTR)$

$(MTR) / (MTBF + MTR)$

$(MTR) / (MTBF - MTR)$

**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 300 hours between repairs, and the mean repair time is expected to be 2 hours?**

6.02

2.0

**0.99**

0.006

$\text{Availability} = \text{MTBF} / (\text{MTBF} + \text{MTR})$

MTBF = Mean time between failure = 300 hrs

MTR = Mean time to repair = 2 hrs

$\text{Availability} = 300 / (300 + 2)$

**= 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

**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

**The disadvantages of specialization to management include all of the following**

**EXCEPT:**

More absenteeism

Minimum responsibility

**More difficult to teach the job**

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

Budgeting

Capacity planning

Inventory management

**Quality control**

**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.**

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

Cutting

Packing

**Facilitating**

Labeling

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**

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



## **MIDTERM EXAMINATION**

Spring 2010

MGT613- Production / Operations Management (Session - 5)

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

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

**Operations manager is responsible for all of the following EXCEPT:**

- ▶ Forecasting
- ▶ Capacity planning
- ▶ Inventory management
- ▶ **Distributing organizations' goods**

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?

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

- ▶ Inventory management
- ▶ Scheduling tasks
- ▶ Supply chain management

▶ Financial reporting

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

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

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

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

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

▶ **Quantitative forecast**

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

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**

**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 encompass an extended time period

▶ **When a series of decisions is required**

[http://books.google.com.pk/books?id=\\_sOSAXTuy8cC&pg=PA906&lpg=PA906&dq=the+use+of+a+decision+tree+is+required+instead+of+a+payoff+table?&source=bl&ots=24k4PIomqS&sig=9VgtOwxFu-U3SMxObxKIU6W2HT0&hl=en&ei=P1ruTMmaM4fJccag5IQK&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q&f=false](http://books.google.com.pk/books?id=_sOSAXTuy8cC&pg=PA906&lpg=PA906&dq=the+use+of+a+decision+tree+is+required+instead+of+a+payoff+table?&source=bl&ots=24k4PIomqS&sig=9VgtOwxFu-U3SMxObxKIU6W2HT0&hl=en&ei=P1ruTMmaM4fJccag5IQK&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q&f=false)

**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 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

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

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

▶ **High material handling costs**

- ▶ Sequential arrangement of machines

- ▶ Standardized output
- ▶ Continuous production system

**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

**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 p#44**

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

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

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

►  $(MTBF) / (MTBF + MTR)$

►  $(MTBF) / (MTBF - MTR)$

►  $(MTR) / (MTBF + MTR)$

►  $(MTR) / (MTBF - MTR)$

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

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

▶ **Continuous processing**

[http://forecast.umkc.edu/ftppub/ba547/chapter\\_4.htm](http://forecast.umkc.edu/ftppub/ba547/chapter_4.htm)

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.

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)

**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.**

**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 statements relates to the final stage of product life cycle?**

- ▶ Improve reliability, and reduce production costs

▶ **Improve packaging and reliability** p #50

- ▶ Improve reliability, and reduce quality

- ▶ Improve reliability, and reduce promotion costs

**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

**MIDTERM EXAMINATION**

Spring 2010

## MGT613- Production / Operations Management

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

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

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

**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 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

**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

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

► **Associative forecast p#35**

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

□□ *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.

**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 implication of laplace approach of decision making?

- ▶ The best of the worst possible payoff
- ▶ The best possible payoff
- ▶ The best average payoff p#27
- ▶ The least of the worst regrets

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-CPGTq0dIlQGSXVjt3vk&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](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-CPGTq0dIlQGSXVjt3vk&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 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

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

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

▶ Fixed position layout

▶ **Process layout**

▶ Product layout

▶ Cellular layout

**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 is an application of simple exponential smoothing?**

- ▶ Establishing durability
- ▶ Finding reliability
- ▶ **Scheduling services**
- ▶ Quality improvement

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

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

[http://books.google.com.pk/books?id=aaVTH0\\_kDpsC&pg=PA68&lpg=PA68&dq=Which+takes+into+consideration+the+design+of+aesthetics+of+the+product%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](http://books.google.com.pk/books?id=aaVTH0_kDpsC&pg=PA68&lpg=PA68&dq=Which+takes+into+consideration+the+design+of+aesthetics+of+the+product%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 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 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

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 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 is used to produce gasoline and petroleum products?**

- Job shop
- Batch processing
- Assembly line

► **Continuous processing**



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

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

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

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

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

## **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 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

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 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?

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

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

► Time dimension

► Reliability factor

► Degree of accuracy

► Measuring units

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

▶ **Time series**

- ▶ Qualitative
- ▶ Judgmental
- ▶ Associative

**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**

**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**

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

- ▶ Efficiency
- ▶ Effective capacity
- ▶ Effectiveness
- ▶ **Utilization**

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

**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.

**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

**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**

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

▶  **$(MTBF) / (MTBF + MTR)$**

▶  $(MTBF) / (MTBF - MTR)$

▶  $(MTR) / (MTBF + MTR)$

▶  $(MTR) / (MTBF - MTR)$

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 refers to the length of time needed to complete a job?

- ▶ Work sampling methods
- ▶ Work measurement p#90
- ▶ 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 one of the following management functions is based on forecasting?

▶ **Planning**

▶ Organizing

▶ Leading

▶ Controlling

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

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

▶ Continuous Flow

▶ **Assembly Line**

▶ Batch

▶ Job shop

**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

**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

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

► Organizational strategy

► Financial strategy

► Operational strategy

► Tactical strategy

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**

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

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) p#85**

**MIDTERM EXAMINATION**

Spring 2010

MGT613- Production and operation management (Session - 3)

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

▶ Capital

▶ Energy

▶ Labour (page 19)

▶ Machine

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**

**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. (Page 34)

► Collect and analyze the appropriate data.

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 mathematical expressions is used to compute utilization?

► Actual output / effective capacity

► Actual output / design capacity (pg 66)

► Actual output + effective capacity

► Actual output - design capacity

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 of the following layout types is associated with a supermarket?

- ▶ Fixed position layout

▶ Process layout

- ▶ Product layout
- ▶ Cellular layout

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

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

Which method of forecasting is most widely used?

- ▶ Regression analysis
- ▶ Adaptive forecasting
- ▶ Weighted moving average

- ▶ Exponential smoothing

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 (pg 51)

- ▶ Design for recycling

- ▶ Design for disassembly

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

$\text{Availability} = \text{MTBF} / (\text{MTBF} + \text{MTR})$

MTBF = mean time between failure = 300 hrs

MTR = mean time to repair = 2 hrs

Availability =  $300 / (300 + 2)$

= 0.99

▶ 0.006

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

- ▶ Lower management
- ▶ Middle management
- ▶ **Top management**
- ▶ Non managerial employees

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](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)

**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 is an example of site related factors that affect location decision?**

- ▶ **Transportation ( pg 96)**
- ▶ Quality of life
- ▶ Location of new markets



- ▶ Location of raw materials

**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

**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

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

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 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 ( pg 35)**
- ▶ Associative forecasting model

**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 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

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

- ▶ Financial reporting
- ▶ Inventory management
- ▶ Scheduling tasks
- ▶ Supply chain management

**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

**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**

**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

**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: PPT slide](#)

**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: PPT slide.

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

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 manufacturing process is associated with high volume car manufacture?

- ▶ Job shop
- ▶ **Assembly line**
- ▶ Batch
- ▶ Automation

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.

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.

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.



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

▶ Fixed position layout

▶ **Process layout**

▶ Product layout

▶ Cellular layout

**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 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.

**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.

**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 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 intergreate the activities of the entire business process, and are called so because they 'cross' departmental boundaries.

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

- ▶ Budgeting
- ▶ Capacity planning
- ▶ Inventory management
- ▶ **Quality control**

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

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

**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

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 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

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

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

R&D expertise should be obtained through acquisition of a well-established firm in the industry in which of the following situation?

If both technical progress and market growth are fast

**If technology is changing slowly but the market is growing fast**

If the technical progress is slow, market growth the rate is moderate

If technology is changing rapidly and the market is growing slowly

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

A desired future state that the organization attempts to realize . Identify the term relevant to the given statement.

Policy

Procedure

**Goal**

Strategy

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

The purpose of a mission statement is to declare all of the following EXCEPT:

A reason of being

A statement of purpose

**An annual financial plan**

A statement of beliefs

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

Ethnic balance changes due to the migration of the people from different areas to different areas. This affects the ethical behavior very much , this is the effect of

which of the following forces?

Economic forces

**Social, cultural, and demographic forces**

Technological forces

Competitive forces

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

Which of the following can be considered as barriers to entering a market or industry?

The lack of economies of scale and experience and low levels of brand loyalty

**The presence of large number of rivals already in the industry**

Relatively large capital requirements and industry have economies of scale

The absence of tariffs, trade restrictions, and/or government-mandated regulations

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

Which one of the statements is a good example of the competitive power of substitute products?

The competition between contact lens and eyeglasses

the competition between Amazon.com and traditional off-line bookstores

The competition between cellular phones and computers

The competition between Aspirin and joshanda

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

Assigning 1 rating to a key external factor indicates that:

Response is average

**Response is poor**

Response is superior

Response is above average

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

What is the difference between CPM and EFE?

**CPM includes both internal and external issues**

The weight and total weighted score mean opposite

CPM ratings range from 1 to 10

CPM is performed only for the large businesses

**Question No: 9 ( 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: 10 ( Marks: 1 ) - Please choose one**

Max Rent-a-Car is opening car rental shops in Wal-Mart stores, is an example of which type of strategy?

**Forward integration**

Backward integration

Related diversification

Unrelated diversification

**Question No: 11 ( 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

**Question No: 12 ( 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**

**Explanation:** 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: 13 ( 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: 14 ( Marks: 1 ) - Please choose one**

Matching stage of strategy formulation framework comprises of formulation of which of the following set of matrices?

BCG, SPACE, QSPM matrix

#### **BCG, SPACE, TWOS Matrix**

SPACE, TWOS and IFE matrix

BCG, SPACE, EFE Matrix

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

Other than ranking strategies to achieve the prioritized list, only one analytical technique in strategy formulation which is designed to determine the relative attractiveness of feasible alternative actions is known as:

SPACE

#### **QSPM**

IFE

CPM

**Explanation:** QSPM stands for **Quantitative Strategic Planning Matrix**. A quantitative method used to collect data and prepare a matrix for strategic planning. It is based on identified internal and external crucial success factors.

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

ABC Corporation can have competitive advantage over its competitor by taking all of the following actions EXCEPT:

By increasing product quality

**By having debt to equity ratio=1**

By altering product life cycle

By increasing customer base

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

What type of strategies would you recommend when a firm's SPACE Matrix

directional vector has the coordinates (-4, -4)?

Aggressive

Conservative

Competitive

Defensive

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

A position vector with (-6, +6) coordinates describes which one of the following statement regarding SPACE analysis matrix?

A financially weak and highly competitively firm

A financially strong and highly competitively firm

A Financially strong firm but competitively weak

A financially as well as competitively weak firm

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

Business units that have low market share and are operating in slow-growing industry should choose all of the following EXCEPT:

**New investments**

Production efficiency

Distribution efficiency

Product innovation

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

On the x-axis of IE Matrix, an IFE total weighted score of 3.75 depicts what?

A weak internal position

An average internal position

**A strong internal position**

A low internal position

**Explanation:** On the x-axis of the IE Matrix, an IFE total weighted score of 1.0 to 1.99 represents a weak internal position; a score of 2.0 to 2.99 is considered average; and a score of 3.0 to 4.0 is strong.

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

Which of the following is TRUE about weights assigned in QSPM?

This refers to preference assigned to the internal and external factors

**This refers to relative importance of the internal and external factors**

This refers to the insignificance of the internal and external factors

This refers to the relative size of the internal and external factors

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

What can be the limitation of QSPM?

Only a few strategies can be evaluated simultaneously

The cost of doing the analysis is very high

**Intuitive judgments and educated assumption are required**

It requires equal participation of everyone in organization

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

Which of the following is NOT a part of resource allocation plan?

Basic allocation decision

Contingency mechanisms

**Primary allocation mechanism**

None of the given options

**Explanation:** In strategic planning, a resource-allocation decision is a plan for using available resources, especially human resources especially in the near term, to achieve goals for the future. It is the process of allocating resources among the various projects or business units. The plan has two parts: Firstly, there is the basic allocation decision and secondly there are contingency mechanisms.

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

Which one of the following is not an approach to resolve conflicts?

Avoidance

Defusion

Confrontation

**Ignorance**

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

Which approach for managing and resolving conflict involves playing down differences between conflicting parties while stressing on similarities and common interests?

Avoidance

Compliance

Defusion

Confrontation

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

Which of the following is best identified as being an adaptation of the divisional structure?

Vertical Integration

Strategic business units

Joint venture

**None of the given options**

**Rationale:** Medium-size firms tend to be divisionally structured (decentralized). Whereas above mentioned 3 form of organizations fall under the category of large size organizations which adopt SBU.

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

All of the following would be considered as true statements regarding the matrix organizational structure EXCEPT which one?

**It reduces managerial positions**

It shares authority and responsibility among managers

It distributes stress among the team members

It maintains better balance between time and performance

**Rationale:** A matrix structure can result in higher overhead because it creates more management positions.

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

The inventory is viewed as which of the following in Just In Time Inventory system:

**Incurring costs**

Adding value

Disburse expense

None of the given options

**Explanation:** First off inventory is seen as incurring costs instead of adding value, contrary to traditional thinking. Therefore, under the philosophy businesses are encouraged to eliminate inventory that doesn't add value to the product.

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

What is NOT a major benefit of having a diverse workforce?

Improvement of the bottom line

**An increase in training costs**

An increase in productivity

A decrease in complaints

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

Market segmentation is especially used in implementing strategies by which of the following firms?

**Small firms**

Large firms

Medium-size firms

All of the given options

**Reference:** Market segmentation is widely used in implementing strategies, especially for small and specialized firms. Market segmentation can be defined as the subdividing of a market into distinct subsets of customers according to needs and buying habits.

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

All of the following are the requirements for successful segmentation EXCEPT:

Segment is large enough to be profitable

**Homogeneity between the segments**

Segments are accessible and actionable

Heterogeneity between segments

**Rationale:** Homogeneity **within** the segment

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

The process of dividing markets into groups of consumers who are similar to each other .Which of the following terms describes the statement?

Positioning

**Segmentation**

Marketing

Targeting

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



Which of the following statements is FALSE about mass marketing?

Mass marketing reduces costs through economies of scale by the increased volume

**Mass marketing does not try to please all customers with same offering**

Mass marketing allows economies of scale to be realized through mass production

Mass Marketing means attempting to sell the same product to a wider audience

**Rationale:** The drawback of mass marketing is that customer needs and preferences differ and the same offering is unlikely to be viewed as optimal by all customers.

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which of these is the most common type of budgeting time frame?

Daily

Monthly

Quarterly

**Annually**

**Explanation:** Annual budgets are most common, although the period of time for a budget can range from one day to more than ten years.

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

At least how many R & D approaches are used for the implementation of strategy?

Three

Four

Five

Two

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

Which one of the following is not a rivalry determinant of Porter's model?

Differentiation of inputs

Industry growth

Diversity of competitors

**Switching costs**

**Rationale:** It is threat of substitute product.

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

What is the purpose of strategy evaluation?

Increase the budget annually

#### **Alert management of problems**

Make budget changes

Evaluate employees performance

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

All of the following are the examples of technology development EXCEPT:

Research and Development

#### **Quality management**

Process automation

Design and redesign

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

Strategy evaluation is based on which of the following?

Quantitative and empirical criteria

Empirical and qualitative criteria

Qualitative and objective criteria

#### **Qualitative and quantitative criteria**

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

Which of the following statement is TRUE about most of the quantitative criteria of evaluating strategies?

#### **These are geared to annual objective**

These are geared to short-term objective

These are geared to long-term objective

These are geared to social objectives

**Reference:** most quantitative criteria are geared to annual objectives rather than long-term objectives.

#### **Question No: 41 ( Marks: 1 ) - Please choose one**

What is the basis for quantitative financial evaluation?

The EPS/EBIT Analysis

Capital Asset Pricing Model

#### **Financial ratios**

Present value analysis

**Explanation:** Quantitative criteria commonly used to evaluate strategies are financial ratios, which strategists use to make three critical comparisons:

#### **Question No: 42 ( Marks: 1 ) - Please choose one**

The people who perform audit can be categorized as all of the following EXCEPT:

Independent auditors

**Financial auditors**

Government auditors

Internal auditors

**Question No: 43 ( Marks: 3 )**

Formulation framework is considered to be the input stage of a Comprehensive

Strategy-Formulation Framework. You are required to identify the strategy

formulation tools included in this stage.

**Question No: 44 ( Marks: 3 )**

One of the approaches to implement change says: People are basically compliant and will generally do what they are told or can be made to do and change is based on the exercise of authority and the imposition of sanctions. Identify that approach and explain.

**Question No: 45 ( Marks: 3 )**

Net worth can be used to determine credit worthiness because it gives a snapshot of the company's investment history. Identify three approaches for determining the worth of a business.

**Question No: 46 ( Marks: 5 )**

Explain the benefits and limitations of developing a Boston Consulting Group Matrix.

**Question No: 47 ( Marks: 5 )**

Describe the kind of strategy-evaluation system, a large and a small organization require?

**Question No: 48 ( Marks: 10 )**

Suppose you are a strategist in a company and you want to evaluate the effectiveness of your contingency planning? How will you do it?

**Question No: 49 ( Marks: 10 )**

The Management of Voyager Pvt.Ltd. has been facing a decline in sales and profits since 9 months due to strong competitors. Now the management has decided to restructure the company. You being a management consultant are required to guide them in the following areas:

The process of restructuring. (2)

In which cases they should use this option? (2)

What would be the benefits of restructuring to the organization? (3)

What possible actions the management should take while restructuring the company? (3)

MGT613- Production / Operations Management  
FINAL TERM EXAMINATION

2010

Paper-1

**Total questions:53**  
**Time: 90 min**

**Subjective:5**  
**Objective:48**

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

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

*\*Strategic or institutional management\* is the conduct of drafting, implementing and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives*

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

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

Energy productivity: units of the output per kilowatt hour

Rupee value of output per kilowatt hour

**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

Page#26

### **MAXIMAX**

- \_ Maximax determines
- \_ The best possible outcome
- \_ Choose the Alternative with the best possible payoff.
- \_ It does not take into account any other alternative then the best payoff.
- \_ An optimistic approach

**Which one of the following is a possible disadvantage of a moving average forecast?**

- ▶ The method is unable to forecast the demand accurately
- ▶ The method is easy to compute and easy to understand
- ▶ **All the values in the average are weighted equally**
- ▶ The most recent values are given the more weighted

One disadvantage of using moving averages for forecasting is that in calculating the average all the observations are given equal weight (namely  $1/L$ ), whereas

we would expect the more recent observations to be a better indicator of the future (and accordingly ought to be given greater weight). Also in moving averages we only use recent observations, perhaps we should take into account all previous observations.

<http://people.brunel.ac.uk/~mastjjb/jeb/or/forecast.html>

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

Design capacity > effective capacity > actual capacity

Design capacity is the max capacity which a firm can attain.

effective capacity is max capacity which a firm can produce.

Actual capacity is capacity which any firm actual produce.

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

- ▶ 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](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)

Which one of the following designs resists modifications?

- ▶ Frozen design **p 48**

- ▶ Product design
- ▶ Service design
- ▶ Robust design

**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

**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** mid file
- ▶ 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 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.

**Who emphasized quality in terms of inspection and gauging?**

- ▶ G.S. Radford
- ▶ W. Shewhart
- ▶ **F.W. Taylor**
- ▶ W.E. Demig

**Page#101**

**Frederick Winslow Taylor** the father of scientific management brought back the concept of quality by incorporating product inspection as well as focusing on the importance of manufacturing management

**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



Dimensions of Quality:

1. Performance - main characteristics of the product/service
- 2. Aesthetics - appearance, feel, smell, taste**
3. Special Features - extra characteristics
4. Conformance - how well product/service conforms to customer's expectations
5. Reliability - consistency of performance
6. Durability - useful life of the product/service
7. Perceived Quality - indirect evaluation of quality (e.g. reputation)
8. Serviceability - service after sale

**Which of the following involves incremental changes within the organization whose cumulative effect is to deliver an increased rate of performance enhancement?**

- ▶ Continuous improvement
- ▶ Competitive benchmarking
- ▶ Business process re-engineering**
- ▶ Statistical process control

Business Process Re engineering:

A discipline to measure and modify organizational effectiveness by documenting, analyzing, and comparing an existing **process** to "best-in-class" practice, and then implementing significant **process** improvements or installing a whole new **method**.

**Which of the following terms reflects Japanese view of continuous improvement?**

- ▶ **Kaizen**
- ▶ Poka-yoke
- ▶ Six sigma
- ▶ Inspection

**Page#112**

**Kaizen:** A Japanese word for continuous improvement.

**Problem solving is an example of which of the following?**

- ▶ Internal failure cost
- ▶ External failure cost
- ▶ **Prevention cost**
- ▶ Appraisal cost

**Ref:** Prevention Costs include all TQM training, TQM planning, customer assessment, process control, and quality improvement costs to prevent defects from occurring.

**The well-known Deming wheel is also referred to as:**

- ▶ Juran's cycle
- ▶ Crosby's cycle
- ▶ Ishikawa's cycle
- ▶ **Shewhart's cycle**

**Page # 116**

Deming referred to it as Shewhart's cycle.

Which of the following refers to the upper limit on the percentage of defects that a customer is willing to accept?

- ▶ Acceptable Quality Level (AQL)
- ▶ Lot Tolerance Percent Defective (LTPD)
- ▶ Average Outgoing Quality (AOQ)
- ▶ Average Outgoing Quality Limit (AOQL)

Page#131

**Lot Tolerance percent Defective(LTPD):** the upper limit on the percentage of defects that a consumer is willing to accept.

Aggregate planning usually covers time span of how many months?

- ▶ 2 - 12 months
- ▶ 2- 15 months
- ▶ 2 - 16 months
- ▶ 2 - 17 months

Page#133

Aggregate planning: Intermediate range capacity planning, usually covering 2 to 12 months.

Identify the mathematical expression to determine the number of workers in a given period. Where  $a$  = Number of workers at the end of previous period,  $b$  = Number of new workers at the start of the period,  $c$  = Number of laid-off workers at the start of the period

►  $a + b - c$

►  $a + b + c$

►  $a - b + c$

►  $a - b - c$

Page #137

Number of workers in a period equals Number of Workers at the end of the previous period PLUS Number of new Workers at the start of the current period - Number of laid off Workers at the start of the current period.

**What would be the total cost of inventory, if a firm holds 200 units of a product 'A', where the carrying cost is Rs. 2 per unit?**

► Rs. 202

► Rs. 100

► Rs. 198

► **Rs. 400**

Total cost=holding units\*cost per unit

$200 \times 2 = 400$

**Which of the following time fences in a Master Production Schedule (MPS) allows many variations in products with multiple changes?**

► Fixed time fence

► Moderately firm time fence

► Frozen time fence

► **Flexible time fence**

<http://www.slideshare.net/birubiru/pom-unit-ii-final>  
[slide#32](#)

**Which of the following mathematical expressions can be employed to compute inventory cost?**

- Carrying cost per unit + average inventory cost
- **Carrying cost per unit × average inventory cost**
- Carrying cost per unit ÷ average inventory cost
- Carrying cost per unit – average inventory cost

**Inventory : Carrying Cost per Unit X Average Inventory**

**The cost of a particular plan for a given period can be computed by using which one of the following expressions?**

- Output cost + hire/layoff cost + inventory cost – backorder cost
- **Output cost + hire/layoff cost + inventory cost + backorder cost**
- Output cost - hire/layoff cost + inventory cost + backorder cost
- Output cost + hire/layoff cost - inventory cost + backorder cost

[Page#137](#)

**Cost for a ( current) period equals Output Cost ( Regular +OT+ Subcontract) + Hire/Layoff Cost+ Inventory Cost + Backorder Cost**

**Which of the following is the costs of carrying an item in inventory for a specific period of time?**

- Ordering cost
- **Holding cost**
- Shortage cost

- ▶ Stock out cost

Page#144

**Holding (carrying) costs:** Cost to carry an item in inventory for a length of time, usually a year. Costs include Interest, insurance, taxes, depreciation, obsolescence, deterioration, pilferages, breakage, warehousing costs and Opportunity costs.

**In which of the following systems an item's inventory is stored at two different locations?**

- ▶ Optional replenishment system
- ▶ Base stock system
- ▶ **Two bin system**
- ▶ Universal bar code system method

Page#143

**Two bin system:** Two containers of the inventory: reorder when the first is empty.

**Which of the following is known as a visual representation of the requirements in a bill of materials having all the components listed in levels?**

- ▶ Master production schedule
- ▶ Material requirements planning
- ▶ **Product structure tree**
- ▶ Inventory status record

Page#143

**Two bin system:** Two containers of the inventory: reorder when the first is empty.

Which of the following refers to the quantity expected to be received by the beginning of the period in which it is shown?

- ▶ Gross requirements
- ▶ Net requirements
- ▶ **Planned-order receipts**
- ▶ Planned-order releases

**Planned-order receipts:** The quantity expected to be received by the beginning of the period in which it is shown.

ERP stands for which of the following?

- ▶ **Enterprise Resource Planning**
- ▶ Enterprise Requirements Planning
- ▶ Equal Resource Planning
- ▶ Equal Requirements Planning

Page#162

**Enterprise resource planning (ERP):** often called the rightful next step in an evolution that began with MRP and evolved into MRP 2.

Which kind of production system is undertaken by JIT (Just In Time) production?

- ▶ Intermittent processing

- ▶ Job shop processing
- ▶ **Repetitive processing**
- ▶ Batch processing

Reference:

[http://books.google.com.pk/books?id=HH0vVv6dMb0C&pg=PA319&lpg=PA319&dq=repetitive+production+and+JIT&source=bl&ots=X5Y\\_Vh6M5W&sig=MF4SmXtQGK\\_f195NRsoMatDtLvc&hl=en&ei=pKkpTZexHYWq8QPOyJi9Ag&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CCUQ6AEwAg#v=onepage&q=repetitive%20production%20and%20JIT&f=false](http://books.google.com.pk/books?id=HH0vVv6dMb0C&pg=PA319&lpg=PA319&dq=repetitive+production+and+JIT&source=bl&ots=X5Y_Vh6M5W&sig=MF4SmXtQGK_f195NRsoMatDtLvc&hl=en&ei=pKkpTZexHYWq8QPOyJi9Ag&sa=X&oi=book_result&ct=result&resnum=3&ved=0CCUQ6AEwAg#v=onepage&q=repetitive%20production%20and%20JIT&f=false)

**Which of the following refers to a card or device that communicates demand for work or materials from the preceding station?**

- ▶ **Kanban**
- ▶ Kaizen
- ▶ Inventory file
- ▶ Master schedule

Page#167

**Kanban:** a card or device that communicates demand for work or materials from the preceding station Kanban is the Japanese word meaning “signal” or “visible record”

**DRP stands for which of the following?**

- ▶ Demand Requirements Planning
- ▶ **Distribution Requirement Planning**
- ▶ Dividend Requirements Planning
- ▶ Data Resource Planning



Distribution requirement planning (DRP) is a system for inventory management and distribution planning.

**Which one of the following is a condition for a successful supply chain?**

- ▶ A large number of suppliers
- ▶ Many short-term contracts
- ▶ **Trust among trading partners**
- ▶ Continuous competitive bidding

Trust among partners is essential for a win-win relationship. But successful supply chain managers realize the need to invest time and ... sustainable win-win relationships among trading partners

**Which of the following refers to the length of time, a job is in the shop at a particular workstation?**

- ▶ Slack time
- ▶ Lead time
- ▶ **Job flow time**
- ▶ Make-span

The flow time of an order (a job) in a system is the difference between the release time of the job into the system and the departure time of the job from the system.

**Which one of the following is focused to reduce the incidence of failures in the plant or equipment to avoid the associated costs?**

- ▶ Reactive maintenance
- ▶ **Total productive maintenance**

► **Preventive maintenance**

► Predictive maintenance

Preventive maintenance –

the prevention of equipment breakdowns before they happen. This includes inspections, adjustments, regular service and planned shutdowns.

**Successful project management includes all of the following factors EXCEPT:**

► **Interchangeable staff**

► Competent team members

► Responsiveness to clients

► Control mechanisms

[http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lpg=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOsS7rEQ&sa=X&oi=book\\_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Interchangeable%20staff&f=false](http://books.google.com.pk/books?id=xCj6Md3eVsYC&pg=PT360&lpg=PT360&dq=successful+project+management+and+Interchangeable+staff&source=bl&ots=Ik-9i-XiGg&sig=EGXpHLK4WwOOOiukNB1pmFGXD0s&hl=en&ei=YphLTcO9JsSWOsS7rEQ&sa=X&oi=book_result&ct=result&resnum=1&sqi=2&ved=0CBcQ6AEwAA#v=onepage&q=successful%20project%20management%20and%20Interchangeable%20staff&f=false)

**Which of the following relates to delegation of responsibility to an organizational department for a project?**

► Project structure

► Functional structure

► **Balanced matrix structure**

► Project matrix structure

<http://books.google.com.pk/books?id=F1c3wHNDF-wC&pg=PA168&lpg=PA168&dq=delegation+of+responsibility+to+an+organizational+department+for+a+project%3F&source=bl&ots=n24C0U0-DR&sig=HYJBJSnN2980CTqN6vNsN2yk1eI&hl=en&ei=QB8xTZXTLsWz4gbD2J>

[yMCg&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=delegation%20of%20responsibility%20to%20an%20organizational%20department%20for%20a%20project%3F&f=false](http://www.buzzle.com/articles/organizational-structure-examples.html)

and

<http://www.buzzle.com/articles/organizational-structure-examples.html>

Which of the following refers to the longest path taken for the project to complete?

- ▶ Sensitive path
- ▶ Coverage path
- ▶ **Critical path**
- ▶ Permanent path

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Critical path: The longest path; determines expected project duration.

2010

## Paper-2

Mr. Ali purchased a TV set. After a period of a year, the picture quality started deteriorating. He went to the company and complained and the company responded subsequently. Which of the following dimensions of quality would come into play?

- ▶ Reliability
- ▶ Conformance
- ▶ **Serviceability**
- ▶ Aesthetics

**Ref:** Serviceability refers to services after sale.

Which of the following refers to the inherent variability in a process?

- ▶ Control limits

- ▶ Process capability
- ▶ **Chance causes of variation**
- ▶ Assignable causes of variation

### Reference

If holding cost of an item is 70,000 per year,  
 Time savings = 2 days using 1 day alternative  
 What is the incremental holding cost for additional 2 days?

- ▶ Rs.350
- ▶ Rs.380
- ▶ **Rs.384**
- ▶ Rs.375

**Calculation:** Incremental Holding Cost=  $H (d/365)$

Where H=Annual Holding cost for the item.

d = Time savings in days and d/365 is fraction of year saved.

Incremental Holding Cost=  $70,000 (2/365)$   
**=383.56 or 384**

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)

**Ref:** Bottleneck is one process in a chain of processes, such that its limited capacity ( increased time of completion, or increased labour requirement) reduces the capacity of the whole chain.

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

CBR stands for which one of the following?

- ▶ Commercial board of revenue
- ▶ Central board of recycling
- ▶ Central board of renovation
- ▶ **Central board of revenue**

Page#46

CBR denotes Center Board of Revenue, which monitors the organizations taxable income.

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

**Calculation:**  $\text{Availability} = (\text{MTBF}) / (\text{MTBF} + \text{MTR})$

Where,

MTBF = Mean time between factor =300

MTR = Mean repair time =2 hours

Availability =  $(300) / (300+2)$   
 $= 300 / 302$   
**= 0.99**

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**

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

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

**Which of the following is NOT true about TQM?**

- ▶ **Focused on worker's activity rather than management**
- ▶ Meeting the needs and expectations of customers
- ▶ Inclusion of every person in the organization
- ▶ Covering all the functional areas of the organization

**Ref:** It is that common viewpoint as well as attitude shared by the whole organization. (Page no.111)

**Identify the stage of the DMAIC (Define, Measure, Analyze, Improve and Control) methodology which involves eliminating the root causes of non-random variation.**

- ▶ Define
- ▶ Measure
- ▶ Analyze
- ▶ **Improve**

[http://www.tutorialspoint.com/six\\_sigma/six\\_sigma\\_glossary.htm](http://www.tutorialspoint.com/six_sigma/six_sigma_glossary.htm)

**Improve Phase (DMAIC)**

The goal of improve phase is to pilot and implement solutions that address root causes. This step helps to eliminate any errors/false starts when the team finally implements the solution.

**Which of the following stage of Deming's wheel involves evaluating the improvement plan?**

- ▶ Plan
- ▶ Do
- ▶ **Check**
- ▶ Act

**Ref: CHECK**

- Evaluate the data collection during this phase.

- Check how closely the results match the original goals of the plan phase.(Page no.116)

**Which of the following statement defines process analysis?**

- ▶ It is collecting information, identifying each step and finding inputs and outputs of process
- ▶ It is collecting information about cost reduction and improving the defects
- ▶ **It relates to asking questions about process flow and identifying missing or duplicating activities**
- ▶ It relates with taking a fresh approach to solve an issue on hand

Page-116

**Identify the correct sequence of steps in the control process.**

- (a) Define(b) Measure(c) Compare  
(d) Evaluate(e) Corrective action(f) Monitor results

- ▶ a, b, d, c, f, e
- ▶ **a, b, c, d, e, f**
- ▶ a, b, c, f, e, d
- ▶ a, b, d, e, f, c

**Ref:** The Control Process consists of the following important stages.

1. Define
2. Measure
3. Compare
4. Evaluate
5. Correct
6. Monitor results

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

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

**Which of the following defines the purpose of acceptance sampling?**

- ▶ **Deciding whether a lot satisfies pre-determined standards**

- ▶ Determining the lot size for sampling process
- ▶ Evaluating the process of inspection for sampling
- ▶ Implementing quality control policies for the process

**Ref:** Acceptance sampling is an important form of inspection applied to lots or batches of items before or after a process, to judge conformance with predetermined standards.(Page no.128)

**Which one of the following is an example of a long range plan?**

- ▶ **Location layout**
- ▶ Work schedule
- ▶ Machine loading
- ▶ Backorder

**Ref: Long-range plans**

1. Long term capacity
2. Location / layout (Page no.133)

**Which of the following costs is inversely related with order size?**

- ▶ **Annual ordering cost**
- ▶ Annual carrying cost
- ▶ Annual shortage cost
- ▶ Annual stockout cost

B. Ordering costs are inversely and nonlinearly related to order size  
<http://www.scribd.com/doc/42106516/Inventory-Management>

**Which of the following is a benefit of an MRP (Material Requirements Planning) system to an organization?**

- ▶ Increased sales price
- ▶ Increased inventory
- ▶ Reduced customer service
- ▶ **Ability to track material requirements**

**Ref:** Low levels of in-process inventories  
 Ability to track material requirements  
 Ability to evaluate capacity requirements  
 Means of allocating production time



**Which of the following statements is TRUE about Just-in-Time?**

- ▶ It is essential for a project organization
- ▶ It pushes inventory through the operations process
- ▶ It is only useful in a high product variety environment
- ▶ **It seeks to reduce inventory in an effort to reduce waste**

**Which one of the following is NOT a characteristic of Just-in-time (JIT) production system?**

- ▶ Flexible workforce
- ▶ Pull methods of materials flow
- ▶ **Large lot size**
- ▶ Close supplier ties

**Ref:** JIT system requires small lot size. (Page no.166)

**Which of the following is NOT a benefit of supply chain management?**

- ▶ Lower inventory
- ▶ Higher productivity
- ▶ **Less variety**
- ▶ Greater agility

**Ref: Benefits of Supply Chain Management**

1. Lower inventories
2. Higher productivity
3. Greater agility
4. Shorter lead times
5. Higher profits
6. Greater customer loyalty

**Scheduling is a function of which of the following?**

- ▶ Volume of systems' output
- ▶ Nature of systems' output
- ▶ **Timing of systems' output**
- ▶ Value of systems' output

**Ref:** Scheduling is the timing and coordination of Operations. (Page no.184)

Which one of the following is a type of Gantt chart that shows the loading and idle time for a group of machines?

- ▶ Load chart
- ▶ Schedule chart
- ▶ Input/output control chart
- ▶ Sequence chart

**Ref:** *Load chart* – A type of Gantt Chart that shows the loading and idle times for a group of machines or list of departments.(Page no.181)

Which one of the following is a type of Gantt chart that shows the order of jobs in progress and whether they are on schedule or not?

- ▶ Load chart
- ▶ **Schedule chart**
- ▶ Input/output control chart
- ▶ Sequence chart

Which of the following is NOT a key decision in project management?

- ▶ Selecting the project manager
- ▶ Selecting the project team
- ▶ **Deciding the inventory levels**
- ▶ Planning and designing the project

**Ref:** *Project Management has certain major administrative issues, such as*

1. Executive responsibilities
2. Project selection
3. Project manager selection
4. Organizational structure
5. Organizational alternatives
6. Manage within functional unit
7. Assign a coordinator
8. Use a matrix organization with a project leader

Which of the following is required to describe project scope?

- ▶ Program Evaluation and Review Technique
- ▶ Gantt chart
- ▶ **Work breakdown structure**
- ▶ Critical path method

**Ref:** The primary tool required to describe Project Scope is the Work Breakdown Structure.

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

**(not sure but most appropriate )**

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

**Ref:** The Moving Average model takes the average of several periods of data; the result is a dampened or smoothed data set; use this model when demand is stable and there is no evidence of a trend or seasonal pattern.

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

- ▶ Tangibility
- ▶ Perishability
- ▶ Simultaneity
- ▶ Courtesy

**Ref:** A service is a time-perishable, intangible experience performed for a customer acting in the role of a co-producer.

Which of the following determinants of effective capacity is taken into account by operations manager at macro level?

- ▶ Supply chain
- ▶ Process factors
- ▶ Product and service factors
- ▶ Operational factors

**Ref:** At the macro levels the managers look for Supply chain and External factors, while at the micro level they look for operational factors including facilities and man and machine resources.

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

**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.

In a computer education institution at the beginning of each module many students do not get proper instructions and get enrolled in the modules they are not intended to be. Therefore, management has to bear the cost of *rework* and *extra time* in shifting students to their relevant modules. What type of service gap it represents?

- ▶ Service design gap
- ▶ **Communication gap**
- ▶ Service quality gap
- ▶ Service delivery gap

### Reference

For an item, the on-hand inventory is only 20 units and the reorder point R is 100 units. There are no backorders, but there is one open order for 90 units. Which one of the following statements is TRUE?

- ▶ **An order should be placed now for 20 units**
- ▶ The current inventory position is 100 units
- ▶ An order should be placed now for 10 units
- ▶ There is no need to order at the present

### Reference

Which of the following is re-ordering point inventory model?

- ▶ Economic production model (EPQ)
- ▶ The ABC model
- ▶ **Economic order quantity model (EOQ)**
- ▶ Cycle counting model

**Most inventory models aim at minimizing which of the following?**

- ▶ **Total cost of inventory**
- ▶ The number of orders placed
- ▶ The safety stock
- ▶ The risk of being stock out

**In a factory systems has 20 containers for holding an item, each container holds 350 units. Which of the following is the exact amount of total planned inventory?**

- ▶ 6000 Units
- ▶ 3500 Units
- ▶ 6999 Units
- ▶ **7000 Units**

**Calculation:**  $350 \times 20 = 7000$

**Which of the following provides the best solution for the problem of "too much scrap" in Just-In-Time philosophy?**

- ▶ **Better Inventory management**
- ▶ Effective Material requirement planning MRP
- ▶ Improving work methods
- ▶ Master production schedule

**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 MAXIMIN approach?**

- ▶ Rs. 8,000
- ▶ Rs. 12,000
- ▶ **Rs. 18,000**
- ▶ Rs. 20,000

**Ref:** Determine the worst possible payoff for each alternative, and choose the alternative that has the "best worst." Which is 18000 in this table.

Small facility	10,000
Medium facility	12,000
Large facility	18,000

In labor-limited environment, in which resource constraint is the amount of worker available, which of the following is the best option for effective scheduling in a manufacturing firm?

- ▶ Hire more skilled labor for the job to be completed
- ▶ **Workers should be trained to work on a variety of machines**
- ▶ Assign labor to the next workstation irrespective of their skills
- ▶ More machines should be installed for flexibility of operations

**Reference :**

1st. you can not hire more skilled labor as market is short and its already pointed as constraint in the question.

2nd. When worker are not available, We have to trained our present work force in such a way that they can work on different machine when its required.

3rd can not be correct as without any proper training you can not move worker to handle the machine which might be fatal for the whole system.

4th. More machine is not going to solve the problem, as its the problem of labor shortage.

**Scheduling of materials is the primary focus of which of the following systems?**

- ▶ **Inventory management**
- ▶ Supply chain management
- ▶ Big Just-In-Time
- ▶ Little Just-In-Time

Which of the following accounts for loss of good will of an organization?

- ▶ Hiring and layoff costs
- ▶ **Over-time costs and regular time costs**
- ▶ Backlogs and stock outs
- ▶ Backorders and stock outs

2010

## Paper-3

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

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](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 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

**REFERENCE:** An order winner is a criterion that differentiates the products or services of one firm from another. It can be the product's price, quality, technology, speed, or any other product mix or characteristics. ( Order Qualifiers would meet customer requirements and Order Winners would satisfy customers)

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

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

**REFERENCE: 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.**

**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**

**REFERENCE:** This approach seeks to minimize the difference between payoff that is realized and best payoff for each state of nature

**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

**REFERENCE:**



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

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

- ▶ Facilities
- ▶ **Product mix**
- ▶ Processes
- ▶ Operations

### **REFERENCE:**

There are 7 determinants of effective capacity

1 **Facility**. The design of facilities includes the size as well as the provision of expansion.

2 **Product and service factors** can have a tremendous influence on capacity.

3 **Process factors** refer to the quantity and quality requirements of a process. Quantity always Refers to capacity.

4 **Human factors** include skill, craftsmanship, training and qualification

5 **Operational factors** with respect to effective capacity always refer to scheduling

6 **Supply chain factors** relate to any short coming to suppliers, warehouse processing, operational hiccup.

7 **External factors** include product standards, safety regulations, unions and pollution control Standards.

**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

**In exponential smoothing model,  $\alpha$  denotes:**

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

**REFERENCE:** Alpha smoothing constant

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

**REFERENCE:** Design for Remanufacturing: Using some of the components of the old products in the manufacture of new products. Remanufactured products are sold at 30 to 50% of the price of new product .

Who introduced the use of statistical control charts to Japanese manufacturers?

- ▶ **Edwards Deming**
- ▶ Joseph Juran
- ▶ Kaoru Ishikawa
- ▶ Philip Crosby

**REFERENCE:** The PDSA Cycle (shewhart Cycle/Deming Wheel) ( The concept of the PDCA Cycle was first introduced by Walter Shewhart, the leading statistician, who also developed statistical process control)

Who proposed the concept of “total quality control” in the mid 1950s?

- ▶ Armand Feigenbaum
- ▶ G.S Radford
- ▶ **W. Shewhart**
- ▶ David Gravin

**REFERENCE:** Walter Shewhart is also known as “Father of statistical quality control”

Which of the following is a pair of service quality dimensions?

- ▶ **Reliability and Responsiveness**
- ▶ Uniqueness and Universality
- ▶ Specification and Security
- ▶ Reliability and Reputation

**REFERENCE:** Both are term are used for services in quality dimensions,

*Reliability:* Perform promised service dependably and accurately.

*Responsiveness:* Willingness to help customers promptly.

**Which of the following best describes the ISO?**

- ▶ International Organization for Statements
- ▶ International Operations for Statements
- ▶ **International Organization for Standardization**
- ▶ International Operations for Statements

**Which of the following stage of Deming's wheel involves evaluating the improvement plan?**

- ▶ Plan
- ▶ Do
- ▶ **Check/Study stage**
- ▶ Act

STUDY Evaluate the data collection during this phase. Check how closely the results match the original goals of the plan phase.

**What would be the total cost of inventory, if a firm holds 1000 units of a product 'A', where the carrying cost is Rs. 5 per unit?**

- ▶ Rs. 995
- ▶ **Rs. 5000**
- ▶ Rs. 1050
- ▶ Rs. 200

**REFERENCE:** Total cost of inventory = total units \* carrying cost per unit =  $1000 \times 5 = 5000$

**The optimal order quantity shows a trade-off between which one of the following sets of costs?**

- ▶ Carrying costs and shortage costs
- ▶ **Carrying costs and ordering costs**
- ▶ Carrying costs and stockout costs
- ▶ Carrying costs and setup costs

**REFERECE:** Optimal order quantity a point where carrying cost and ordering cost intersects.

Which one of the following mathematical expressions can be employed to compute annual carrying cost?

- ▶  $(Q-2)H$
- ▶  $(Q+2)H$
- ▶  $(Q\div 2)H$
- ▶  $(Q\times 2)/H$

**REFERENCE:** Total cost = Annual carrying cost + Annual ordering cost

$$TC = (Q/2) H + (D / Q) S$$

Which of the following is used to store information about the status of each item with respect to time period?

- ▶ Master schedule
- ▶ Bill of materials file
- ▶ **Inventory records file**
- ▶ Rough – cut capacity plan

**REFERENCE:** Inventory Records

One of the three primary inputs in MRP

**Includes information on the status of each item by time period**

Gross requirements

Scheduled receipts

Amount on hand

Lead times

Lot sizes

And more Assembly Time Chart

Which of the following compares the known and estimated future capacity requirements?

- ▶ Capacity reports
- ▶ Operations reports
- ▶ **Load reports**
- ▶ Inventory records

**REFERENCE:** Load reports: Department or work center reports that compare known and expected future capacity requirements with projected capacity availability.

Which of the following is the first step of Capacity planning?

- ▶ Initial feasibility report is prepared

- ▶ Master schedule is tested for feasibility
- ▶ Adjustments are made in master schedule before it finalizes
- ▶ **Material requirements are ascertained**

**REFERENCE:**

**Steps in Capacity Planning**

- .Estimate future capacity requirements
- Evaluate existing capacity
- Identify alternatives
- Conduct financial analysis
- .Assess key qualitative issues
- .Select one alternative
- .Implement alternative chosen
- .Monitor results

**Which of the following are the priorities emphasized most often in JIT system?**

- ▶ **High quality and minimal wastage**
- ▶ Low cost and consistent quality
- ▶ Low inventory and consistent material supply
- ▶ Low cost and low inventory

**REFERENCE:** JIT/Lean Production Features by eliminating waste (muda), quality is improved, production time is reduced and cost is reduced.

**Just in Time system maintains inventory with which of the following lot size/sizes?**

- ▶ **Small**
- ▶ Medium
- ▶ Large
- ▶ Can be small and medium both

**REFERENCE:** JIT systems are a pull method to manage material flow, consistently high quantity, small lot sizes, uniform work station loads.

**Which of the following statements is TRUE about a Gantt chart?**

- ▶ It represents an important event in the completion of a project
- ▶ It relates interdependent activities to their completion time
- ▶ It arranges events in order of importance
- ▶ **It is used to schedule independent activities**

Developed by Henry Gantt in 1916, a Gantt chart is used to determine the timing of individual activities in a project.

A Gantt chart can be used to schedule a periodic or repetitive project, because the sequence of activities is well understood and past experience has determined how long each activity takes.

**Network activities are used to determine all of the following EXCEPT:**

- ▶ Critical path
- ▶ **Budgeted cost**
- ▶ Slack time
- ▶ Expected project duration

**REFERENCE:**

Used to determine

1. Expected project duration
2. Slack time
3. Critical path

**With reference to Network activities, what does the term 'EF' stand for?**

- ▶ Equal Finish
- ▶ Economic Finish
- ▶ **Early Finish**
- ▶ Easy Finish

**REFERENCE:**

Network activities:

1. ES: early start
2. **EF: early finish**
3. LS: late start
4. LF: late finish

**Which one of the following is NOT an element of a queuing system?**

- ▶ Population source
- ▶ Waiting line
- ▶ Order processing
- ▶ **Logistics**

**REFERENCE: Elements of Queuing System**

**Population Source, Arrivals, Waiting Lines, Processing Order, Service, System and Exit** are the common identifiable elements of a Queuing System.

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**

**REFERENCE:** Quality Function Deployment is. Two common answers being that it is the **voice of the customer** (which always sets a standard for the service organization to follow) and the second one being that it should be in the form of a house of quality

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

- ▶ Studying 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

**Reference:** Work Sampling is a method in which the job is sampled at random intervals to determine the proportion of total time spent on a particular task.[20] It provides insight into how often workers are performing tasks which might cause strain on their bodies.

Training program and quality audits come under which type of costs that an organization has to bear as cost of service quality?

- ▶ Internal failure cost
- ▶ Recovery cost
- ▶ **Prevention cost**
- ▶ Detection cost

**REFERENCE: Prevention costs** Quality planning, Training program, Quality audits, Data acquisition and analysis, Recruitment and selection, Supplier evaluation

Which one of the following is the most important criteria in selecting winners for a quality award?

- ▶ Strong motivation

- ▶ **Quality management practices**
- ▶ Employee empowerment
- ▶ Business performance results

Which of the following is NOT a disadvantage of excessive overtime?

- ▶ Decline quality of work
- ▶ **Work schedules become well-defined**
- ▶ 150 percent expensive of the regular time-pay rate
- ▶ Low Productivity

A company mostly involved in transportation and shipping costs than construction and land costs is probably part of which of the following industries?

- ▶ Heavy manufacturing
- ▶ Retail and service
- ▶ **Warehouse and distribution**
- ▶ Light industry

**REFERENCE:** Manufacturing

Favorable Labor Climate

Proximity to markets.

Quality of Life

Proximity of Suppliers and Resources.

Proximity to the Parent Company's facilities.

Utilities, Taxes and Real estate costs.

**Other factors (expansion, construction costs, and location near the highway or main railways)**

A company is operating under a continuous review system. It has an average demand of 50 units per week for the item it produces. The lead time for the item is 6 weeks, and it costs the company \$30 to process each order. The holding cost for each unit is \$10 per year. The company operates 52 weeks per year. What is the economic order quantity (EOQ) for this item?

- ▶ Greater than 175 units but less than or equal to 200 units
- ▶ **Less than 175 units**
- ▶ Greater than 200 units but less than or equal to 230 units
- ▶ Greater than 230 units

**REFERENCE:**  $Q_{OPT} = 2DS/H$  whole square =  $2 \times 2600 \times 30 / 10 = 124.89$



Annual demand                      = 50\* 52              = 2600  
Cost per order                      = 30  
Holding cost                      = 10

Perpetual system of inventory management is also known as which of the following?

- ▶ First-in-first-out
- ▶ Probability model
- ▶ Fixed-order quantity
- ▶ Periodic review

**REFERENCE:** [Perpetual Inventory System\( CONTINUAL\)](#)

System that keeps track of removals from inventory continuously, thus monitoring current levels of each item

If a manager wants to see the effect of change in Master Production Schedule (MPS) on purchasing requirements for certain suppliers, which of the following system would help in this regard?

- ▶ Material Resource Planning system (MRP)
- ▶ Enterprise Resource Planning system (ERP)
- ▶ Capacity Requirement Planning system (CRP)
- ▶ Manufacturing Resource Planning system (MRPII)

Eliminating disruptions and excess inventory are \_\_\_\_\_ in Just-In-Time production systems.

- ▶ Tactical goals
- ▶ Strategic goals
- ▶ Secondary goals
- ▶ Primary goals

**REFERENCE:**

#### **Secondary Goals**

1. Eliminate disruptions
2. Make system flexible
3. Eliminate waste, especially excess inventory

In supply chain management Electronic Data Interchange (EDI) and Bar coding is a characteristic of which of the following?

- ▶ Logistics
- ▶ Technology
- ▶ **Autonomation**
- ▶ Just-In-Time System

**Tasks are easily scheduled in which of the following production environments?**

- ▶ Intermediate-volume-systems
- ▶ Low-to-medium volume production (Job shop)
- ▶ **Medium-to-high volume production (Flow shop)**
- ▶ Optimal production mixes

High volum system are often referred as flow systems. scheduling of in these systems are often called flow shop.  
due to nature of repetitive work its easy to schedule. TV, Radio, Cars, sugar refining etc fall in this class.

**Which of the following is the necessary qualification for a project manager?**

- ▶ **PMP certification**
- ▶ PMD certification
- ▶ FMA certification
- ▶ CMP certification

### **REFERENCE:**

Project Manager is normally considered to have qualification such as  
PMP certification  
CFM, CFA and CFP certification

**Queuing analysis aims to minimize which of the given costs?**

- ▶ **Both customer waiting cost and service capacity cost**
- ▶ None of the given options
- ▶ Customer waiting cost
- ▶ Service capacity cost

**Page#210**

1. Goal of queuing analysis is to minimize the sum of two costs Customer waiting costs and Service capacity costs.

**Which of the following is a cause of development of waiting lines?**

- ▶ Customer arrival rate varies through out the day
- ▶ Time required to process a customer may vary
- ▶ Some transactions are complicated and require above average process time
- ▶ **All of the given options**

#### REFERENCE:

- Average number of customers waiting
- Average time customers wait
- System utilization
- Implied cost
- Probability that an arrival will have to wait

**During the period of high unemployment or when low-skilled labor is acceptable, which of the following strategy would be cost effective?**

- ▶ **Chase demand strategy**
- ▶ Level capacity strategy
- ▶ Proactive strategy
- ▶ Mixed or hybrid strategies

#### Chase Demand Strategy

- Cost of strategy – hiring and firing workers
- This strategy would not be feasible for industries which require highly skilled labor or where competition for labor is fierce.

- **This strategy would be cost effective** during periods of high unemployment or when low-skilled labor is acceptable.

[http://docs.google.com/viewer?a=v&q=cache:mGfT07t\\_oXYJ:www.freequality.org/documents/Training/Classes%2520Spring%25202002/Chase%2520Method%2520of%2520Aggregate%2520Planning.ppt+Chase+demand+strategy+is+cost+effective&hl=en&gl=pk&pid=bl&srcid=ADGEEShkJuaP6Dann0kfiPfQclaghPA3QemnIdPXmvCPq585H2azO3zMqqjaRJ63TiFx7XmLyD4Sc\\_gP2RA dgPkAYaynl0XKh2AUCZuVUsTfy-](http://docs.google.com/viewer?a=v&q=cache:mGfT07t_oXYJ:www.freequality.org/documents/Training/Classes%2520Spring%25202002/Chase%2520Method%2520of%2520Aggregate%2520Planning.ppt+Chase+demand+strategy+is+cost+effective&hl=en&gl=pk&pid=bl&srcid=ADGEEShkJuaP6Dann0kfiPfQclaghPA3QemnIdPXmvCPq585H2azO3zMqqjaRJ63TiFx7XmLyD4Sc_gP2RA dgPkAYaynl0XKh2AUCZuVUsTfy-)

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## Paper-4

As a project manager, your project has become lengthy enough and you have to spend more money to complete it quickly within time constraints, the activity is known as:

- ▶ Rectifying time estimation
- ▶ Project scope creeping
- ▶ **Project crashing**
- ▶ Project risk management

**Ref:** Crashing a project involves paying more money to complete a project more quickly.

Identify the correct sequence of steps in Deming wheel.

- ▶ **Plan, Do, Check, Act**
- ▶ Plan, Check, Do, Act
- ▶ Plan, Do, Act, Check
- ▶ Plan, Act, Do, Check

Page#116

Which of the following is a type of kanban that authorizes the production of goods?

- ▶ Supplier kanban
- ▶ Material kanban
- ▶ Withdrawal kanban
- ▶ **Production kanban**

### Reference

Product life cycle is based on which of the following components?

- ▶ Price
- ▶ Place
- ▶ **Demand**
- ▶ Supply

**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

**Calculation:**  $\text{Productivity} = 50/3$   
 $=16.66$

**Which of the following defines inventory turnover?**

- ▶ **A ratio of cost of goods sold to the average inventory**
- ▶ A ratio of work in process to the average inventory
- ▶ A ratio of cost of carrying cost to the average inventory
- ▶ A ratio of cost of assets to the average inventory

**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

### Reference

**Identify the dimension of quality that relates to the expected operational life of a product.**

- ▶ **Durability**
- ▶ Performance
- ▶ Serviceability
- ▶ Reliability

**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**

**Which of the following refers to the average of accepted lots and rejected lots?**

- ▶ Acceptable Quality Level (AQL)
- ▶ Lot Tolerance Percent Defective (LTPD)

- ▶ **Average Outgoing Quality (AOQ)**
- ▶ Average Outgoing Quality Limit (AOQL)

#### OC Curve Terms

Acceptable Quality Level (AQL): Percentage of defective items a customer is willing to accept from you (a property of mfg. process)

Lot Tolerance Percent Defective (LTPD): Upper limit on the percentage of defects a customer is willing to accept ( a property of the consumer)

**Average Outgoing Quality (AOQ):Average of rejected lots and accepted lots**

Average Outgoing Quality Limit (AOQL):Maximum AOQ for a range of fractions defective

**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

#### 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

**[http://teach.maryville.edu/pdeng/courses/bus314\\_f01/slides/chapter08.ppt#275,14,Multiple Plant Strategies](http://teach.maryville.edu/pdeng/courses/bus314_f01/slides/chapter08.ppt#275,14,Multiple Plant Strategies)**

**For which of the following purpose master schedule determines quantities?**

- ▶ Capacity
- ▶ **Demand**
- ▶ Resources
- ▶ Production requirements

**Ref:** Master schedule: Determines quantities needed to meet demand  
(Page 139)

**Which of the following contains a listing of all the assemblies, sub-assemblies, parts and raw materials needed to produce one unit of a finished product?**

- ▶ Master schedule

- ▶ **Bill of materials file**
- ▶ Inventory records file
- ▶ Rough – cut capacity plan

**Ref:** *Bill of materials (BOM):* One of the three primary inputs of MRP; a listing of all of the raw materials, parts, subassemblies, and assemblies needed to produce one unit of a product.(Page no.157)

**Which of the following reports compares known and expected future capacity requirements with projected capacity availability?**

- ▶ Performance control report
- ▶ Exception report
- ▶ **Load report**
- ▶ Planned order report

**Ref:** *Load reports:* Department or work center reports that compare known and expected future capacity requirements with projected capacity availability.(Page no.161)

**Which of the following is the output of capacity requirement planning process?**

- ▶ Planned order releases
- ▶ Job times
- ▶ Resource requirements
- ▶ **Load reports**

**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

**Ref:** LAPLACE approach best average of alternatives.

Small facility =  $18000/2 = 9000$

Medium facility =  $32000/2 = 16000$

Large facility =  $33000/2 = 16500$  this is best average as it is highest.

**Which one of the following refers to the assignment of jobs to process centers?**

- ▶ Sequencing
- ▶ **Loading**
- ▶ Scheduling
- ▶ Budgeting

Loading - assignment of jobs to process centers

**Which of the following charts shows management of flow of work and waiting lines at work stations?**

- ▶ Gantt charts
- ▶ Load charts
- ▶ Schedule charts
- ▶ **Input/output charts**

**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

**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**

**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**
- ▶ Weighted moving average
- ▶ Linear trend equation
- ▶ Exponential smoothing

**Ref:** *Moving average* – A technique that averages a number of recent actual values, updated as new values become available.

· *Weighted moving average* – More recent values in a series are given more weight in computing the forecast.(Page no.37)

**Which of the following describes the people who have sufficient experience of working with six sigma methodology?**

- ▶ Black belts
- ▶ Green belts
- ▶ Top management
- ▶ Master black belts

All of the above options are correct. All of above having experience of six sigma. I am confused about this question.

**Ref:** Six Sigma Teams are formed for implement of Six Sigma in true spirit keeping in mind both managerial as well as technical aspects.

1. Top management
2. Program champions
3. Master “black belts”
4. “Black belts”
5. “Green belts”

**Which of the following is the characteristic of an effective design?**

- ▶ It facilitates manufacturing of the product
- ▶ It satisfies customer requirements
- ▶ It sells in the marketplace
- ▶ **All of the given options**

**The operating characteristic (OC) curve shows the probability of which of the following?**

- ▶ **Acceptance for every possible true percentage of defectives**
- ▶ Rejection for every possible true percentage of defectives
- ▶ Making type I error for various percentages of defectives
- ▶ None of the given options

**Ref:** The curve shows the probability that use of the sampling plan will result in lots with various fractions defective being accepted.(Page no.130)

Which of the following defines the orders which have been placed but not yet completed?

- ▶ Order releases
- ▶ Planned receipts
- ▶ **Scheduled receipts or open orders**
- ▶ Planned order releases

**Ref:** A released order not yet shipped (customer order) or received into stock (production, purchase or replenishment order). OR Scheduled receipts: Open orders scheduled to arrive.

Select the appropriate term for the total demand derived from all parent production plans from the following options.

- ▶ Inventory record
- ▶ Load reports
- ▶ Projected on-hand inventory
- ▶ **Gross requirement**

#### Reference

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

- ▶ Customized service
- ▶ Batch processing
- ▶ Intermittent processing
- ▶ **Standardized service**

[http://books.google.com.pk/books?id=4dC0WP0VrdcC&pg=PA398&lpg=PA398&dq=car+wash+is+the+example+of+Standardized+service&source=bl&ots=qlIIR3kpQV&sig=771YBzi3PRXOPLap7GP58ShHSYg&hl=en&ei=VirtTK-CCtDQcYfl\\_I4P&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=car%20wash%20is%20the%20example%20of%20Standardized%20service&f=false](http://books.google.com.pk/books?id=4dC0WP0VrdcC&pg=PA398&lpg=PA398&dq=car+wash+is+the+example+of+Standardized+service&source=bl&ots=qlIIR3kpQV&sig=771YBzi3PRXOPLap7GP58ShHSYg&hl=en&ei=VirtTK-CCtDQcYfl_I4P&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=car%20wash%20is%20the%20example%20of%20Standardized%20service&f=false)

If  $\alpha = 0$ , how many containers are needed with the given data?

$$K = \frac{1500 (0.8 + 0.2) (1 + 0)}{270}$$

- ▶ 6.5 Containers
- ▶ **7 Containers**

- ▶ 6 Containers
- ▶ 9 Containers

**Calculation:**  $1500/270 = 5.6$ . After round off the value, it is 6 containers.

**In supply chain management event-management capability enables organization in which of the following ways?**

- ▶ To achieve quick response
- ▶ To create trust among trading partners
- ▶ To increase productivity
- ▶ To detect and respond to unplanned events

**Ref:** Event-management capability

The ability to detect and respond to unplanned events.(Page no.176)

**Which of the following statement is FALSE regarding Supply Chain Management?**

- ▶ **Supply Chain Management issues are insignificant in service organizations**
  - ▶ For effective supply chain management, “long-term partnerships” with key suppliers is much important
  - ▶ Ideas from suppliers can lead to improved competitiveness by increasing revenues
  - ▶ Supply chain management creates value though changes in time, location and quantity

**An operations manager of an airline industry schedules the arrival and departure of flights by working ahead form some point in time is following which type of scheduling?**

- ▶ Backward scheduling
- ▶ **Forward scheduling**
- ▶ Vertical scheduling
- ▶ Horizontal scheduling

**Ref:** Forward scheduling may result in jobs being completed earlier then the requested due date because forward scheduling schedules the tasks as early as possible.

**In multiple workstations scheduling, the priority rule is applied to which kind of given jobs?**

- ▶ **The jobs waiting for the operations**
- ▶ The jobs of the least critical ratio (CR)
- ▶ The jobs arrived at workstation first
- ▶ The jobs with earliest due date

the priority rule is applied to the jobs waiting for that operation, and the job with the highest priority is selected.

When that operation is finished, the job is moved to the next operation in its routing, where it waits until it again has the highest priority.

<http://www.flashcardmachine.com/operations-management-ch16.html>

**Difference between length of a path and critical path gives which of the following values?**

- ▶ Critical activities
- ▶ **Slack activities**
- ▶ Activity on node
- ▶ Activity on arrow

**Ref: Slack:** Allowable slippage for path; the difference the length of path and the length of critical path.(Page no.194)

**When timing of activities is fairly well established in management of projects, which of the following time estimations approach is useful?**

- ▶ **Deterministic approach**
- ▶ Probabilistic approach
- ▶ Optimistic time approach
- ▶ Pessimistic time approach

**Ref:** A deterministic approach is useful for estimating the duration of the project, when activity times can be fairly well established.(Page no.209)

**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

Managers should greatly focus on which of the following demand options in aggregate planning process?

- ▶ **Back orders**
- ▶ Promotion
- ▶ Pricing
- ▶ New demand

**Ref:** The operations manager should know all four demand options but should be more interested in back order option.(Page no.135)

In production planning, future requirement for finished goods can be derived from all of the following EXCEPT:

- ▶ Stock out
- ▶ Backlogs
- ▶ Demand from distributors or dealers
- ▶ Forecasts for product families

Chase demand strategy is an example of which of the following?

- ▶ Proactive strategy
- ▶ **Reactive strategy**
- ▶ Mixed or hybrid strategy
- ▶ Active strategy

[http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course/541/isl541\\_13.ppt+Chase+demand+strategy+is+an+example+of+Reactive+strategy&hl=en&gl=pk&pid=bl&srcid=ADGEESjGzBXwMDjmjnwD6j5QzcTipWg8AgliZOJJ2PvWcF\\_mbzo\\_kAbn-WGY7xhHu1tgkVv8eOU2ijEXFdzeKt6taQSzyZPZmug2Gjz0MWC88JYw9mLtkKDLInocAkvcJfZ60gz0Hbvd&sig=AHIEtbRu2ttYos5klF1tx8HBslAJGvKWRw](http://docs.google.com/viewer?a=v&q=cache:2dnroCrBjEsJ:hkilter.com/course/541/isl541_13.ppt+Chase+demand+strategy+is+an+example+of+Reactive+strategy&hl=en&gl=pk&pid=bl&srcid=ADGEESjGzBXwMDjmjnwD6j5QzcTipWg8AgliZOJJ2PvWcF_mbzo_kAbn-WGY7xhHu1tgkVv8eOU2ijEXFdzeKt6taQSzyZPZmug2Gjz0MWC88JYw9mLtkKDLInocAkvcJfZ60gz0Hbvd&sig=AHIEtbRu2ttYos5klF1tx8HBslAJGvKWRw)

2009

Paper-5

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.**

**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 MINIMAX regret approach?**

- ▶ Rs. 12,000
- ▶ Rs. 6,000
- ▶ **Rs. 5,000**
- ▶ Rs. 16,000

**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

**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**

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

- ▶ Growth
- ▶ **Decline**
- ▶ Maturity
- ▶ Planning

How many dimensions are used for determining service quality?

- ▶ Four
- ▶ Five
- ▶ Six
- ▶ **Seven**

Which of the following is NOT an element of TQM?

- ▶ Continuous improvement
- ▶ **Perceived quality**
- ▶ Employee empowerment
- ▶ Customer focus

<http://books.google.com.pk/books?id=Vc6YC7mM18UC&pg=PA3&dq=elements+of+total+quality+management+are+Continuous+improvement+,Employee+empowerment++a#v=onepage&q=elements%20of%20total%20quality%20management%20are%20Continuous%20improvement%20%2CEmployee%20empowerment%20%20a&f=false>

Which of the following represents a specified range of values in which individual units of output must fall in order to be acceptable?

- ▶ **Tolerance**
- ▶ Run test
- ▶ Process capability
- ▶ Process variability

Explanation: Tolerances or specifications is the range of acceptable values established by engineering design or customer requirements

Which of the following require intermediate plans?

- ▶ Job assignments
- ▶ Machine loading
- ▶ **Subcontracting**
- ▶ Layout design

**Which of the following is a schedule that specifies the timing and size of production quantities for product in the product families?**

- ▶ **Master production scheduling**
- ▶ Aggregate plan
- ▶ Inventory management scheduling
- ▶ Master rescheduling

**Which of the following statements is CORRECT about master schedule?**

- ▶ **It is visible to all levels of management**
- ▶ It include only demand from production areas
- ▶ It is notIt is notI influenced by the aggregate plan
- ▶ It is not concerned with customer order processing

**Reference**

**Big JIT includes all of the following EXCEPT:**

- ▶ Vendor relations
- ▶ **Scheduling materials**
- ▶ Technology management
- ▶ Human relations

1. Big JIT – broad focus ( Includes Internal as well as External)

- a. Vendor relations
- b. Human relations
- c. Technology management
- d. Materials and inventory management

**Which should be one of the selection criteria if two potential suppliers can deliver a part with the same quality and prices?**

- ▶ Size of the firm
- ▶ A coin flip
- ▶ External evaluation



- ▶ **Flexibility of the firm**

**Which of the following refers to an area where a person works with special equipment on a specialized job?**

- ▶ Workshop
- ▶ Work area
- ▶ Workplace
- ▶ **Workstation**

Sequencing: Determine the order in which jobs at a work center will be processed. Workstation: An area where one person works, usually with special equipment, on a specialized job.

**Which of the following refers to the total time needed to complete a group of jobs from the beginning of the first job to the completion of the last job?**

- ▶ Job lateness
- ▶ Job flow time
- ▶ **Makespan**
- ▶ Slack time

**Which of the following is TRUE about a project activity?**

- ▶ **It is a unique, one-time activity**
- ▶ It is static in nature
- ▶ It is often simple to outline
- ▶ It is a set of unrelated tasks

**Reference:** This property of being a temporary and a one-time venture contrast with operations, which are permanent or semi-permanent ongoing functional work to create the same product or service over-and-over again.

**Which of the following relates to an organizational structure based on teams formed specifically for projects?**

- ▶ **Project matrix structure**
- ▶ Project structure
- ▶ Functional structure
- ▶ Balanced matrix structure

**REF:** In the Product or Project structure, specialists from various disciplines, instead of being scattered across a number of separate and distinct functional

offices are gathered into offices by logic of product lines, or customer type, or the very nature of the project. Sometimes a Project Office disbands when its mission achieved.

**Which of the following is NOT a limitation of PERT?**

- ▶ Omission of critical activities
- ▶ **Correct precedence relationships**
- ▶ Sole reliance on critical path
- ▶ Inclusion of a fudge factor

**With reference to Network activities, what does the term 'LS' stand for?**

- ▶ **Late Start**
- ▶ Long Start
- ▶ Lazy Start
- ▶ Low Start

**With reference to Network activities, what does the term 'LF' stand for?**

- ▶ **Late Finish**
- ▶ Long Finish
- ▶ Lazy Finish
- ▶ Low Finish

**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

**Which of the following is true about the design process?**

- ▶ **Concurrent design has proven to be the more effective method for design**
  - ▶ The design process involves four basic steps, if followed in sequential order, ensure success
  - ▶ Only representatives from design department should work together on the design
  - ▶ It is better to separate marketing, engineering, and production personnel from each other in a design process

Which of the following initiated "Just-In-Time" inventory management system?

- ▶ Germany
- ▶ **United States**
- ▶ United Kingdom
- ▶ Japan

<http://www.thefreelibrary.com/Just-in-time+purchasing+activities+in+the+beverage+bottling+industry.-a015543661>

In the environment where material flow is complex and demand is highly variable, which of the following system will NOT be feasible?

- ▶ Material Requirement Planning (MRP)
- ▶ **Just-In-Time Production Systems**
- ▶ Manufacturing requirement planning (MRPII)
- ▶ Enterprise Resource planning (ERP)

[http://docs.google.com/viewer?a=v&q=cache:XFjkocP8q8QJ:www.cengage.co.uk/waters/students/chapters/chapter%252014a.doc+JIT+and+material+flow+is+complex+and+demand+is+highly+variable&hl=en&gl=pk&pid=bl&srcid=ADGEESiJdtoSoc4qT8\\_kkwpjIP1rWkKFIXbaX9FsK61gQ-LYX5fWxBSR9mFY\\_gRlC9QmgCQXHUEG1CB\\_h9w6dFo56zxwPnbWvITRS43bT1CHI3yWowlRg--tu3POIVWSMywb\\_Zt6HDX&sig=AHIEtbRdXV4Uf4-lkgbILw0y3zLYlmokdA&pli=1](http://docs.google.com/viewer?a=v&q=cache:XFjkocP8q8QJ:www.cengage.co.uk/waters/students/chapters/chapter%252014a.doc+JIT+and+material+flow+is+complex+and+demand+is+highly+variable&hl=en&gl=pk&pid=bl&srcid=ADGEESiJdtoSoc4qT8_kkwpjIP1rWkKFIXbaX9FsK61gQ-LYX5fWxBSR9mFY_gRlC9QmgCQXHUEG1CB_h9w6dFo56zxwPnbWvITRS43bT1CHI3yWowlRg--tu3POIVWSMywb_Zt6HDX&sig=AHIEtbRdXV4Uf4-lkgbILw0y3zLYlmokdA&pli=1)

Which of the following elements of supply chain prevent organization from bull-whip effect?

- ▶ Predicting quantity and timing of demand
- ▶ Incorporating customer's wants in manufacturing
- ▶ **Controlling quality and scheduling work**
- ▶ Determining what customers want

Elements of Supply Chain Management Table 16.1 Deciding how to best move and store materials Logistics Determining location of facilities Location Monitoring supplier quality, delivery, and relations Suppliers Evaluating suppliers and supporting operations Purchasing Meeting demand while managing inventory costs Inventory Controlling quality, scheduling work Processing Incorporating customer wants, mfg., and time Design Predicting quantity and timing of demand Forecasting Determining what customers want Customers Typical Issues Element

**Difference between length of a path and critical path gives which of the following values?**

- ▶ Critical activities
- ▶ **Slack activities**
- ▶ Activity on node
- ▶ Activity on arrow

**2009**

## **Paper-6**

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**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** MID File
- ▶ Have exactly the same performance measures for any process

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

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

- ▶ Reduced design costs
- ▶ Interchangeable parts
- ▶ **Reduced variety** mid-file
- ▶ Customized parts

**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

□ Collaborative Planning, Forecasting, and Replenishment (CPFR) a Web-based tool used to coordinate demand forecasting, production and purchase planning, and inventory replenishment between supply chain trading partners.

**Which of the following is NOT a dimension of quality that makes a company competitive?**

- Performance
- Special features
- **Leadership**
- Reliability

1. *Performance* - main characteristics of the product/service
2. *Aesthetics* - appearance, feel, smell, taste
3. *Special Features* - extra characteristics
4. *Conformance* - how well product/service conforms to customer's expectations
5. *Reliability* - consistency of performance
6. *Durability* - useful life of the product/service
7. *Perceived Quality* - indirect evaluation of quality (e.g. reputation)
8. *Serviceability* - service after sale

**A double sampling plan specifies all of the following EXCEPT:**

- Size of the initial sample
- Size of second sample
- Lot size
- **Double acceptance number**

A double sampling plan specifies the lot size, the size of the initial sample, accept/reject criteria for the initial sample, the size of the second sample and a single acceptance number.

**Which one of the following is an example of a short range plan?**

- **Machine loading**
- Backorder
- Facilities layout
- Product design

Short-range plans (Detailed plans)

1. Machine loading

## 2. Job assignments

Which of the following formula is used to compute cycle time?

- ▶  $QO/u$
- ▶  $QO/p$
- ▶  $p/QO$
- ▶  $u/QO$

Cycle time for the Optimal Run Size

$QO/U=$

Which of the following report contains data for assessing future material requirements?

- ▶ Performance control report
- ▶ **Planning report**
- ▶ Exception report
- ▶ Planned order report

<http://www.scribd.com/doc/45318323/Cheat-Sheet>

The inputs to capacity requirements include all of the following EXCEPT:

- ▶ Planned-order releases
- ▶ Routing information
- ▶ Job times information
- ▶ **Bill of materials**

The necessary inputs are:

1. Planned order releases for MRP
2. The current shop load
3. Routing information
4. Job times

Which of the following refers to the movement of materials and information within a facility and outgoing shipments of goods and materials in a supply chain?

- ▶ **Logistics**
- ▶ Procurement
- ▶ Shipment
- ▶ Movement

It also refers to the movement of materials and information within a facility and to incoming and outgoing shipments of goods and materials in a supply chain.

**Which of the following is NOT a supply chain performance driver?**

- ▶ Quality
- ▶ **Demand**
- ▶ Cost
- ▶ Flexibility

### **Supply Chain Performance Drivers**

1. Quality
2. Cost
3. Flexibility
4. Velocity
5. Customer service

**Which of the following is the third step in Hungarian method of liner programming?**

- ▶ Tabulation of cost information
- ▶ Obtaining row reduction
- ▶ **Obtaining column reduction**
- ▶ Modification of tabular sequence in case of difference between rows and columns

### **Hungarian Method**

- First of all, acquire the relevant cost information and arrange it in tabular form
- Second, obtain the Row Reduction; this is obtained by subtracting the smallest number in each row from every number in the row. Enter the results in a new table.
- **Third, Obtain the Column Reduction by subtracting the smallest number in each column of the new table from every number in the column.**

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

- ▶ Supply chain capabilities
- ▶ Competitors' strengths
- ▶ **Demand forecasts**     **mid file**
- ▶ Overall cost estimates

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

[hill.com/sites/0073403296/student\\_view0/chapter7/multiple\\_choice\\_quiz.html](http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html)

Which one of the following best describes the cellular layout?

- ▶ It groups machines into departments to process items having similar processing requirements.
- ▶ **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

Who are the leaders and guidance providers in a six sigma team?

- ▶ **Master black belts**
- ▶ Black belts
- ▶ Program champions
- ▶ Top management

**Six Sigma Team**



Six Sigma Teams are formed for implement of Six Sigma in true spirit keeping in mind both managerial as well as technical aspects.

1. Top management
2. Program champions
3. Master “black belts”
4. “Black belts”
5. “Green belts”

The basic requirement of effective inventory control used by managers is:

- ▶ How much and when to order? (I think so.. :-p)
- ▶ Why and when to order?
- ▶ How much and why to order?
- ▶ Why and how much to order?

Which of the following is NOT a pre-requisite to implement a successful Material Requirement Planning (MRP) system?

- ▶ Top management's commitment
- ▶ Employee empowerment
- ▶ Accuracy of inputs
- ▶ Computer support

Not exactly the answer but after research I conclude

This is not exclusively a software function, but a merger of people skills, dedication to data base

**accuracy, and computer resources.** It is a total company management concept for using **human resources more productively.**

which of the following enables managers to test ‘what if’ scenarios by simulation?

- ▶ Material Resource Planning system (MRP)
- ▶ **Manufacturing Resource Planning system (MRPII)**
- ▶ Enterprise Resource Planning system (ERP)
- ▶ Capacity Requirement Planning system (CRP)

**Manufacturing Resource Planning (MRP II)** is defined and accepted by professionals as a method for the effective planning of all resources of a manufacturing company.

Ideally, it should answer operational planning in units, financial planning in rupees, **and has a simulation capability to answer "what-if" questions and extension of closed-loop MRP.**

**Operational Efficiency is the key purpose of which of the following?**

- ▶ Just-in time manufacturing
- ▶ Manufacturing resource planning (MRPII)
- ▶ Material requirements planning (MRP)
- ▶ **All of the given options**

**Which of the following Just-In-Time strategy is useful for reducing the frequency of setups?**

- ▶ **Line flow strategy**
- ▶ Automated production strategy
- ▶ Uniform workstation loads
- ▶ Maintenance

**Line flow strategy is to reduce frequency of setups (product layout, one worker, multiple machines)**

<http://www.business.umt.edu/faculty/jones/BADM341/PowerPt%20Download/BADM%20341%20Chapter%2016.PPT#260,6,Slide 6>

**“Respect for worker” is the basic principle of which of the following management systems?**

- ▶ American management system
- ▶ **Japanese management system**
- ▶ Asian management system
- ▶ European management system

**A purchaser needs unique, low-money value part. This part is a critical component of a product manufactured by the purchaser. The part is patented and can only be obtained from two suppliers and is often on back order. The purchaser's company does not have expertise in the manufacturing of this particular component. In this scenario what is the most appropriate action for the purchaser?**

- ▶ To select a similar part from other reliable supplier and substitute the part
- ▶ To set up a cross-functional team to make the part internally
- ▶ To seek other suppliers through seeking a quotation or proposal
- ▶ To recommend a change in product design to remove the need for that unique part

**For 10 numbers of jobs, cumulative flow time is 180. Under First Come First Served (FCFS) rule of sequencing which of the following is average flow time?**

- ▶ 18 days
- ▶ 13 days
- ▶ 15 days
- ▶ 10 days

**In a mail-order operation, customer population is large and small fraction of shoppers place order at anytime. In this case the customer population is\_\_\_\_\_.**

- ▶ **Infinite-source population**
- ▶ Finite-source population
- ▶ Certain in terms of number
- ▶ Uncertain in terms of number

[http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22\\_CTAw&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%2C%20customer%20population&f=false](http://books.google.com.pk/books?id=oMjLPc6LwbwC&pg=PA295&lpg=PA295&dq=In+a+mailorder+operation,+customer+population&source=bl&ots=x6cJasRmKp&sig=hz5UUkS4A7hz5NI4gLI5kFHi55c&hl=en&ei=ChNATdWCL96W4ga22_CTAw&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBgQ6AEwAA#v=onepage&q=In%20a%20mail-order%20operation%2C%20customer%20population&f=false)

**2009**

**Paper-7**

**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.

**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 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

**Laplace**

- ☐ **Determines the Average payoff for each alternative**
- ☐ **And chooses the alternative with the best average.**
- ☐ This is a cautious approach
- ☐ Laplace approach treats the states of nature as equally likely.

**Which of the following is an advantage of standardization?**

- ▶ **Frozen designs** mid file
- ▶ Customized parts
- ▶ Interchangeable parts
- ▶ Reduced variety

**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

1. Design for Manufacturing (DFM): **The designers' consideration of the organization's manufacturing capabilities when designing a product.** The more general term design for operations encompasses services as well as manufacturing.

**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

And last but not the least 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.

**Identify a quality guru among the following:**

- ▶ Frank Gilbreth
- ▶ Adam Smith
- ▶ Henri Gantt
- ▶ **Joseph Juran**

### **Quality Guru**

*The Quality Gurus are given more respect and recognized as Key Contributors to Quality Management.*

*Presented below is their contributions in a nut shell, students should learn to recognize these*

1. **Walter Shewhart** is also known as “Father of statistical quality control”
  2. **W. Edwards Deming** presented 14 points for quality management which focused primarily on common cause of variation.
  3. **Joseph M. Juran** is famous for his concept of “Quality is the fitness for use”.
  4. **Armand Feigenbaum** said, “Quality is a total field or total function”.
  5. **Philip B. Crosby** is famous for his philosophy that “Quality is free”.
  6. **Kaoru Ishikawa**- presented the “fish bone diagram” or “cause effect diagram”.
  7. **Genichi Taguchi** –robust design for designing products insensitive to change in environment.
- Taguchi’s contribution was, “Taguchi loss function”.

**Which of the following terms reflects the notions of “do it right” and “if it does not right, fix it”?**

- ▶ Competitive benchmarking
- ▶ **Quality at the source**
- ▶ Continuous improvement
- ▶ Customer focus

**Which of the following is an example of external failure cost?**

- ▶ Re-work cost
- ▶ **Warranty cost**
- ▶ Testing cost
- ▶ Monitoring cost

Examples of external failure costs include customer returns and exchanges, repairs under **warranties**, product recalls, and lost sales due to a reputation for selling defective products.

**Which of the following word is used for the cards used to control the flow of production through a factory?**

- ▶ Kaisan
- ▶ Kaizan
- ▶ Kaban
- ▶ **Kanban**

[http://books.google.com.pk/books?id=s2ugfZEUS4EC&pg=PA460&lpg=PA460&dq=Which+of+the+following+word+is+used+for+the+cards+used+to+control+the+flow+of+production+through+a+factory?&source=bl&ots=C9YBsDj0M1&sig=FaewzWVMPDAIjZhBtt9YYQaI7f0&hl=en&ei=7C1BTdOzM87p4AbXhPEk&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CCIQ6AEwAg#v=onepage&q&f=false](http://books.google.com.pk/books?id=s2ugfZEUS4EC&pg=PA460&lpg=PA460&dq=Which+of+the+following+word+is+used+for+the+cards+used+to+control+the+flow+of+production+through+a+factory?&source=bl&ots=C9YBsDj0M1&sig=FaewzWVMPDAIjZhBtt9YYQaI7f0&hl=en&ei=7C1BTdOzM87p4AbXhPEk&sa=X&oi=book_result&ct=result&resnum=3&ved=0CCIQ6AEwAg#v=onepage&q&f=false)

Which of the following is a technique for minimizing completion time for a group of jobs to be processed on two machines or at two work centers?

- ▶ **Johnson's rule**
- ▶ Linear programming
- ▶ Assignment method
- ▶ Linear decision rule

**Johnson's Rule:** technique for minimizing completion time for a group of jobs to be processed on two machines or at two work centers.

1. Minimizes total idle time
2. Several conditions must be satisfied

Which of the following approaches helps workers perform preventive maintenance on their machines?

- ▶ Sensitive maintenance
- ▶ **Predictive maintenance**
- ▶ Reactive maintenance
- ▶ Total productive maintenance

### **Predictive Maintenance**

**Predictive maintenance:** An attempt to determine when best to perform preventive maintenance

activities Total productive maintenance: JIT approach where workers perform preventive maintenance on the machines they operate

Which one of the following is NOT an advantage of project management software?

- ▶ Improvement in team communication
- ▶ **Generation of a single chart type**
- ▶ Multiple levels of reports
- ▶ Automatic report formats

#### Advantages of PM Software

1. Imposes a methodology
2. Provides logical planning structure
3. Enhances team communication
4. Flag constraint violations
5. Automatic report formats
6. Multiple levels of reports
7. Enables what-if scenarios
8. **Generates various chart types**

Which one of the following describes the Naïve forecast?

- ▶ Attempts to predict the future value based on the past data.
- ▶ Determines long term upward or downward movement in data.
- ▶ **Forecasts for any period equals the previous period's actual value. Mid file**
- ▶ Collects outside opinion of consumer and potential customers.

A workers strike represents which of the following behaviors of a time series?

- ▶ Cyclical
- ▶ Trend
- ▶ Seasonal
- ▶ **Irregular variations**

*Irregular variations* - caused by unusual circumstances such as severe weathers, earthquakes, **worker strikes**, or major change in product or service. They do not capture or reflect the true behavior of a variable and can distort the overall picture. These should be identified and removed from the data.



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

- ▶ It can handle variety of processing requirements
- ▶ Individual incentive system can possibly be used
- ▶ **Material handling cost is slow**
- ▶ Equipment utilization rate is less costly

**Disadvantages of Process Layouts**

1. In-process inventory costs can be high.
2. Challenging routing and scheduling.
3. Equipment utilization rates are low.
4. **Material handling slow and inefficient.**
5. Complexities often reduce span of supervision.

**Which of the following statements is a general characteristic of a manufacturing organization, as compared to a service organization?**

- ▶ Outputs are more intangible
- ▶ **Operations are more capital intensive**
- ▶ Quality is more difficult to measure
- ▶ Short-term demand tends to be highly variable

**The production schedules of components that are needed to support the master production schedule are determined through which of the following?**

- ▶ Inventory transactions
- ▶ Capacity Requirement Planning reports
- ▶ **Material Requirement Planning explosion**
- ▶ Engineering and process designs

**Purposes of the Master Production Schedule:**

- to set due dates for the availability of end items
- to provide information regarding resources and materials required to support the aggregate plan
- **as an input to Materials Requirements Planning, which will set specific production schedules for parts and components used in end items**

<http://www.uoguelph.ca/~dsparlin/mrp.htm#MPS>

**Which of the following is the other name of Bill of Materials (BOM)?**

- ▶ Product structure tree
- ▶ Time bucket schedule
- ▶ Inventory usage record
- ▶ **Production parts plan**

**A bill of materials (BOM)** is a multi-level document worked out by a company that represents a list of parts or a complete set of physical elements required to manufacture a product. In process industries you can find other names for a BOM such as the *formula, recipe, or ingredients list*.

**The management of a firm while implementing Just-In-Time system joined hands together with labor and engineering to form a team to correct problems. It presents an example of which of the following?**

- ▶ Continuous improvement
- ▶ Improving work methods
- ▶ Quality at the source
- ▶ Real employee empowerment

$$500 = 1500 (0.5 + 0.25) (1 + \alpha)$$

Choose the correct value of alpha by solving the Kanban formula.

- ▶ 7.88
- ▶ 8.88
- ▶ 9.7
- ▶ 6.89

see p#168

The managers who primarily focus on product simplification, quality training to employees and maintenances are practicing which of the following?

- ▶ Romantic Just-In-Time System
- ▶ Big Just-In-Time System
- ▶ **Pragmatic Just-In-Time System**
- ▶ Little Just-In-Time System

[http://cbapp.csudh.edu/depts/finance/frezayat/qms322solutions/OMG322chapter\\_15.htm](http://cbapp.csudh.edu/depts/finance/frezayat/qms322solutions/OMG322chapter_15.htm)

### Romantic JIT vs. Pragmatic JIT

**Romantic JIT:** Senior Management see JIT as a quick fix to many problems without realizing that there are no quick and easy solutions. They use slogans to solve problems such as reduction of excess inventories without having a specific plan of action.

**Pragmatic JIT:** Senior management directs the organization in the application of techniques that may take years to perfect. A well executed JIT system requires successful implementation of techniques related to inventory, purchasing, machine changeovers, layout design, product simplification, quality training and preventive maintenance.

Which of the following costs has to be incurred while using slower shipping alternative in Supply Chain Management?

- ▶ Setup cost
- ▶ Shipping cost

► **Incremental holding cost**

► Holding cost

□ The Incremental Holding cost incurred by using the slower alternative is computed as follows:

Incremental Holding Cost =  $H (d/365)$

Where H = Annual Holding cost for the item.

d = Time savings in days and d/365 is fraction of year saved.

**In Supply chain Management, flexibility refers to all of the following**

**EXCEPT:**

► Upside production flexibility

► Agility to obtain competitiveness

► Supply chain response time

► **Value-added per employee**

**Flexibility**

Supply chain response time

Upside production flexibility

Agility to obtain competitiveness

**For a job A and B, cumulative processing time is 14 and 24 respectively. Their respective due dates of processing is 4 and 18. Which of the following is average tardiness or job lateness?**

► 7 days

► 5 days

► **8 days**

► 9 days

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**In project network, which of the following denotes the steps which utilizes resources of time and budget?**

► Events

- ▶ **Activities**
- ▶ Critical path
- ▶ Critical activities

Activities: Project steps that consume or utilize resources (and or time).

**Which of the following is NOT included in key metrics of project management?**

- ▶ Performance objectives
- ▶ Cost factor
- ▶ Time factor
- ▶ **Organization structure**

Project Management has the following important key metrics

- ☐ Time
- ☐ Cost
- ☐ Performance objectives

**Source of input to the service system in waiting line model is known as:**

- ▶ Balking
- ▶ **Customer population**
- ▶ Reneging
- ▶ Waiting population

1. Population Source

- a. Infinite source: customer arrivals are unrestricted
- b. Finite source: number of potential customers is limited

**Which of the following strategy is NOT feasible for the industries where highly skilled labor is required and the competition for labor is intense?**

- ▶ Level capacity strategy
- ▶ **Chase demand strategy**
- ▶ Proactive strategy
- ▶ Mixed or hybrid strategy

### **Chase Demand Strategy:**

In this kind of strategy you normal keep workforce according to your demand. your main target will be to modify your operations to meet the demand.

Suppose you have lesser demand you lay-off few worker. Now you got bigger order then its hard to get labor at cheap rate.

Please do not be get confused with Level capacity planning  
in Level capacity Planning we use old inventories , overtime by workers and sub contracting etc to meet the demand or orders in case of higher demand.

**Which of the following is NOT a major factor due to which poor quality affects an organization?**

- ▶ Reputation and image
- ▶ **Payroll taxes**
- ▶ Productivity
- ▶ Costs

### **The common consequences of Poor Quality are:**

1. Loss of business: Loss in sales, revenues and customer base.
2. Liability: A poor quality product or service comes with the danger of the organization being taken to court by an unhappy or affected customer.
3. Productivity: Loss in productivity as more time is spend in rectifying the errors or short coming then producing more.
4. Costs: Increase in costs as a poor quality product is repaired or replaced or made new.

**2008**

**Paper-8**

**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

**Reference:** Six business functions of the Value Chain:

- Research and Development
- Design of Products, Services, or Processes
- Production
- Marketing & Sales
- Distribution
- Customer Service

**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**

4th option is more sure before other three options because competition is the key point element of the Operation Strategy.

<http://www.uoguelph.ca/~dsparlin/strategy.htm>

page#17 emphasis on competencies

[http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book\\_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=onepage&q=competencies&f=false](http://books.google.com.pk/books?id=W-0IOqX0Kc8C&pg=PA173&dq=essential+elements+of+operations+strategy&hl=en&ei=kJTmTIHZGIG44Aavr-34Ag&sa=X&oi=book_result&ct=result&resnum=4&ved=0CDQQ6AEwAw#v=onepage&q=competencies&f=false)

**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**

**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

**Reference**

**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

**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

**Reference:** 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.

**Which method of forecasting is most widely used?**

Regression analysis

Adaptive forecasting

**Weighted moving average**

Exponential smoothing

**Reference**

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

**Randomness**

Non serious attitude

Non availability of data

Un qualified personnel



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

**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

**Ref:**Factor Rating: Decision based on quantitative and qualitative inputs (page 98)

**Suppose customers hold negative perception about service provided by XYZ organization. According to SERVQUAL model; which of the following can be the reason for this negative perception?**

Differences between Expected and Perceived Quality

**Difference between service delivery and external communication with customers**

Difference between customer s expectations and management s perception about their expectations

Difference between manager s expectations of service quality and specifications of service quality of customers

**Explanation:** The difference between what a customer hears about a company's service and what is actually delivered is represented by gap 4  
This gap can lead to dangerously negative customer perceptions

**Which of the following depicts the overall goal of total quality management?**

**Achieve customer satisfaction**

Earn high profit

Enhance organization's productivity

Achieve cost efficiency

**Explanation:** Total Quality Management is a philosophy that involves each and every individual in an organization in a continual effort to improve quality and achieve customer satisfaction.

**Which of the following involves incremental changes within the organization whose cumulative effect is to deliver an increased rate of performance enhancement?**

**Continuous improvement**

Competitive benchmarking

Business process re-engineering

Statistical process control

Ref: **Continuous Improvement:** Philosophy that seeks to make never-ending improvements to the process of **converting inputs into outputs. The Japanese manufacturer as well as service providers have longed used** this concept.

Kaizen is the Japanese word for continuous improvement.

(page 112)

**Which of the following cost is expected to be borne due to defective products?**

**Failure cost**

Prevention cost

Appraisal cost

Marketing cost

**Which of the following is an example of appraisal cost?**

Re-work cost

Warranty cost

**Testing cost**

Monitoring cost

**Explanation:** Appraisal Costs are the Costs of activities designed to ensure quality or uncover defects.

**Which of the following is an example of prevention cost?**

Re-work cost

Warranty cost

Testing cost

**Monitoring cost**

**Ref:** Prevention Costs include all TQM training, TQM planning, customer assessment, process control, and quality improvement costs to prevent defects from occurring.

**Which of the following statement defines process re-design?**

It is collecting information, identifying each step and finding inputs and outputs of process

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or duplicating activities

**It relates with taking a fresh approach to solve an issue on hand**

<http://www.health.vic.gov.au/managementinnovation/resources/what.htm>

**Which of the following represents a specified range of values in which individual units of output must fall in order to be acceptable?**

**Tolerance**

Run test

Process capability

Process variability

**Explanation:** Tolerances or specifications is the range of acceptable values established by engineering design or customer requirements

**What would be the total cost of inventory, if a firm holds 800 units of a product A , with the carrying cost of Rs. 4 per unit?**

Rs. 796

Rs. 804

**Rs. 3200**

Rs. 200

Total cost= Number of units \*carrying cost  
= 800\*4  
= 3200

**MPS stands for which of the following?**

Material Production Schedule

Master Planning Schedule

Material Planning Schedule

**Master Production Schedule**

**Which one of the following mathematical expressions can be used to compute annual ordering cost?**

$(D+Q)S$

$(D/Q)S$

$D+Q+S$

$(D/S)Q$

**Rationale:** The number of orders is  $D/Q$  and the annual setup or ordering cost is equal to the number of orders per year times the cost per run ( $D/Q$ ) $S$ .

**There is no inventory buildup when:**

Usage rate exceeds production rate

**Usage and production rates are equal**

Production rate exceeds usage rate

Orders are frequently placed

**Ref:** If usage and production (delivery) rates are equal, then there is no buildup of inventory.

**Master schedule interfaces with all of the following Except:**

Capacity planning

**Resource planning**

Production planning

Distribution planning

**Which of the following statements defines the purpose of MRP (Material Requirements Planning) system?**

**It is appropriate for all end items in the product line**

It can be used for independent demand items

It reduces inventory requirements, lead times, and delivery times

It determines an appropriate master production schedule

**Ref :** Material requirements planning (MRP): Computer-based information system that translates master schedule requirements for end items into time-phased requirements for subassemblies, components, and raw materials. (page 156)

**Capacity requirements planning determines \_\_\_\_\_ range capacity requirements**

**Short**

Intermediate

Long

Both short and long

**Ref :** Capacity requirements planning: The process of determining short-range capacity requirements. (page 161)

**Which of the following reasons do NOT account for the importance of supply chain Management?**

Increasing competitive pressures  
**Decreasing globalization**  
**Decreasing levels of outsourcing**  
Increasing transportation costs

**Which of the following is a system for inventory management and distribution planning?**

Electronic Data Interchange (EDI)  
Enterprise Resource Planning (ERP)  
**Distribution Resource Planning (DRP)**  
Materials Resource Planning (MRP)

**Which one of the following is a type of Gantt chart that shows management of work flow and queues at the work centers?**

Load chart  
Schedule chart  
**Input/output control chart**  
None of the given options

2008

Paper-9

**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?**

Operations Managers job responsibility includes  
Forecasting, Capacity planning, Scheduling Inventory Management, Quality Assurance and Control, Motivating employees, deciding where to locate facilities. It is not related to OM, it relates to marketing manager.

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

**Facilitating**

Labeling  
Cutting  
Packing

**The Strategies that are more focus on maintaining or improving the quality of an Organization's products or services is known as:**

Quality at the source  
Time Based strategies  
Cost leadership strategies  
**Quality-based strategies**

**Reference:** Quality based strategies  
focuses on maintaining or improving the quality of an organization's products or services  
Quality at the source.

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

A variety of processing requirements  
Use of individual incentive system  
**Minimizing material handling costs**  
Equipment utilization rate is high

**Disadvantages of Process Layouts**

1. In-process inventory costs can be high.
2. Challenging routing and scheduling.
3. Equipment utilization rates are low.
4. **Material handling slow and inefficient.**
5. Complexities often reduce span of supervision.

**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:** Cycle Time = OT/D  
= 9 / 300  
= 0.03

**Which one of the following types of manufacturing layout is considered a hybrid?**

Process layout  
Product layout  
Fixed-position layout  
**All of the given options**

**Reference:** Of the different types of product, process, fixed and hybrid types of configurations

**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 a exponential smoothing

If the goal is prediction, or forecasting, linear regression can be used to fit a predictive model to an observed data set of y and X values. After developing such a model, if an additional value of X is then given without its accompanying value of y, the fitted model can be used to make a prediction of the value of y.

**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**

**Reference:** FDA, OSHA, CRS. There are legal issues in which even the CEO can be implicated if there are violations with respect to pollution which is environmental issue.

**OSHA stands for which one of the following?**

Occupational safety hygiene administration  
**Occupational safety hygiene administration**  
Occupational safety hygiene agency  
Occupational science hygiene administration

**Reference:** OSHA refers to Occupational Safety Hygiene Administration

**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=yEXtTPSkH8GqccCY8LgP&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=advantages%20of%20specialization%20to%20management&f=false](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=yEXtTPSkH8GqccCY8LgP&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q=advantages%20of%20specialization%20to%20management&f=false)

**Which of the following refers to service recovery?**

Satisfying the customers needs at the first instance  
Providing the customer with extra benefits along with the desired service  
**Satisfying a previously dissatisfied customer and making him loyal**  
Providing the desired service to the customer

**Reference:** A *service recovery* is satisfying a previously dissatisfied customer and making them a loyal customer.

**Identify the dimensions of quality that a performance measure matrix (RATE) includes for a service firm.**

(a) Reliability (b) Responsiveness (c) **Awareness** (d) Assurance  
(e) Tangibility (f) Empathy (g) **Ease**  
a, b, c, e, f  
**a, b, d, e, f**  
a, b, d, e, g  
a, b, c, e, g



**Reference:**

1. *Reliability*: Perform promised service dependably and accurately.
2. *Responsiveness*: Willingness to help customers promptly.
3. *Assurance*: Ability to convey trust and confidence.
4. *Tangibles*: Physical facilities and facilitating goods.
5. *Empathy*: Ability to be approachable.

**The employees responsible to assure quality of service delivery are known as:**

**Contact personnel**

Finance personnel

Operational personnel

Research personnel

**Explanation:** Quality of delivery must be perfected during the interaction with the customer. The employees that are responsible for these actions are referred to as contact personnel

**Which of the following is the origin of the word Poka Yoke ?**

America

China

Spain

**Japan**

**Reference:** Poka-Yoke: Poka Yoke (pronounced POH-kah YOH-kay) is the Japanese word for mistake proof.

**Poka yoke is a Japanese term that means mistake-proofing** it helps an equipment operator avoid mistakes. Its purpose is to eliminate product defects by preventing, correcting, or drawing attention to human errors as they occur.

**Which of the following cost is associated with the quality of the product?**

Stockholding cost

Distribution cost

Marketing cost

**Failure cost**

**Explanation:** **Failure Costs** - costs incurred by defective parts/products or faulty services. Experts are of the opinion that on average an organization loses 20 to

30% of its revenue because of poor quality or costs associated with the failure of the product or service. Failure costs are of two types internal and external:

**Which of the following statement defines process mapping?**

**It is collecting information, identifying each step and finding inputs and outputs of process**

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or duplicating activities

It relates with taking a fresh approach to solve an issue on hand

**Reference:** Process mapping consists mainly of collecting information about the process, identifying the process for each step and determining the inputs and outputs.

**Which of the following refers to the percentage level of defects at which consumers are willing to accept lots as good ?**

Acceptable Quality Level (AQL)

**Lot Tolerance Percent Defective (LTPD)**

Average Outgoing Quality (AOQ)

Average Outgoing Quality Limit (AOQL)

**Reference:** Lot tolerance percent defective (LTPD): the upper limit on the percentage of defects that a consumer is willing to accept

**In \_\_\_\_\_ sampling, one random sample is drawn from each batch.**

**Single**

Double

Multiple

None of the given options

**Reference:**

Single Sampling Characteristics

**One random is drawn from each lot.**

Every item in the sample is examined

Each item after examination is classified good or defective.

If the sample contains more than a specified number of defectives, rejected.

If the costs of inspection are higher than costs of obtaining the sample  
\_\_\_\_\_ sampling should be used.

Random  
Single  
Double  
**Multiple**

**Reference:** Where inspection costs are higher than costs of obtaining the sample, multiple samples are carried to ensure that a good or bad result can help terminate the sample testing thus ensuring savings in inspection cost.

Identify the time span covered by the aggregate planning.

3-7 months  
2-10 months  
**2-12 months**  
4-8 months

**Reference:** *Aggregate planning:* Intermediate-range capacity planning, usually covering 2 to 12 months.

Which of the following refers to the costs incurred to get the equipment ready for the next job?

Accepting cost  
Holding cost  
Shortage cost  
**Setup cost**

**Reference:** Setup cost: Expenses incurred in setting up a machine, work center, or assembly line, to switch from one production job to the next.

Which of the following refers to the cost born by a firm if demand exceeds the supply?

Ordering cost  
Holding cost  
Stock out cost  
**Shortage cost**

**Reference:** Shortage costs: Costs when demand exceeds supply. Shortage cost is also known as stock out cost. So, both options are correct.

**Which one of the following concepts refers to achieve the lowest average total cost per unit when a large quantity is ordered?**

Economies of scale  
Material requirements planning  
Master production schedule  
**Economic order quantity**

the basic EOQ Model minimizes the sum of carrying or holding costs as well as setup or ordering cost.

**According to ABC classification system for inventory management, which of the Following groups of items represents low value inventory items?**

Group A  
Group B  
**Group C**  
Group D

**Reference:** Group C consists of Low Rupee (Monetary) Value, Group C items are not reviewed and order is placed directly.

**All of the following are common types of inventories Except:**

Raw material  
Work in transit  
Work in progress  
**Scrapped work**

**Reference:**

The five common types of inventories are:

1. Raw materials & purchased parts.
2. Partially completed goods called *work in progress*.
3. Finished-goods inventories:
  - a. (*manufacturing firms*) or
  - b. merchandise, (*retail stores*)
4. Goods-in-transit to warehouses or customers.
5. Replacement parts, tools, & supplies.

**Which of the following refers to the actual amount of an item needed in each time period?**

Gross requirements

**Net requirements**

Planned-order receipts

Planned-order releases

**Reference:** Net requirements

- a. Actual amount needed in each time period.

**Which of the following refers to the planned amount to order in each time period?**

Gross requirements

Net requirements

Planned-order receipts

**Planned-order releases**

**Reference:** Planned-order releases

- a. Planned amount to order in each time period.

**MRP secondary reports include all of the following EXCEPT:**

Performance control reports

Planning reports

Exception reports

**Planned order reports**

**Reference:**

MRP Secondary Report

1. Performance-control reports
2. Planning reports
3. Exception reports

**Which kind of production system is undertaken by JIT (Just In Time) production?**

Intermittent processing

Job shop processing

**Repetitive processing**

Batch processing

**Which of the following factors does NOT impact the supply chain?**

Increased competition

Reduced number of suppliers

Technology improvement

**Aging of the population**

Supply Chain: A sequence of activities and organizations involved in producing and delivering a good or service.

**Reference:**

Social Trends

Aging of the population

Increase in Life expectancy

Two-income families, both the males and females of the family are working

Growth in number of single people.

**Which of the following refers to time needed for setup and processing of a job?**

Standard time

**Job time**

**Setup time**

Slack time

**REFERENCE:** *Job time:* Time needed for setup and processing of a job.

**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

**Which of the following is NOT a limitation of PERT?Program Evaluation and Review Technique**

Omission of critical activities

**Correct precedence relationships**

Sole reliance on critical path

Inclusion of a fudge factor

**Reference: Limitations of PERT**

1. Important activities may be omitted

2. **Precedence relationships may not be correct**

- 3. Estimates may include a fudge factor
- 4. May focus solely on critical path

**Which of the following refers to business scope creep?**

Customer retention  
**Customer pleasing**  
Customer expectation  
Customer needs

**Reference:** Business Scope creep (often called customer pleasing) is the tendency of the business managers to over do the customer relationship with their customers

2008

Paper-10

**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 the decision areas of an operations manager EXCEPT:**

**Financial reporting**  
Inventory management  
Scheduling tasks  
Supply chain management

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 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

Maximin determines the worst payoff for each alternative; the operations manager chooses the best worst alternative. Meaning the least (best) of the worst.  
It is a pessimistic approach.  
Ensures a guaranteed minimum.

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

The simple moving average model assumes an average is a good estimator of future behavior

What would be the utilization, if 40 cars are produced in a day with a design capacity of 60 cars per day?

**67%**

20%  
100%  
150%

**Solution:**

Utilization = Actual out put/ Designed capacity  
= 40 / 60  
= 67%

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

Introduction  
Growth



## **Maturity**

Decline

MATURITY PHASE: When the product reaches maturity stage its demand can only increase if design is refined or changed and some differentiation feature is added this may increase the demand but when it goes down

**Which of the following refers the way an organization chooses to produce its good 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. 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.

**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

The common Basic Layout Types are

1. Product/Service layout. A layout that uses standardized processing operations to achieve smooth, rapid, high-volume flow
2. Process layout. A Layout that can handle varied processing requirements
3. Fixed Position layout. A Layout in which the product or project remains stationary, and workers, materials, and equipment are moved as needed
4. Hybrid/Combination. A Layout that makes use of the combination of Product, Process or Fixed Position Layout.

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

Cost curve

## **Bath tub curve**

Fish bone diagram

Reliability curve

On the Y axis we represent the Failure rate and on the X axis we represent the Time. A careful look at the graph would help us to identify the three phases Phase I near the origin is called Infant Mortality.

Phase II in the middle refers to few random failures.

Phase III at the far end from the origin represent failures due to wear out.

**MTBF refers to which of the following?**

Measure time before failure

**Mean time between failures**

Mean time before failure

Measure test before failure

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  $\text{Availability} = \frac{\text{MTBF}}{\text{MTBF} + \text{MTR}}$

**Which one of the following refers to a team having representatives from different Functional area of the organization?**

Traditional work group

Self-directed team

**Cross-functional team**

Self motivated team

**The quality guru Kaoru Ishikawa is famous for:**

Statistical quality control

**Fishbone diagram**

Zero defects

Cost of quality

The Quality Gurus are given more respect and recognized as Key Contributors to Quality Management. Presented below is their contributions in a nut shell, students should learn to recognize these

3. Joseph M. Juran is famous for his concept of "Quality is the fitness for use".

**Who proposed the concept of total quality control in the mid 1950s?**

**Armand Feigenbaum**

G.S Radford

W. Shewhart  
David Gravin

**Ref:** Armand Feigenbaum said, "Quality is a total field or total function".

**Which of the following word is the meaning of the term Poka Yoke ?**

**Mistake proof**

Low quality  
Defective  
Expensive

Poka-Yoke: Poka Yoke (pronounced POH-kah YOH-kay) is the Japanese word for mistake proof. These devices/strategies/mechanisms/methods are used either to prevent the special causes that result in defects, or to inexpensively inspect each item that is produced to determine whether it is acceptable or defective.

**Suppose customers hold negative perception about service provided by XYZ organization According to which of the following can be the reason for this negative perception?**

Differences between Expected and Perceived Quality

**Difference between service delivery and external communication with customers**

Difference between customer s expectations and management s perception about their expectations  
Difference between manager s expectations of service quality and specifications of service quality of customers

**Which of the following is NOT included in Juran's classification of costs of quality?**

Failure cost  
Prevention cost  
**Appraisal cost**  
Management cost

2. Appraisal Costs are the Costs of activities designed to ensure quality or uncover defects

**Problem solving is an example of which of the following?**

**Internal failure cost**

External failure cost

Prevention cost

Appraisal cost

Internal Failure Costs are the Costs incurred to fix problems that are detected before the product/service is delivered to the customer.

**Inspection equipment is an example of which of the following?**

Internal failure cost

External failure cost

Prevention cost

**Appraisal cost**

[http://www.accountingformanagement.com/quality\\_costs.htm](http://www.accountingformanagement.com/quality_costs.htm)

**Quality improvement cost falls under which of the following categories of costs of quality?**

Internal failure cost

External failure cost

**Prevention cost**

Appraisal cost

**Ref:** Prevention Costs include all TQM training, TQM planning, customer assessment, process control, and quality improvement costs to prevent defects from occurring.

**ISO 9000 standards are based on:**

**Quality management and quality assurance**

Quality management and costs of quality

Quality planning and quality assurance

Quality planning and quality control

**Ref:** ISO 9000: Is a set of international standards on quality management and quality assurance, critical to international business.

**Which of the following refers to a control chart used to monitor the process dispersion?**

Mean control chart

**Range control chart**

p-Chart

c-Chart

Control Charts for Variables

Mean control charts

Used to monitor the central tendency of a process.

X bar charts

Range control charts

Used to monitor the process dispersion

R charts

**Which of the following control charts is used to monitor the central tendency of a process?**

Mean control chart

Range control chart

p-Chart

c-Chart

Control Charts for Variables

Mean control charts

Used to monitor the central tendency of a process.

**Which one of the following mathematical expressions is used to compute the amount of inventory at the end of a given period? Where**

a = Inventory at the end of previous period,

b = Production in the current period,

c = Amount of inventory used to satisfy demand in the current period

**$a + b - c$**

$a + b + c$

$a - c + b$

$a - b + c$

**The ultimate goal of rough-cut capacity planning is:**

**Test the feasibility of a master schedule**

Determining feasibility of a cost volume analysis

Achieving efficiency in the processes

Approximating inventory requirements

**Explanation:** With Rough cut capacity planning we can check capacities of production and warehouses constraints exist. This means checking capacities of production and warehouse facilities, labor and vendors to ensure that no gross deficiencies exist that will render master schedule unworkable.

**Which of the following refers to the cost associated with the order of inventory and its receipt?**

**Ordering cost**

Holding cost

Shortage cost

Stock out cost

Ordering costs: Cost of ordering and receiving inventory. These are the actual costs that vary with the actual placement of the order

**Which of the following is NOT an assumption of EOQ model?**

Delivery lead time does not vary

Annual demand requirements are known

There are no quantity discounts

**Variable ordering cost**

1. Only one product is involved.
2. Annual demand requirements known.
3. Demand is even throughout the year.
4. Lead time does not vary.
5. Each order is received in a single delivery.
6. There are no quantity discounts.

**Which of the following formula is correct for Kanban system?**

$DX(1T) = N$

C

$DC(1X) = N$

T

**$DT(1X) = N$**

C

$DT(1C) = N$

X

We can mathematically construct the Kanban Formula, If we designate the following alphabets

N = Total number of containers (Or Kanban Cards)

D = Planned usage rate of using work center

T = Average waiting time for replenishment of parts  
plus average production time for a  
container of parts

X = Policy variable set by management  
- possible inefficiency in the system often called Alpha

C = Capacity of a standard container

$$N = \frac{DT(1+X)}{C}$$

**Which one of the following models is used for optimal assignment of tasks and resources?**

**Assignment model**

Hungarian model

Part per period method

Transportation model

**Ref:** Assignment Model is a type of linear programming model for optimal assignment of tasks and resources.

**All of the following cause difficulties in scheduling EXCEPT:**

Variability in setup times

Variability in processing times

Variability in set of jobs

**Variability in holding cost**

**Which of the following relates to estimating both the level and timing of resources needed over the project duration?**

Project estimating

Project planning

Project control

Project crashing

**PERT stands for which of the following?**

**Program Evaluation and Review Technique**

Project Evaluation and Review Technique

Program Evaluation and Reactivity Technique  
Program Economization and Review Technique

**Which of the following is NOT a risk associated with project management?**

**Cost reduction**

Time delays  
Project termination  
Inability to meet specifications

**Which of the following is a mathematical approach used for analysis of waiting lines?**

**Queuing theory**

Waiting theory  
Scheduling theory  
Sequencing theory

**Explanation:** Goal of queuing analysis is to minimize the sum of two costs  
Customer waiting costs and Service capacity costs.

2008

Paper-11

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

**Capital**

Energy

Labor

Machine

**An organization has describe its distinctive characteristic now what is the next step in strategy formulation process?**

Competitor's distinctiveness

Selecting the market segment

**Environmental scanning**



## Productivity Measures

<http://www.referenceforbusiness.com/management/Sc-Str/Strategy-Formulation.html>

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

Job Shop

Batch processing

Assembly line

**Continuous processing**

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.

**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

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

A group is compose of a number of items

A group exhibits a uniform behavior

**Forecasting errors among items in a group have a canceling effect**

A group behavior is relatively less uncertain

#### Reference

**Which of the following statement defines process re-design?**

It is collecting information, identifying each step and finding inputs and outputs of process

It is collecting information about cost reduction and improving the defects

It relates to asking questions about process flow and identifying missing or duplicating activities

**It relates with taking a fresh approach to solve an issue on hand**

**Which of the following refers to a variation resulted from an identifiable cause?**

Random variation

Regular variation

Irregular variation

**Assignable variation**

• *Assignable variation* : A variation whose source can be identified

**Identify the set of factors that affect the choice of a strategy for aggregate planning.**

**Cost and corporate policy**

Cost and location analysis

Cost and capacity constraints

Cost and training of employees

**Ref:** The organization needs to consider two factors before choosing a strategy

1. Costs

2. Company/Corporate Policy

**Which of the following mathematical expressions can be employed to compute the backorder cost?**

Backorder cost per unit + number of backordered units

Backorder cost per unit - number of backordered units

Backorder cost per unit ÷ number of backordered units

**Backorder cost per unit × number of backordered units**

**What would be the total cost of inventory, if a firm holds 600 units of a product A ,where the carrying cost is Rs. 3 per unit?**

Rs. 200

**Rs. 1800**

Rs. 597

Rs. 603

**Explanation:**

$$\begin{aligned}\text{Total cost of inventory} &= \text{per unit carrying cost} * \text{Number of units hold} \\ &= 3 * 600 \\ &= 1800\end{aligned}$$

**What would be the total backorder cost, if 400 units of a product A are ordered back .where the back order cost is Rs. 4 per unit?**

Rs. 100

Rs. 396

Rs. 404

**Rs. 160**

**Explanation:**

$$\begin{aligned}\text{Back Order} &= \text{Back Order Cost Per Unit} * \text{Number of Backorder Units} \\ &= 4 * 400 \\ &= 160\end{aligned}$$

**Which of the following is an advantage of perpetual inventory system?**

Periodic review of inventory

Economies in shipping orders

**Fixed order quantity**

Low cost of record keeping

[http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7Io5TO64GsKwrAfa3\\_G2CA&sa=X&oi=book\\_result&ct=result&resnum=5&ved=0CCMQ6AEwBA#v=onepage&q=an%20advantage%20of%20perpetual%20inventory%20system%20is%20Fixed%20order%20quantity&f=false](http://books.google.com.pk/books?id=T1SLkJ5AH90C&pg=PA10&lpg=PA10&dq=an+advantage+of+perpetual+inventory+system+is+Fixed+order+quantity&source=bl&ots=qet2i9V5Jc&sig=w9jaO7iVIpWmdFahALnYiwIbk4c&hl=en&ei=7Io5TO64GsKwrAfa3_G2CA&sa=X&oi=book_result&ct=result&resnum=5&ved=0CCMQ6AEwBA#v=onepage&q=an%20advantage%20of%20perpetual%20inventory%20system%20is%20Fixed%20order%20quantity&f=false)

**According to ABC classification system for inventory management, which of the following groups of items represents high value inventory items?**

**Group A**

Group B

Group C

Group X

**Ref:** Group A consists of High Rupee (Monetary) Value, which account for a small portion about 10% of the total inventory usage.

**EPP stands for which of the following?**

**Economic Part Period**

Economic Production Period

Equal Production Period

Equal Part Period

Economic Part Period (EPP) is the ratio of setup costs to the cost of hold a unit for one period.

**JIT stands for which of the following?**

**Just In Time**

Just In Test

Job In Time

Job Inventory Time

**Which of the following is widely accepted as an effective planning method of all resources of a manufacturing firm?**

Enterprise Resource Planning

Material Requirements Planning

**Material Requirements Planning I I**

Master Production Schedule

**Reference :** Manufacturing Resource Planning (MRP II) is defined by [APICS](#) as a method for the effective planning of all resources of a manufacturing company. Ideally, it addresses operational planning in units, financial planning in dollars, and has a simulation capability to answer "what-if" questions and extension of closed-loop [MRP](#).

**EDI stands for which of the following?**

Enterprise Data Interchange

Economic Data Interchange

Equal Data Interchange

**Electronic Data Interchange**

[EDI \(Electronic Data Interchange\)](#)

**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

Program evaluation and review technique

**Simulation: a descriptive technique that enables a decision maker to evaluate the behavior of a model under various conditions.**

**FINALTERM EXAMINATION  
Spring 2010  
MGT613- Production / Operations Management**

**Question No: 1 ( 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: 2 ( 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: 3 ( 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: 4 ( 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: 5 ( Marks: 1 ) - Please choose one**

Which one of the following factors provides a basis for comparing alternative forecasting techniques? <http://vustudents.ning.com>

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

**Question No: 6 ( 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: 7 ( 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: 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 defines the range of the smoothing constant (Alpha)?

- ▶ 2 and -2
- ▶ 1 and -1
- ▶ 0 and -1
- ▶ 0 and 1 (not sure)

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

In exponential smoothing model,  $\alpha$  denotes: <http://vustudents.ning.com>

- ▶ Smoothing constant

- ▶ Actual forecast
- ▶ Forecast error
- ▶ Previous forecast

**Question No: 11 ( 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: 12 ( 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 (no ref, my opinion)
- ▶ Self motivated team

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

---

Who introduced the use of statistical control charts to Japanese manufacturers?

- ▶ Edwards Deming
- ▶ Joseph Juran
- ▶ Kaoru Ishikawa
- ▶ Philip Crosby

The originally concept is of Walter Shewhart but was promoted to Japanese manufacturers by the Edward Deming

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

---

Mr. Ali purchased a TV set. After a period of a year, the picture quality started deteriorating. He went to the company and complained and the company responded subsequently. Which of the following dimensions of quality would come into play?

- ▶ Reliability
- ▶ Conformance
- ▶ Serviceability
- ▶ Aesthetics

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

---

Who proposed the concept of “total quality control” in the mid 1950s?

- ▶ Armand Feigenbaum
- ▶ G.S Radford
- ▶ W. Shewhart



- ▶ David Gravin

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

---

Which of the following is a pair of service quality dimensions?

- ▶ Reliability and Responsiveness
- ▶ Uniqueness and Universality
- ▶ Specification and Security
- ▶ Reliability and Reputation

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

---

Which of the following best describes the ISO?

- ▶ International Organization for Statements
- ▶ International Operations for Statements
- ▶ International Organization for Standardization
- ▶ International Operations for Statements

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

---

Which of the following stage of Deming's wheel involves evaluating the improvement plan? <http://vustudents.ning.com>

- ▶ Plan
- ▶ Do
- ▶ Check
- ▶ Act

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

---

What would be the total cost of inventory, if a firm holds 1000 units of a product 'A', where the carrying cost is Rs. 5 per unit?

- ▶ Rs. 995
- ▶ Rs. 5000
- ▶ Rs. 1050
- ▶ Rs. 200

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

---

The optimal order quantity shows a trade-off between which one of the following sets of costs?

- ▶ Carrying costs and shortage costs
- ▶ Carrying costs and ordering costs
- ▶ Carrying costs and stockout costs
- ▶ Carrying costs and setup costs

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

---

Which one of the following mathematical expressions can be employed to compute annual carrying cost?

- ▶  $(Q-2)H$
- ▶  $(Q+2)H$

- ▶  $(Q \div 2)H$
- ▶  $(Q \times 2)/H$

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

Which of the following is used to store information about the status of each item with respect to time period?

- ▶ Master schedule
- ▶ Bill of materials file
- ▶ **Inventory records file**
- ▶ Rough – cut capacity plan

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

Which of the following compares the known and estimated future capacity requirements? <http://vustudents.ning.com>

- ▶ Capacity reports
- ▶ Operations reports
- ▶ **Load reports**
- ▶ Inventory records

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

Which of the following is the first step of Capacity planning?

- ▶ Initial feasibility report is prepared
- ▶ Master schedule is tested for feasibility
- ▶ **Adjustments are made in master schedule before it finalizes**
- ▶ Material requirements are ascertained

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

Which of the following are the priorities emphasized most often in JIT system?

- ▶ **High quality and minimal wastage**
- ▶ Low cost and consistent quality
- ▶ Low inventory and consistent material supply
- ▶ Low cost and low inventory

**(Organizations should develop a demand base system so less waste is generated and good management of high quality, small lot sizes, good quality, standardized components and work methods is ensured.) (page no. 165)**

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

Just Just in Time system maintains inventory with which of the following lot size/sizes?

- ▶ **Small**
- ▶ Medium
- ▶ Large
- ▶ Can be small and medium both

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

---

Which of the following statements is TRUE about a Gantt chart?

- ▶ It represents an important event in the completion of a project
- ▶ It relates interdependent activities to their completion time
- ▶ It arranges events in order of importance
- ▶ **It is used to schedule independent activities**

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

---

Network activities are used to determine all of the following EXCEPT:

- ▶ Critical path
- ▶ Budgeted cost
- ▶ Slack time
- ▶ **Expected project duration**

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

---

With reference to Network activities, what does the term 'EF' stand for?

- ▶ Equal Finish
- ▶ Economic Finish
- ▶ **Early Finish**
- ▶ Easy Finish

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

---

Which one of the following is NOT an element of a queuing system?

- ▶ Population source
- ▶ Waiting line
- ▶ Order processing
- ▶ **Logistics**

<http://vustudents.ning.com>

**Question No: 31 ( 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**

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

---

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

- ▶ Studying 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: 33 ( Marks: 1 ) - Please choose one**

---

Training program and quality audits come under which type of costs that an organization has to bear as cost of service quality?

- ▶ Internal failure cost
- ▶ Recovery cost
- ▶ **Prevention cost**
- ▶ Detection cost

**Question No: 34 ( Marks: 1 ) - Please choose one**

---

Which one of the following is the most important criteria in selecting winners for a quality award?

- ▶ Strong motivation
- ▶ Quality management practices
- ▶ Employee empowerment
- ▶ Business performance results

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

---

Which of the following is NOT a disadvantage of excessive overtime?

- ▶ Decline quality of work
- ▶ **Work schedules become well-defined**
- ▶ 150 percent expensive of the regular time-pay rate
- ▶ Low Productivity

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

---

A company mostly involved in transportation and shipping costs than construction and land costs is probably part of which of the following industries?

- ▶ Heavy manufacturing
- ▶ Retail and service
- ▶ **Warehouse and distribution**
- ▶ Light industry

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

---

A company is operating under a continuous review system. It has an average demand of 50 units per week for the item it produces. The lead time for the item is 6 weeks, and it costs the company \$30 to process each order. The holding cost for each unit is \$10 per year. The company operates 52 weeks per year. What is the economic order quantity (EOQ) for this item?

- ▶ Greater than 175 units but less than or equal to 200 units
- ▶ Less than 175 units
- ▶ Greater than 200 units but less than or equal to 230 units
- ▶ Greater than 230 units

Annual Holding Cost

$$\text{EOQ} = \sqrt{\frac{2DS}{H}}$$

$$= \frac{2(\text{Annual Demand})(\text{Order or Setup Cost})}{\text{Annual Holding Cost}}$$

$$\text{Sqr root of} = \frac{2(50)(30)}{10}$$

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

Perpetual system of inventory management is also known as which of the following?

- ▶ First-in-first-out
- ▶ Probability model
- ▶ Fixed-order quantity
- ▶ **Periodic review**

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

If a manager wants to see the effect of change in Master Production Schedule (MPS) on purchasing requirements for certain suppliers, which of the following system would help in this regard? <http://vustudents.ning.com>

- ▶ Material Resource Planning system (MRP)
- ▶ Enterprise Resource Planning system (ERP)
- ▶ Capacity Requirement Planning system (CRP)
- ▶ Manufacturing Resource Planning system (MRPII)

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

If alpha = 0, how many containers are needed with the given data?

$$K = \frac{1500(0.8 + 0.2)(1 + 0)}{270}$$

- ▶ 6.5 Containers
- ▶ 7 Containers
- ▶ 6 Containers
- ▶ 9 Containers

**Question No: 41 ( Marks: 1 ) - Please choose one**

Eliminating disruptions and excess inventory are \_\_\_\_\_ in Just-In-Time production systems.

- ▶ Tactical goals
- ▶ Strategic goals
- ▶ Secondary goals
- ▶ Primary goals

**Question No: 42 ( Marks: 1 ) - Please choose one**

In supply chain management Electronic Data Interchange (EDI) and Bar coding is a characteristic of which of the following?

- ▶ Logistics
- ▶ Technology
- ▶ Automation
- ▶ Just-In-Time System

---

**Question No: 43 ( Marks: 1 ) - Please choose one**

In labor-limited environment, in which resource constraint is the amount of worker available, which of the following is the best option for effective scheduling in a manufacturing firm?

- ▶ Hire more skilled labor for the job to be completed
- ▶ Workers should be trained to work on a variety of machines
- ▶ Assign labor to the next workstation irrespective of their skills
- ▶ More machines should be installed for flexibility of operations

---

**Question No: 44 ( Marks: 1 ) - Please choose one**

Tasks are easily scheduled in which of the following production environments?

- ▶ Intermediate-volume-systems
- ▶ Low-to-medium volume production (Job shop)
- ▶ Medium-to-high volume production (Flow shop)
- ▶ Optimal production mixes

---

**Question No: 45 ( Marks: 1 ) - Please choose one**

Which of the following is the necessary qualification for a project manager?

- ▶ PMP certification
- ▶ PMD certification
- ▶ FMA certification
- ▶ CMP certification

---

**Question No: 46 ( Marks: 1 ) - Please choose one**

Queuing analysis aims to minimize which of the given costs?

- ▶ Both customer waiting cost and service capacity cost
- ▶ None of the given options
- ▶ Customer waiting cost
- ▶ Service capacity cost

---

**Question No: 47 ( Marks: 1 ) - Please choose one**

Which of the following is a cause of development of waiting lines?

- ▶ Customer arrival rate varies through out the day
- ▶ Time required to process a customer may vary
- ▶ Some transactions are complicated and require above average process time
- ▶ All of the given options

---

**Question No: 48 ( Marks: 1 ) - Please choose one**

---

During the period of high unemployment or when low-skilled labor is acceptable, which of the following strategy would be cost effective?

<http://vustudents.ning.com>

- ▶ Chase demand strategy
- ▶ Level capacity strategy
- ▶ Proactive strategy
- ▶ Mixed or hybrid strategies

---

**Question No: 49 ( Marks: 3 )**

**As an operations manager of a firm what significant issues you have to consider while implementing supply chain management?**

**Elements of Supply Chain Management (page no, 174)**

---

**Question No: 50 ( Marks: 3 )**

**How would you reveal the importance of maintaining good relationship with suppliers in a JIT system?**

*Increased emphasis on supplier relationships: A company without inventory does not want a supply system problem that creates a part shortage. This makes supplier relationships extremely important.*

*Supplies come in at regular intervals throughout the production day. Supply is synchronized with production demand and the optimal amount of inventory is on hand at any time. When parts move directly from the truck to the point of assembly, the need for storage facilities is reduced.*

<http://vustudents.ning.com>

---

**Question No: 51 ( Marks: 5 )**

**As operations manager of a manufacturing firm, how can you judge the effectiveness of inventory management?**

*An Inventory Management System would be called Effective if it is able to fulfill the following requirements.*

1. A system to keep track of inventory.
2. A reliable forecast of demand.
3. Knowledge of lead times.
4. Reasonable estimates of:
  - a. Holding costs
  - b. Ordering costs
  - c. Shortage costs
5. A classification system.

**Question No:**

**FINALTERM EXAMINATION**  
**Spring 2010**  
**MGT613- Production / Operations Management**

**Composed by**

**„Đỗ, Đỗ hê ê“**

**Question No: 1 ( 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 (not sure)**

**Question No: 2 ( 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: 3 ( 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: 4 ( 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: 5 ( Marks: 1 ) <http://vustudents.ning.com> - 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: 6 ( 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: 7 ( 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: 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 defines the range of the smoothing constant (Alpha)?

- ▶ 2 and -2
- ▶ 1 and -1
- ▶ 0 and -1
- ▶ **0 and 1**

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

---

In exponential smoothing model,  $\alpha$  denotes: <http://vustudents.ning.com>

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

**Question No: 11 ( 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: 12 ( Marks: 1 ) - Please choose one**

Which one of the following refers to a team having representatives from different functional areas of the organization? <http://vustudents.ning.com>

- ▶ Traditional work group
- ▶ Self-directed team
- ▶ **Cross-functional team**
- ▶ Self motivated team

---

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

Who introduced the use of statistical control charts to Japanese manufacturers?

- ▶ **Edwards Deming**
- ▶ Joseph Juran
- ▶ Kaoru Ishikawa
- ▶ Philip Crosby

---

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

Mr. Ali purchased a TV set. After a period of a year, the picture quality started deteriorating. He went to the company and complained and the company responded subsequently. Which of the following dimensions of quality would come into play?

- ▶ Reliability
- ▶ Conformance
- ▶ **Serviceability**
- ▶ Aesthetics

---

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

Who proposed the concept of “total quality control” in the mid 1950s?

- ▶ **Armand Feigenbaum**
- ▶ G.S Radford
- ▶ W. Shewhart
- ▶ David Gravin

---

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

Which of the following is a pair of service quality dimensions?

- ▶ **Reliability and Responsiveness**
- ▶ Uniqueness and Universality
- ▶ Specification and Security
- ▶ Reliability and Reputation

---

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

Which of the following best describes the ISO?

- ▶ International Organization for Statements

- ▶ International Operations for Statements
- ▶ **International Organization for Standardization**
- ▶ International Operations for Statements

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

---

Which of the following stage of Deming's wheel involves evaluating the improvement plan?

- ▶ Plan
- ▶ Do
- ▶ **Check**
- ▶ Act

**Question No: 19 ( Marks: 1 ) <http://vustudents.ning.com> - Please choose one**

---

What would be the total cost of inventory, if a firm holds 1000 units of a product 'A', where the carrying cost is Rs. 5 per unit?

- ▶ Rs. 995
- ▶ **Rs. 5000**
- ▶ Rs. 1050
- ▶ Rs. 200

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

---

The optimal order quantity shows a trade-off between which one of the following sets of costs?

- ▶ Carrying costs and shortage costs
- ▶ **Carrying costs and ordering costs**
- ▶ Carrying costs and stockout costs
- ▶ Carrying costs and setup costs

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

---

Which one of the following mathematical expressions can be employed to compute annual carrying cost?

- ▶  $(Q-2)H$
- ▶  $(Q+2)H$
- ▶  **$(Q \div 2)H$**
- ▶  $(Q \times 2)/H$

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

---

Which of the following is used to store information about the status of each item with respect to time period?

- ▶ Master schedule
- ▶ Bill of materials file
- ▶ **Inventory records file**
- ▶ Rough – cut capacity plan

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

---

Which of the following compares the known and estimated future capacity requirements?

- ▶ Capacity reports
- ▶ Operations reports
- ▶ **Load reports**
- ▶ Inventory records

---

**Question No: 24 ( Marks: 1 ) <http://vustudents.ning.com> - Please choose one**

Which of the following is the first step of Capacity planning?

- ▶ Initial feasibility report is prepared
- ▶ **Master schedule is tested for feasibility**
- ▶ Adjustments are made in master schedule before it finalizes
- ▶ Material requirements are ascertained

---

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

Which of the following are the priorities emphasized most often in JIT system?

- ▶ **High quality and minimal wastage**
- ▶ Low cost and consistent quality
- ▶ Low inventory and consistent material supply
- ▶ Low cost and low inventory

---

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

Just in Time system maintains inventory with which of the following lot size/sizes?

- ▶ **Small**
- ▶ Medium
- ▶ Large
- ▶ Can be small and medium both

---

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

Which of the following statements is TRUE about a Gantt chart?

- ▶ It represents an important event in the completion of a project
- ▶ It relates interdependent activities to their completion time
- ▶ It arranges events in order of importance
- ▶ **It is used to schedule independent activities**

---

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

Network activities are used to determine all of the following EXCEPT:

- ▶ Critical path
- ▶ **Budgeted cost**
- ▶ Slack time
- ▶ Expected project duration

---

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

With reference to Network activities, what does the term 'EF' stand for?

- ▶ Equal Finish

- ▶ Economic Finish
- ▶ **Early Finish**
- ▶ Easy Finish

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

---

Which one of the following is NOT an element of a queuing system?

- ▶ Population source
- ▶ Waiting line
- ▶ Order processing
- ▶ **Logistics**

**Question No: 31 ( 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**

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

---

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

- ▶ Studying 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: 33 ( Marks: 1 ) <http://vustudents.ning.com>- Please choose one**

---

Training program and quality audits come under which type of costs that an organization has to bear as cost of service quality?

- ▶ Internal failure cost
- ▶ Recovery cost
- ▶ **Prevention cost**
- ▶ Detection cost

**Question No: 34 ( Marks: 1 ) - Please choose one**

---

Which one of the following is the most important criteria in selecting winners for a quality award?

- ▶ Strong motivation
- ▶ **Quality management practices ( not sure)**
- ▶ Employee empowerment
- ▶ Business performance results

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

---

Which of the following is NOT a disadvantage of excessive overtime?

- ▶ Decline quality of work <http://vustudents.ning.com>

- ▶ **Work schedules become well-defined**
- ▶ 150 percent expensive of the regular time-pay rate
- ▶ Low Productivity

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

A company mostly involved in transportation and shipping costs than construction and land costs is probably part of which of the following industries?

- ▶ Heavy manufacturing
- ▶ Retail and service
- ▶ **Warehouse and distribution**
- ▶ Light industry

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

A company is operating under a continuous review system. It has an average demand of 50 units per week for the item it produces. The lead time for the item is 6 weeks, and it costs the company \$30 to process each order. The holding cost for each unit is \$10 per year. The company operates 52 weeks per year. What is the economic order quantity (EOQ) for this item? <http://vustudents.ning.com>

- ▶ Greater than 175 units but less than or equal to 200 units
- ▶ Less than 175 units
- ▶ Greater than 200 units but less than or equal to 230 units
- ▶ Greater than 230 units

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

Perpetual system of inventory management is also known as which of the following?

- ▶ First-in-first-out
- ▶ Probability model
- ▶ Fixed-order quantity
- ▶ Periodic review

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

If a manager wants to see the effect of change in Master Production Schedule (MPS) on purchasing requirements for certain suppliers, which of the following system would help in this regard?

- ▶ Material Resource Planning system (MRP)
- ▶ Enterprise Resource Planning system (ERP)
- ▶ Capacity Requirement Planning system (CRP)
- ▶ Manufacturing Resource Planning system (MRPII)

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

If  $\alpha = 0$ , how many containers are needed with the given data?

$$K = \frac{1500(0.8 + 0.2)(1 + 0)}{270} = \frac{1500(1)(1)}{270} = 1500/270 = 5.5555$$

- ▶ 6.5 Containers
- ▶ 7 Containers
- ▶ **6 Containers**
- ▶ 9 Containers

**Question No: 41 ( Marks: 1 ) - Please choose one**

---

Eliminating disruptions and excess inventory are \_\_\_\_\_ in Just-In-Time production systems.

- ▶ Tactical goals
- ▶ Strategic goals
- ▶ **Secondary goals**
- ▶ Primary goals

**Question No: 42 ( Marks: 1 ) - Please choose one**

---

In supply chain management Electronic Data Interchange (EDI) and Bar coding is a characteristic of which of the following? <http://vustudents.ning.com>

- ▶ **Logistics**
- ▶ Technology
- ▶ Automation
- ▶ Just-In-Time System

**Question No: 43 ( Marks: 1 ) - Please choose one**

---

In labor-limited environment, in which resource constraint is the amount of worker available, which of the following is the best option for effective scheduling in a manufacturing firm?

- ▶ Hire more skilled labor for the job to be completed
- ▶ Workers should be trained to work on a variety of machines
- ▶ Assign labor to the next workstation irrespective of their skills
- ▶ More machines should be installed for flexibility of operations

**Question No: 44 ( Marks: 1 ) - Please choose one**

---

Tasks are easily scheduled in which of the following production environments?

- ▶ Intermediate-volume-systems
- ▶ Low-to-medium volume production (Job shop)
- ▶ Medium-to-high volume production (Flow shop)
- ▶ Optimal production mixes

**Question No: 45 ( Marks: 1 ) - Please choose one**

---

Which of the following is the necessary qualification for a project manager?

- ▶ **PMP certification** (CFM, CFA and CFP certification, PMP certification)
- ▶ PMD certification
- ▶ FMA certification
- ▶ CMP certification

**Question No: 46 ( Marks: 1 ) - Please choose one**

---

Queuing analysis aims to minimize which of the given costs?

- ▶ **Both customer waiting cost and service capacity cost**
- ▶ None of the given options

- ▶ Customer waiting cost
- ▶ Service capacity cost

**Question No: 47 ( Marks: 1 ) - Please choose one**

---

Which of the following is a cause of development of waiting lines?

- ▶ Customer arrival rate varies through out the day
- ▶ Time required to process a customer may vary
- ▶ Some transactions are complicated and require above average process time
- ▶ **All of the given options**

**Question No: 48 ( Marks: 1 ) <http://vustudents.ning.com> - Please choose one**

---

During the period of high unemployment or when low-skilled labor is acceptable, which of the following strategy would be cost effective?

- ▶ Chase demand strategy
- ▶ **Level capacity strategy ( not sure)**
- ▶ Proactive strategy
- ▶ Mixed or hybrid strategies

**Question No: 49**

Quiz Start Time: 11:11 AM Time Left 56  
sec(s)

Question # 1 of 15 ( Start time: 11:11:07 AM ) 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 ok**

Quiz Start Time: 11:11 AM Time Left 53  
sec(s)

Question # 2 of 15 ( Start time: 11:12:26 AM ) Total Marks: 1

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 ok**

Quiz Start Time: 11:11 AM Time Left 64  
sec(s)

Question # 3 of 15 ( Start time: 11:13:18 AM ) 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 ok**

**You are provided with question statements that are followed by four possible answer choices, Please select the one that best represents the answer.**

1. 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:
  - a Translate customer wants and needs into product and service requirements
  - b Refine existing products and services
  - c Develop new products and services
  - d *Manage the purchasing activities religiously and diligently.*
2. While focusing on capacity planning, organizations look for which of the following alternatives.
  - a. *How much will it cost*
  - b. How much holidays the workers can enjoy.
  - c. How much compensation they need to pay to their CEO.
  - d. None of the above
3. Which of the following is not one of the assumptions for Cost Volume Analysis
  - a. *One product is not involved*

- b. Everything produced can be sold
  - c. Variable cost per unit is the same regardless of volume
  - d. Fixed costs do not change with volume
4. Which of the following does not fall under Economic Production Quantity (EPQ)
- a. *Only two or more item are involved*
  - b. Annual demand is known
  - c. Usage rate is constant
  - d. Usage occurs continually
5. Advantages of Process Layout Include
- a. *Equipment used is less costly*
  - b. Low unit cost.
  - c. Labor specialization.
  - d. Low material handling cost
6. Common types of Operations include
- a. Continuous Processing.
  - b. Intermittent Processing.
  - c. Automation
  - d. *All of the above*

7. System performance is measured by
- Average number of customers being refused service
  - Average time customers wait
  - System utilization
  - b and c.*
8. Inventory carrying costs are influenced by:
- Order Quantity in Units
  - Holding carrying cost per unit.
  - Demand
  - a and b only.*
9. 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*
10. Therbligs are basic elemental motions which include:
- Search
  - Select
  - Throw
  - a and b only*

**Solution:**

11. 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. ✓
12. 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
13. Which of the following is not one of the assumptions for Cost Volume Analysis

- a. One product is not involved ✓
  - b. Everything produced can be sold
  - c. Variable cost per unit is the same regardless of volume
  - d. Fixed costs do not change with volume
14. Which of the following does not fall under Economic Production Quantity (EPQ)
- a. Only two or more item are involved ✓
  - b. Annual demand is known
  - c. Usage rate is constant
  - d. Usage occurs continually
15. Advantages of Process Layout Include
- a. Equipment used is less costly ✓
  - b. Low unit cost.
  - c. Labor specialization.
  - d. Low material handling cost
16. Common types of Operations include
- a. Continuous Processing.
  - b. Intermittent Processing.
  - c. Automation
  - d. All of the above ✓
17. System performance is measured by
- a. Average number of customers being refused service
  - b. Average time customers wait
  - c. System utilization
  - d. b and c. ✓
18. Inventory carrying costs are influenced by:
- a. Order Quantity in Units
  - b. Holding carrying cost per unit.
  - c. Demand
  - d. a and b only. ✓
19. Bar coding helps in determining the :
- a. Status of the inventory of an item in warehouse
  - b. Price of the product
  - c. Size of the lot as well as the size and specifications of the product

- d. All of the above ✓
20. Therbligs are basic elemental motions which include:
- a. Search
  - b. Select
  - c. Throw
  - d. a and b only ✓

### Fill in the blanks

- 21. \_\_\_\_\_ are used when size, fragility, cost or other factors make it undesirable or impractical to move a product through a system.
- 22. The design of work systems involves job design, \_\_\_\_\_ and compensation.
- 23. The primary location options available to an existing organization include expanding the existing location, move to a new location, and maintain existing facilities while adding additional facility or \_\_\_\_\_.
- 24. Most organizations are influenced by location of raw materials, \_\_\_\_\_, market considerations, community related factors, site related factors and climate.
- 25. ISO 9000 and ISO 14000 represent quality standards and \_\_\_\_\_ respectively.
- 26. Two basic tools of \_\_\_\_\_ are control charts and run tests.
- 27. The decision to shift or convert from Traditional Manufacturing System to Just In Time or Lean Systems could be \_\_\_\_\_ in order to help management have better control, first hand learning experience and more time for conversion from one system type to another.
- 28. The ultimate goal of a Just In Time System is to achieve a \_\_\_\_\_, smooth flow of production
- 29. \_\_\_\_\_ involve movement of materials to and from the organization including shipment and distribution.

30. \_\_\_\_\_ has increased productivity and accuracy in Supply Chain Management Systems.

**Solutions:**

31. **Fixed Position Layouts** are used when size, fragility, cost or other factors make it undesirable or impractical to move a product through a system.
32. The design of work systems involves job design, **work measurements** and compensation
33. 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**.
34. Most organizations are influenced by location of raw materials, **labor supply**, market considerations, community related factors, site related factors and climate.
35. ISO 9000 and ISO 14000 represent quality standards and **environment standards** respectively.
36. Two basic tools of process control are control charts and run tests.
37. 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.
38. The ultimate goal of a Just in Time System is to achieve a **balanced**, smooth flow of production.
39. **Logistics** involve movement of materials to and from the organization including shipment and distribution.
40. **Electronic Data Interchange** has increased productivity and accuracy in Supply Chain Management Systems.

# **Production /Operations Management (MGT- 613)**

## **Quiz #1**

**Semester: Fall (2007)**

**Total Marks = 20**

**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

### **Solutions:**

**Choose the most appropriate answers in each of the following questions:**

10. All of the following are the major factors affecting design strategy except:

- Cost
- Market
- Time-to-market
- **Revenue**

11. All of the following are the primary reasons for design process except:

- Economic
- Social and demographic
- Political, liability, or legal
- **Personal**

12. \_\_\_\_\_ 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
13. \_\_\_\_\_ is the postponement tactic.
- Product differentiation
  - **Delayed differentiation**
  - Service differentiation
  - All of the given options
14. The situation in which a product, part or system does not perform as intended is referred to as:
- Reliability
  - Durability
  - **Failure**
  - Maturity
15. DFA stands for:
- Design for Assurance
  - Design for Accuracy
  - Design for Authenticity
  - **Design for Assembly**
16. Taguchi approach helps in determining:
- Controllable factors only
  - Un-controllable factors only
  - **Both controllable factors and un-controllable factors**
  - None of the given options
17. \_\_\_\_\_ 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)
18. 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

1. The goal of Total Quality Management is:
  - a) **Customer satisfaction**
  - b) Product differentiation
  - c) Brand equity
  - d) Acting globally
2. The most common form of quality control includes:
  - a) Planning
  - b) Organizing
  - c) **Inspection**
  - d) Directing
3. Process selection is primarily considered during:
  - a) **Planning**
  - b) Organizing
  - c) Leading
  - d) Controlling
4. 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)**
5. 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

**Solutions:**

6. The goal of Total Quality Management is:
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## **Production /Operations Management (MGT-613)**



**Quiz #1**  
**Semester: Special (2007)**  
**Total marks = 10**

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:
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  - Delphi method
  - Naïve forecasts
6. \_\_\_\_\_ requires completing a series of questionnaires, each developed from the previous one, to achieve a consensus forecast.
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  - 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 become available.

- 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

Solutions:

## **Production /Operations Management (MGT-613)**

### **Quiz #1**

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QUIZ 02  
SPECIAL SEMESTER 2007  
MGT 613 – Production and Operations Management

Marks:10

Student ID/Login ID: \_\_\_\_\_

Student Name: \_\_\_\_\_

Please read the following new instructions carefully before attempting Quiz

- This Quiz covers lesson 28-35

Choose the best option and answer as mentioned in the instructions.

1. The prime determinants of choosing a sampling plan include:
  - a) Cost
  - b) Time
  - c) Environment
  - d) Both cost and time
2. The ideal sampling plan requires \_\_\_\_\_ inspection of each lot.
  - a) 100%
  - b) 50%
  - c) 10%
  - d) 25%
3. As the lot quality decreases, the probability \_\_\_\_\_.
  - a) Increases
  - b) Decreases
  - c) Remains neutral
  - d) None of the given options
4. \_\_\_\_\_ represents maximum AOQ for a range of fractions defective.
  - a) Acceptable Quality Level (AQL)
  - b) Average Outgoing Quality Limit (AOQL)
  - c) Lot Tolerance Percent Defective (LTPD)
  - d) None of the given options
5. \_\_\_\_\_ refers to intermediate range capacity planning, usually covering 2 to 12 months.
  - a) Aggregate planning
  - b) Moderate planning
  - c) Long range planning
  - d) 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.
  - a) Linear programming
  - b) Linear decision rule
  - c) Aggregate planning
  - d) Lot Tolerance Percent Defective (LTPD)
7. \_\_\_\_\_ takes physical count of items at periodic intervals.
  - a) Periodic inventory system
  - b) Perpetual inventory system
  - c) Two-bin system
  - d) Universal bar code system

8. \_\_\_\_\_ refers to the cost to carry an item in inventory for a length of time.

- a) Shortage cost
- b) Ordering cost
- c) Holding cost
- d) None of the given options

9. Inputs to MRP include all of the following except:

- a) Master schedule plan
- b) Bill of materials
- c) Inventory records
- d) Control charts

10. \_\_\_\_\_ represents the process of determining short-range capacity requirements.

- a) Capacity requirements planning
- b) Aggregate planning
- c) Capacity planning
- d) Schedule planning

**Solutions:**

## **SOLUTION TO QUIZ 02**

1. The prime determinants of choosing a sampling plan include:

- a) Cost
- b) Time
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- d) Both cost and time**

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### **Fill in the Blanks (Marks: 10)**

1. Strategy that focuses on reduction of time needed to accomplish tasks is called ---

-----

2. ----- is the reason for existence of an organization

3. -----are the forecasts that use subjective inputs such as opinions from consumer surveys, sales staff, managers, executives and experts
4. A long term upward or downward movement in data is called -----
5. The forecast for any period that equals the previous period's actual value is called -----
6. A ----- is a schematic representation of the available alternatives and their possible consequences
7. A measure of the effective use of resources, usually expressed as the ratio of output to input is called -----
8. The ability to adapt quickly to changes is called flexibility
9. The operations function involves the conversion of ----- into -----
10. The considering of events and trends that present threats or opportunities for a company are called -----

## Solution

### Fill in the Blanks

11. strategy that focuses on reduction of time needed to accomplish tasks is called **time based strategy**
12. **Mission** is the reason for existence of an organization
13. **Judgmental forecasts** are the forecasts that use subjective inputs such as opinions from consumer surveys, sales staff, managers, executives and experts.
14. A long term upward or downward movement in data is called **trend**

15. The forecast for any period that equals the previous period's actual value is called **naive forecast**
16. A **decision tree** is a schematic representation of the available alternatives and their possible consequences.
17. A measure of the effective use of resources, usually expressed as the ratio of output to input is called **productivity**
18. The ability to adapt quickly to changes is called **flexibility**
19. The operations function involves the conversion of **inputs** into **output**
20. The considering of events and trends that present threats or opportunities for a company are called **environmental scanning**

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



- a. Decreases
  - b. Increases
  - c. It has no effect with the output rate
7. The primary purpose of cost- volume analysis is
- a. To estimate the income of an organization
  - b. To analyze initial costs incurred under different operating conditions
  - c. Both A and B
8. variable costs vary ----- with volume of output
- a. Inversely
  - b. Directly
9. ----- refers to the way, an organization chooses to produce its goods or services
- a. Process selection
  - b. Capacity planning
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10. Ice cream is an example of
- a. Batch processing
  - b. Job shop
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### Solutions:

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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

### Solutions:

**Choose the most appropriate answers in each of the following questions:**

28. All of the following are the major factors affecting design strategy except:
- Cost
  - Market
  - Time-to-market
  - **Revenue**
29. All of the following are the primary reasons for design process except:
- Economic
  - Social and demographic
  - Political, liability, or legal
  - **Personal**
30. \_\_\_\_\_ 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
31. \_\_\_\_\_ is the postponement tactic.
- Product differentiation
  - **Delayed differentiation**
  - Service differentiation

- All of the given options
32. The situation in which a product, part or system does not perform as intended is referred to as:
- Reliability
  - Durability
  - **Failure**
  - Maturity
33. DFA stands for:
- Design for Assurance
  - Design for Accuracy
  - Design for Authenticity
  - **Design for Assembly**
34. Taguchi approach helps in determining:
- Controllable factors only
  - Un -controllable factors only
  - **Both controllable factors and un -controllable factors**
  - None of the given options
35. \_\_\_\_\_ 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)
36. 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
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  - Any side
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- **Introduction, Growth, Maturity, Saturation, Decline**
- Introduction, Growth, Saturation, Maturity, Decline
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- **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

Choose the best option and answer as mentioned in the instructions.

1. The goal of Total Quality Management is:
  - a) Customer satisfaction
  - b) Product differentiation
  - c) Brand equity
  - d) Acting globally
  
2. The most common form of quality control includes:
  - a) Planning
  - b) Organizing
  - c) Inspection
  - d) Directing
  
3. Process selection is primarily considered during:
  - a) Planning
  - b) Organizing
  - c) Leading
  - d) Controlling
  
4. 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)
  
5. 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 3
- 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

Solutions:

11. The goal of Total Quality Management is:

- i) **Customer satisfaction**
- j) Product differentiation
- k) Brand equity
- l) Acting globally

12. The most common form of quality control includes:

- a) Planning
- b) Organizing

- c) **Inspection**
  - d) Directing
13. Process selection is primarily considered during:
- a) **Planning**
  - b) Organizing
  - c) Leading
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14. The type of operation being carried out by an organization depends upon:
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  - j) Intermittent processing
  - k) Both (a) and (b)
  - l) Neither (a) nor (b)
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- i) Repetitive processing
  - j) **Intermittent processing**
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10. The most significant advantage of U-shaped layout is:
- i) Cost minimization
  - j) Easy handling of process
  - k) **Increased flexibility in work**
  - l) All of the given options
11. The goal of motion study is to achieve:
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  - j) **Maximum efficiency**

- k) Profitability
  - l) All of the given options
12. Location decisions are viewed primarily as part of:
- i) Marketing strategy
  - j) Growth factors
  - k) Financial aspect
  - l) **Both (a) and (b)**
13. Regional factors for location planning include all of the following except:
- i) Raw materials
  - j) Markets
  - k) Labor considerations
  - l) **Attitudes**
14. Transportation method is a \_\_\_\_\_ approach.
- i) **Quantitative**
  - j) Qualitative
  - k) Scientific
  - l) All of the given options
15. Fredrick Taylor's concern for quality includes:
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  - l) Gain high market share
20. A product performing consistently refers to which of the following dimensions of quality:
- i) Safety

- j) Conformance
- k) Durability
- l) **Reliability**

## Production & Operations Management

### Quiz No.1

<http://www.vustudents.net>

**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
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2. All of the following are the primary reasons for design process except:
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4. \_\_\_\_\_ is the postponement tactic.
- Product differentiation
  - **Delayed differentiation**
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  - 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
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  - Maturity
6. DFA stands for:
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  - Design for Accuracy
  - Design for Authenticity
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7. Taguchi approach helps in determining:
- Controllable factors only
  - Un -controllable factors only
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8. \_\_\_\_\_ is the bringing together of engineering, design and manufacturing personnel together early in the design phase.

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- **Concurrent engineering**
- Canabalization
- Design for Manufacturing (DFM)

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- **Probability**
- Durability
- Failure
- Forecasting

10. \_\_\_\_\_ determines the best possible outcome.

- Maximum
- Minimax
- **Maximax**
- Laplace

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- Left to right
- **Right to left**
- Any side
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- Executive opinion
- Consumer surveys

- Delphi method
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- **Introduction, Growth, Maturity, Saturation, Decline**
- Introduction, Growth, Saturation, Maturity, Decline
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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

**POMA QUIZZES**

<http://www.vustudents.net>

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
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- d) All of the given options**

8. Product layout is preferably used for:

- a) Repetitive processing**
- b) Intermittent processing
- c) Both (a) and (b)
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10. The most significant advantage of U-shaped layout is:

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- 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:

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- b) Maximum efficiency**
- c) Profitability
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12. Location decisions are viewed primarily as part of:

- a) Marketing strategy
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- c) Financial aspect
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18. \_\_\_\_\_ is intended to assess a company's performance In terms of environmental performance:

- a) ISO 14000**
- b) ISO 9000
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19. The purpose of ISO 9000 is to:

- a) **Promote quality standards to improve efficiency and productivity**
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- 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**

## POMA QUIZZES

<http://www.vustudents.net>

The goal of Total Quality Management is:

- a) **Customer satisfaction**
- b) Product differentiation
- c) Brand equity
- d) Acting globally

2. The most common form of quality control includes:

- a) Planning
- b) Organizing
- c) **Inspection**



d) Directing

2. Process selection is primarily considered during:

a) **Planning**

b) Organizing

c) Leading

d) Controlling

2. The type of operation being carried out by an organization depends upon:

a) Degree of standardization

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20. A product performing consistently refers to which of the following dimensions of quality:

- a) Safety
- b) Conformance
- c) Durability

#### d) Reliability

#### 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

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

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Select correct option:



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Linear

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Parallel

\_\_\_\_\_ is a wave like variations of more than one year's duration.

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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

**MGT613 \_Solved Quiz**

11. ----- is the maximum output rate or service capacity an operation, process or facility.
  1. Efficiency
  2. Effective Capacity
  3. **Design Capacity**
12. ----- is the rate of output actually achieved.
  1. **Actual Output**
  2. Design Capacity
  3. Utilization
13. 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
14. If the output rate is less than the optimal level, increasing output rate results in ----  
----- average unit cost
  1. Increasing
  2. **Decreasing**
  3. Stabilizing
15. 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
16. 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
17. 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
18. variable costs vary ----- with volume of output
  1. Inversely
  2. **Directly**
19. ----- refers to the way, an organization chooses to produce its goods or services
  1. **Process selection**
  2. Capacity planning
  3. Cost volume analysis
20. Ice cream is an example of
  1. **Batch processing**
  2. Job shop

### 3. Repetitive processing

1. Which of the following forecasting techniques generates trend forecasts?
  - a. Delphi method
  - b. Moving averages
  - c. Single exponential smoothing
  - d. Naïve forecast**
2. Which of the following smoothing constants would make an exponential smoothing forecast equivalent to a naive forecast?
  - a. 0
  - b. 0.01
  - c. 0.5
  - d. 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:
  - a. 78 degrees**
  - b. 80 degrees
  - c. 82 degrees
  - d. 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:
  - a. Design for manufacturing
  - b. Design for recycling
  - c. Design for assembly**
  - d. Design for disassembly
5. DFM stands for:
  - a. Design for Maintenance
  - b. Design for Manufacturing**
  - c. Design for Management
  - d. Design for Manpower
6. As the number of components in a series increases, the reliability of the system:
  - a. Increases
  - b. Decreases**
  - c. Remains the same
  - d. Becomes zero
7. The purpose of \_\_\_\_\_ is to arrive at a consensus forecast.
  - a. Naïve forecast
  - b. Associative models
  - c. Time series forecast
  - d. 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:
  1. Improve component design
  2. Improve testing

3. Use backup components
4. Improve strategy formulation
5. Quality assurance

Which of the following combinations would be the best to improve reliability of the system?

- a. 1,2, 5
- b. 1,2,3**
- c. 1,4,5
- d. 3,4,5

9. As time horizon increases, forecast accuracy:

- a. Increases
- b. Decreases**
- c. Levels off
- d. 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:

- a. 105 units
- b. 75 units
- c. 40 units
- d. 50 units**

1. Who introduced the use of statistical control charts for monitoring production?
  - a) G.S. Radford
  - b) Walter Shewhart**
  - c) Frederick Taylor
  - d) Kaoru Ishikawa
2. Which of the following quality gurus advocated the "cost of quality" concept?
  - a) Edwards. Deming
  - b) Joseph Juran**
  - c) Kaoru Ishikawa
  - d) Philip Crosby
3. 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?
  - a) Performance
  - b) Aesthetics**
  - c) Reliability
  - d) Conformance
4. 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?

- a) Reliability
  - b) Conformance
  - c) **Serviceability**
  - d) Aesthetics
5. Which of the following reflects the meaning of the word “Poka –Yoke”?
- a) **Mistake proof**
  - b) Low quality
  - c) Defective
  - d) Expensive
6. Which one of the following denotes QFD?
- a) Quality Function Development
  - b) Quality Foundation Development
  - c) Quality Foundation Deployment
  - d) **Quality Function Deployment**
7. Which of the following terms best defines the nature of Total Quality Management?
- a) An art
  - b) **A philosophy**
  - c) A science
  - d) A social activity
8. Which of the following terms reflects Japanese view of continuous improvement?
- a) **Kaizen**
  - b) Poka-yoke
  - c) Six sigma
  - d) Control limits
9. Which of the following is NOT an element of TQM?
- a) Leadership
  - b) **Perceived quality**
  - c) Employee empowerment
  - d) Customer focus
10. Which of the following is an example of appraisal cost?
- a) Rework costs
  - b) Returned goods
  - c) **Testing labs**
  - d) Quality improvement programs
11. Warranty cost is an example of which of the following?
- a) Internal failure cost
  - b) **External failure cost**
  - c) Prevention cost
  - d) Appraisal cost
12. Refer to the stage of PDCA (Plan, Do, Check, Act) cycle that involves evaluating the improvement plan.
- a) Plan
  - b) Do
  - c) **Check**
  - d) 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?

- a) **Benchmarking**
- b) Gap analysis
- c) Statistical process control
- d) Continuous improvement

14. Which of the following is the focus of statistical process control?

- a) Determining the efficiency of an operations system
- b) Measuring the amount of re-work required to rectify faulty goods
- c) Identifying the security needs of an operations system
- d) **Measuring and controlling process variations**

15. Which of the following is a measure of how closely a product or service meets the specifications?

- a) **Quality of Conformance**
- b) Continuous improvement
- c) Competitive benchmarking
- d) Statistical process control

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

**my paper\_2011**

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

**Strategic management integrates all of the following areas EXCEPT:**

**Management**

**Marketing**

**Research and development**

**Human resource management**

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



Strategist is an individual who is involved in the strategic management process, thus may be known as:

Member board of director

**President**

Division manager

All of the given options

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

A desired future state that the organization attempts to realize . Identify the term relevant to the given statement.

Policy

Procedure

Goal

**Strategy**

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**

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

Which type of trend can be exemplified by the increase in average level of education in a society?

**Cultural**

Technological

Economic

Social

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

Allocation and reallocation of capital and resources to projects, products, assets, and divisions of an organization is known as:

**Investment decisions**

Financing decisions

Restructuring decisions

Strategic decision

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

**All of the following fall under the category of Process function of production management EXCEPT:**

**Choice of technology**

**Quality assurance**

**Process flow analysis**

**Transportation analysis**

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

**A planned activity aimed at discovery of new knowledge with the hope of developing new or improved products and services and translation of its findings into a plan or design of new or improved products and services is known as:**

**Marketing**

**Research and development**

**Production**

**Management information system**

**Question No: 9 ( 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**

**Question No: 10 ( 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**

**Question No: 12 ( 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**

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

**Which of the following stages in the strategy-formulation framework focuses on summarizing the basic information needed to formulate strategies?**

**Output**

**Input**

**Decision**

**Matching**

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

**Which of the following stages of Strategy Formulation Framework involves development of Internal-Factor Evaluation Matrix?**

**Input stage**

**Output stage**

**Matching stage**

**Decision stage**

**,**

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

**Which of the following stages of strategy formulation framework involves development of Internal External Matrix?**

**Input stage**

**Output stage**

**Matching stage**

**Decision stage**

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

**In order to avoid the emergence of substitute products, AF & Z Corporation has an access and control over the scarce natural resources necessary for the production of their products, Which of the following strategies AF & Z is using?**

**SO**

**WO**

**SW**

**ST**

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

**What type of strategies would you recommend when a firm s SPACE Matrix**

directional vector has the coordinates (-2, +3)?

Aggressive

**Conservative**

Competitive

Defensive

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

Which of the following is NOT a step for the preparation of a SPACE matrix?

Select a set of variables relating to financial strength, competitive advantage, environmental stability, and industry strength

Assign a numerical value ranging from +1 (worst) to +6 (best) to each of the variables that make up the financial strength and industry strength dimensions

**Assign weights to the variables according to their relative importance for the firm**

Compute an average score and dividing by the number of variables

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

The business has a strong competitive position but is in a slow-growth industry. Further, the business typically has high cash flow levels and limited internal growth needs. The statement refers which of the following?

The firm falling in Quadrant I of Grand Strategy Matrix

The firm falling in Quadrant II of Grand Strategy Matrix

The firm falling in Quadrant III of Grand Strategy Matrix

**The firm falling in Quadrant IV of Grand Strategy Matrix**

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

Which of the following is a Functional level objective?

Achieving return on investment of at least 15%

**Aiming to achieve a market share of 10%**

Attaining operating profit of over Rs.10 million

Increase earnings per share by at least 10% every

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

Which of the following is a Corporate level objective?

Getting 75% customer awareness of company's brand in target markets

**Increasing earnings per share by at least 10%**

Building customer database of at least 250,000 companies

Achieving a 10% share of International market

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

The manager of MZ firm has defined the goal that the firm wants to increase its production by at least 200 units in size. Thus, which part of the SMART criteria has

been focused by the firm through this goal statement?

**Specific**

Measurable

Achievable

Relevant

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

Which one of the following is the organizational structure that most of the medium-size organizations follow?

**Divisional structure**

Strategic business unit

Functional structure

Matrix structure

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

Of the following, which one is least likely to be considered an advantage presented by a

matrix organizational structure?

It facilitates the use of highly specialized staff and equipment

It minimizes the project cost because the key people can be shared

**It can raise dual reporting and communication problems**

It provides excellent training ground for strategic managers

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

Zairian Corporation has streamlined its operations by cutting costs, such as decrease

in payroll or reduction in its size through the sale of assets. In which of the following activity Zaria Corporation is involved?

E-Engineering

Re-engineering

Restructuring

**Benchmarking**

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

All of the following are the managerial issues for managing natural environment EXCEPT:

Global warming- depletion of rain forests

**Employee understanding about environment**

Developing biodegradable products and packages

Waste management to clean air and water

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

Production processes typically constitute of what percentage of firm s total assets?

**More than 70 %**

More than 65 %

More than 60 %

More than 55 %

Question No: 34 ( Marks: 1 ) - Please choose one

XYZ Company has segmented its market by keeping in view occupation and education level of customers. Which of the following bases of segmentation the company has used?

**Demographic**

Psychographic

Behavioral

Geographic

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

Which variable would be considered as a part of pricing decisions?

Warranty

**Bundling**

Safety

Functionality

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

Which of the following statement is TRUE about 'firm infrastructure' as a support activity of Michael Porter's value chain model?

It includes procurement of raw materials, servicing, spare parts, buildings, machines

It Includes technology development to support the value chain activities like

Process automation

It includes the activities associated with recruiting and development of employees and managers

**It includes general management, planning management, legal, finance, accounting, public affairs**

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

Which of the following statement is correct about human resource management?

It includes procurement of raw materials, servicing, spare parts, buildings, machines

It Includes technology development to support the value chain activities like  
Process automation

It includes the activities associated with recruiting and development of employees  
and managers

It includes general management, planning management, legal, finance, accounting,  
public affairs

:

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

All of the following are the cost drivers of Porter s supply chain activities EXCEPT:

Capacity utilization

Timing of market entry

Economies of scale

Firm's infrastructure

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

Which of the following statement is TRUE about Controls which are used in  
strategy evaluation stage?

They are strategy-oriented

They are action-oriented

They are control-oriented

They are information-oriented

Question No: 41 ( Marks: 1 ) - Please choose one

A good evaluation system must posses various qualities. Which of the following is  
not a characteristic of a good strategy evaluation system?

Strategy-evaluation activities must be economical

Strategy-evaluation activities should be meaningful

Strategy-evaluation activities should dominate the decisions

Strategy-evaluation activities should provide timely information

Question No: 42 ( Marks: 1 ) - Please choose one

The people who perform audit can be categorized as all of the following EXCEPT:

Independent auditors

Financial auditors

Government auditors

Internal auditors

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

Job Shop

Batch processing

Assembly line

**Continuous processing**

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

**Capital**

Energy

Labor

Machine

2. **Which of the following refers to the cost associated with the order of inventory and its receipt?**

**Ordering cost**

Holding cost

Shortage cost

Stock out cost

3. **Suppose customers hold negative perception about service provided by XYZ organization According to**

**which of the following can be the reason for this negative perception?**

Differences between Expected and Perceived Quality

**Difference between service delivery and external communication with customers**

Difference between customer s expectations and management s perception about their expectations



Difference between manager s expectations of service quality and specifications of service quality of customers

4. **Which one of the following refers to a team having representatives from different Functional area of the organization?**

Traditional work group

Self-directed team

**Cross-functional team**

Self motivated team

5. **Which of the following factors does NOT impact the supply chain?**

Increased competition

Reduced number of suppliers

Technology improvement

**Aging of the population**

6. **If the costs of inspection are higher than costs of obtaining the sample \_\_\_\_\_ sampling should be used.**

Random

Single

Double

**Multiple**

7. **Which one of the following types of manufacturing layout is considered a hybrid?**

Process layout

Product layout

Fixed-position layout

**All of the given options**

8. Master schedule interfaces with all of the following Except:

Capacity planning

**Resource planning**

Production planning

Distribution planning

9. What would be the total cost of inventory, if a firm holds 800 units of a product A , with the carrying cost of Rs. 4 per unit?

Rs. 796

Rs. 804

**Rs. 3200**

Rs. 200

Total cost= Number of units \*carrying cost

$$= 800*4$$

$$= 3200$$

10. Which of the following strategy is NOT feasible for the industries where highly skilled labor is required and the competition for labor is intense?

► Level capacity strategy

► **Chase demand strategy**

- ▶ Proactive strategy
- ▶ Mixed or hybrid strategy

11. **Source of input to the service system in waiting line model is known as:**

- ▶ Balking
- ▶ **Customer population**
- ▶ Reneging
- ▶ Waiting population

12. **A purchaser needs unique, low-money value part. This part is a critical component of a product manufactured by the purchaser. The part is patented and can only be obtained from two suppliers and is often on back order. The purchaser's company does not have expertise in the manufacturing of this particular component. In this scenario what is the most appropriate action for the purchaser?**

13.

- ▶ To select a similar part from other reliable supplier and substitute the part
- ▶ To set up a cross-functional team to make the part internally
- ▶ To seek other suppliers through seeking a quotation or proposal
- ▶ To recommend a change in product design to remove the need for that unique part

14. **“Respect for worker” is the basic principle of which of the following management systems?**

- ▶ American management system
- ▶ **Japanese management system**
- ▶ Asian management system
- ▶ European management system

15. **Which of the following elements of supply chain prevent organization from bull-whip effect?**

- ▶ Predicting quantity and timing of demand

- ▶ Incorporating customer's wants in manufacturing
- ▶ **Controlling quality and scheduling work**
- ▶ Determining what customers want

16. Which of the following is a type of kanban that authorizes the production of goods?

- ▶ Supplier kanban
- ▶ Material kanban
- ▶ Withdrawal kanban
- ▶ **Production kanban**

17. Which of the following is the necessary qualification for a project manager?

- ▶ **PMP certification**
- ▶ PMD certification
- ▶ FMA certification
- ▶ CMP certification

18. In supply chain management Electronic Data Interchange (EDI) and Bar coding is a characteristic of which of the following?

- ▶ Logistics
- ▶ Technology
- ▶ **Autonomation**
- ▶ Just-In-Time System

**19. Which one of the following is the most important criteria in selecting winners for a quality award?**

- ▶ Strong motivation
- ▶ **Quality management practices**
- ▶ Employee empowerment
- ▶ Business performance results

**20. Which of the following is the first step of Capacity planning?**

- ▶ Initial feasibility report is prepared
- ▶ Master schedule is tested for feasibility
- ▶ Adjustments are made in master schedule before it finalizes
- ▶ **Material requirements are ascertained**

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

- ▶ **Tangibility**
- ▶ Perishability
- ▶ Simultaneity
- ▶ Courtesy

**22. Which of the following is required to describe project scope?**

- ▶ Program Evaluation and Review Technique

- ▶ Gantt chart
- ▶ **Work breakdown structure**
- ▶ Critical path method

23. **Scheduling is a function of which of the following?**

- ▶ Volume of systems' output
- ▶ Nature of systems' output
- ▶ **Timing of systems' output**
- ▶ Value of systems' output

24. **Which of the following is a benefit of an MRP (Material Requirements Planning) system to an organization?**

- ▶ Increased sales price
- ▶ Increased inventory
- ▶ Reduced customer service
- ▶ **Ability to track material requirements**

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

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

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

- ▶ Fixed position, process, cell, product
- ▶ Fixed position, cell, process, product
- ▶ Fixed position, process, product, cell
- ▶ **Process, fixed position, cell, product**

27. Which of following statement is true about effective capacity?

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

Quiz Start Time: 11:11 AM Time Left 48  
sec(s)

Question # 4 of 15 ( Start time: 11:13:55 AM ) 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 ok**

Standard conditions

Normal operating conditions

Standard operating procedure

Quiz Start Time: 11:11 AM Time Left 73  
sec(s)

Question # 5 of 15 ( Start time: 11:15:08 AM ) Total Marks: 1

Which method of forecasting is the most widely used?

Select correct option:

Regression analysis

Adaptive forecasting

**Weighted moving average ok**

Exponential smoothing

Quiz Start Time: 11:11 AM Time Left 84  
sec(s)

Question # 6 of 15 ( Start time: 11:15:38 AM ) Total Marks: 1

Which method of forecasting is most widely used?

Select correct option:

Regression analysis

Adaptive forecasting

**Weighted moving average ok**

Exponential smoothing

Quiz Start Time: 11:11 AM Time Left 46  
sec(s)

Question # 7 of 15 ( Start time: 11:15:59 AM ) Total Marks: 1

The method that uses explanatory variables to predict the future is known as:



Select correct option:

Delphi method

Naïve forecast

Associative model

**Judgmental forecast ok**

Quiz Start Time: 11:11 AM Time Left 66  
sec(s)

Question # 8 of 15 ( Start time: 11:17:18 AM ) Total Marks: 1

Which one of the following is NOT used for decision making under uncertainty?

Select correct option:

Maximax

Mmaximin

Mminimax regret

**EMV criterion ok**

Quiz Start Time: 11:11 AM Time Left 56  
sec(s)

Question # 9 of 15 ( Start time: 11:17:55 AM ) Total Marks: 1

Manufacturability is the ease of fabrication and/or assembly which is important for:

Select correct option:

Cost and Productivity

Productivity and Quality

Cost and Quality

**Cost, productivity and Quality ok**

Quiz Start Time: 11:11 AM Time Left 61  
sec(s)

Question # 10 of 15 ( Start time: 11:18:42 AM ) 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 ok**

Cyclical

Quiz Start Time: 11:11 AM Time Left 51  
sec(s)

Question # 11 of 15 ( Start time: 11:19:45 AM ) Total Marks: 1

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 ok**

Life cycle

Quality control

Quiz Start Time: 11:11 AM Time Left 70  
sec(s)

Question # 12 of 15 ( Start time: 11:20:37 AM ) Total Marks: 1

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 ok**

Robust design

Automation

Manufacturability

Quiz Start Time: 11:11 AM Time Left 41  
sec(s)

Question # 13 of 15 ( Start time: 11:21:50 AM ) Total Marks: 1

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 ok**

Service design

Product design

Quiz Start Time: 11:11 AM Time Left 43  
sec(s)

Question # 14 of 15 ( Start time: 11:23:07 AM ) Total Marks: 1

Following are all examples of distinctive competencies EXCEPT;

Select correct option:

Price

Quality

**Planning ok**

Flexibility

Quiz Start Time: 11:11 AM Time Left 45  
sec(s)

Question # 15 of 15 ( Start time: 11:24:06 AM ) Total Marks: 1

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

Select correct option:

Establishing durability

Finding reliability

**Scheduling services ok**

Quality improvement

Quiz Start Time: 12:43 PM Time Left 74

sec(s)

Question # 1 of 15 ( Start time: 12:43:54 PM ) Total Marks: 1

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

Select correct option:

Maximin

**Maximax ok**

Minimax regret

Laplace

Quiz Start Time: 12:43 PM Time Left 69

sec(s)

Question # 2 of 15 ( Start time: 12:44:39 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 ok**

Quiz Start Time: 12:43 PM Time Left 41

sec(s)

Question # 3 of 15 ( Start time: 12:46:00 PM ) Total Marks: 1

All of the following are examples of Qualitative forecasting except:  
Select correct option:

Judgmental

**Delphi Method ok**

Consumer Survey

Naïve Forecasting

Quiz Start Time: 12:43 PM Time Left 25  
sec(s)

Question # 4 of 15 ( Start time: 12:47:37 PM ) Total Marks: 1

Organizational strategy is different from operations strategy because it is;  
Select correct option:

Prepared by middle managers

Narrower in scope

**Longer in time horizon ok**

All of the above

Quiz Start Time: 12:43 PM Time Left 76  
sec(s)

Question # 5 of 15 ( Start time: 12:49:05 PM ) Total Marks: 1

Which one of the following is concerned in short term capacity needs?  
Select correct option:

Cycle

Trends

**Seasonality ok**

Average

Quiz Start Time: 12:43 PM Time Left 77

sec(s)

Question # 6 of 15 ( Start time: 12:59:21 PM ) Total Marks: 1

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 ok**

Service design

Product design

Quiz Start Time: 12:43 PM Time Left 76

sec(s)

Question # 7 of 15 ( Start time: 12:59:43 PM ) Total Marks: 1

The industrial revolution came into;

Select correct option:

**1770 ok**

1920

1911

1815

Quiz Start Time: 12:43 PM Time Left 49

sec(s)

Question # 8 of 15 ( Start time: 01:00:10 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 ok**

Quiz Start Time: 12:43 PM Time Left 76  
sec(s)

Question # 9 of 15 ( Start time: 01:01:20 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 ok**  
Tactical decision

Quiz Start Time: 12:43 PM Time Left 80  
sec(s)

Question # 10 of 15 ( Start time: 01:01:53 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 ok**

Quiz Start Time: 12:43 PM Time Left 79  
sec(s)

Question # 11 of 15 ( Start time: 01:02:14 PM ) Total Marks: 1  
Which one of the following is NOT the input in the transformation process?  
Select correct option:

**Informations ok**  
Services  
Facilities  
Materials

Quiz Start Time: 12:43 PM Time Left 25  
sec(s)

Question # 12 of 15 ( Start time: 01:02:34 PM ) Total Marks: 1  
The frequency of capacity choice decisions is influenced by all of the following factors  
EXCEPT:  
Select correct option:

**Stability of demand**  
Technological changes  
Competitive forces  
Cost factor

Quiz Start Time: 12:43 PM Time Left 67  
sec(s)

Question # 13 of 15 ( Start time: 01:03:50 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 ok**  
0.5 to 1.0  
0.01 to 1.0

Quiz Start Time: 12:43 PM Time Left 79  
sec(s)

Question # 14 of 15 ( Start time: 01:04:22 PM ) Total Marks: 1  
Robustness of a product is \_\_\_\_\_ related with the probability of failure.  
Select correct option:

Directly  
**Inversely ok**  
Linearly  
Positively



Quiz Start Time: 12:43 PM Time Left 72  
sec(s)

Question # 15 of 15 ( Start time: 01:04:43 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 ok**  
Cyclical

Quiz Start Time: 01:05 PM Time Left 68  
sec(s)

Question # 1 of 15 ( Start time: 01:05:53 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 ok**

Quiz Start Time: 01:05 PM Time Left 76  
sec(s)

Question # 2 of 15 ( Start time: 01:06:57 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 ok**

Making efficient use of Internet technology

Quiz Start Time: 01:05 PM Time Left 79  
sec(s)

Question # 3 of 15 ( Start time: 01:07:32 PM ) Total Marks: 1  
Which of the following is a technique for fitting a line to a set of points?  
Select correct option:

**Regression ok**

Trend

Cycle

Moving average

Quiz Start Time: 01:05 PM Time Left 76  
sec(s)

Question # 4 of 15 ( Start time: 01:07:53 PM ) Total Marks: 1  
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 ok**

Marketing

Accounting

Finance

Quiz Start Time: 01:05 PM Time Left 71  
sec(s)

Question # 5 of 15 ( Start time: 01:08:16 PM ) Total Marks: 1

Which of the following statements corresponds to an order-winning characteristic?  
Select correct option:

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

Quiz Start Time: 01:05 PM Time Left 73  
sec(s)

Question # 6 of 15 ( Start time: 01:08:49 PM ) Total Marks: 1  
The role of a ----- manager is to sustain, protect, and project the company's  
operations side.  
Select correct option:

- Project Manager
- Operations Manager ok**
- Finance Manager
- Marketing Manager

Quiz Start Time: 01:05 PM Time Left 69  
sec(s)

Question # 7 of 15 ( Start time: 01:09:16 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 ok**

Quiz Start Time: 01:05 PM Time Left 71  
sec(s)

Question # 8 of 15 ( Start time: 01:09:45 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

Quiz Start Time: 01:05 PM Time Left 52  
sec(s)

Question # 9 of 15 ( Start time: 01:10:18 PM ) Total Marks: 1  
Which of the following forecasting techniques induce personal bias in a forecast?  
Select correct option:

**Qualitative ok**

Quantitative  
Associative  
Trend forecast

Quiz Start Time: 01:05 PM Time Left 74  
sec(s)

Question # 10 of 15 ( Start time: 01:11:13 PM ) Total Marks: 1  
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. ok**

Quiz Start Time: 01:05 PM Time Left 57  
sec(s)

Question # 11 of 15 ( Start time: 01:11:38 PM ) Total Marks: 1

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

Select correct option:

**(MTBF)/ (MTBF+MTR) ok**

(MTBF)/ (MTBF-MTR)

(MTR)/ (MTBF+MTR)

(MTR)/ (MTBF-MTR)

Quiz Start Time: 01:05 PM Time Left 47  
sec(s)

Question # 12 of 15 ( Start time: 01:12:21 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 ok**

Customized parts

Quiz Start Time: 01:05 PM Time Left 76  
sec(s)

Question # 13 of 15 ( Start time: 01:13:13 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 ok**

Quiz Start Time: 01:05 PM Time Left 73  
sec(s)

Question # 14 of 15 ( Start time: 01:13:44 PM ) Total Marks: 1  
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 ok**

Quiz Start Time: 01:05 PM Time Left 76  
sec(s)

Question # 15 of 15 ( Start time: 01:14:11 PM ) Total Marks: 1  
Which of the following favors adopting a “go for it” strategy?  
Select correct option:

- Maximin
- Maximax ok**
- Minimax regret
- Laplace