

# Production Management-Test Bank

- 1) **Productivity tends to be more difficult to improve in the service sector because the work is:**
- A) Often difficult to automate
  - B) Typically labor-intensive
  - C) Frequently processed individually
  - D) All of the above make service productivity more difficult
- 2) **A cleaning company uses \$10 of chemicals, \$40 of labor, and \$5 of misc. expenses for each house it cleans. After some quality complaints, the company has decided to increase its use of chemicals by 50%. By what percentage has multifactor productivity fallen?**
- A) 0%
  - B) 8.3%
  - C) 25%
  - D) 50%
- 3) **A strategy is a(n):**
- A) Set of opportunities in the marketplace
  - B) Broad statement of purpose
  - C) Simulation used to test various product line options
  - D) Action plan to achieve the mission
- 4) **Which of the following are the primary functions of all organizations?**
- A) Production/operations, marketing, and human resources
  - B) Marketing, human resources, and finance/accounting
  - C) Sales, quality control, and production/operations
  - D) Marketing, production/operations, and finance/accounting
- 5) **Which of the following is the best example of competing on low-cost leadership?**
- A) A firm produces its product with less raw material waste than its competitors do
  - B) A firm offers more reliable products than its competitors do
  - C) A firm's products are introduced into the market faster than its competitors' products are
  - D) A firm's research and development department generates many ideas for new products
- 6) **What is a global network of organizations and activities that supply a firm with goods and services?**
- A) Supply tree
  - B) Provider network
  - C) Supply chain
  - D) Vendor network

**7) Advantages of outsourcing do NOT include:**

- A) Cost savings
- B) Gaining outside expertise
- C) Maintaining a focus on core competencies
- D) Potential creation of future competition

**8) An operations manager is performing a factor-rating analysis to help him choose an outsourcing provider. He is focusing on two factors: A and B, using a weight of 75% for factor A and 25% for factor B. He has scored five different potential providers on both factors, using a scale of 1-5, with 1 representing the BEST score. Based on the scores provided in the table below, which provider should be chosen?**

Provider	Factor A	Factor B
Alpha	1	5
Beta	3	3
Gamma	4	1
Phi	2	1
Omega	3	5

- A) Alpha
- B) Beta
- C) Gamma
- D) Phi

**9) Which of the following is NOT a strategic operations management decision?**

- A) Maintenance
- B) Price
- C) Layout design
- D) Quality

**10) Which of the following statements concerning CPM activities is false?**

- A) The early finish of an activity is the early start of that activity plus its duration
- B) The late finish is the earliest of the late start times of all successor activities
- C) The late start of an activity is its late finish less its duration.
- D) The late finish of an activity is the earliest late start of all preceding activities

11) The critical path for the network activities shown below is \_\_\_\_\_ with duration \_\_\_\_\_.

Activity	Duration	Immediate Predecessors
A	2	--
B	4	--
C	6	A,B
D	1	A,B
E	2	B,C,D

- A) A-D-E; 5  
 B) B-E; 6  
 C) B-D-E; 7  
 D) B-C-E; 12

12) Which is NOT true regarding differences between goods and services?

- A) Tangible goods are generally produced and consumed simultaneously; services are not.  
 B) Most goods are common to many customers; services are often unique to the final customer.  
 C) Services tend to have a more inconsistent product definition than goods  
 D) Services tend to have higher customer interaction than goods

13) Gibson Valves produces cast bronze valves on an assembly line, currently producing 1600 valves each 8-hour shift. If the productivity is increased by 10%, it would then be:

- A) 180 valves/hr.  
 B) 200 valves/hr.  
 C) 220 valves/hr.  
 D) 880 valves/hr.

14) Which time-series model uses BOTH past forecasts and past demand data to generate a new forecast?

- A) Naive  
 B) Moving average  
 C) Weighted moving average  
 D) Exponential smoothing

15) Productivity measurement is complicated by:

- A) the competition's output  
 B) the fact that precise units of measure are often unavailable  
 C) Stable quality  
 D) The workforce size

16) What is the forecast for May based on a weighted moving average applied to the following past demand data and using the weights: 4, 3, 2 (largest weight is for most recent data)?

Nov.	Dec.	Jan.	Feb.	Mar.	April
37	36	40	42	47	43

- A) 44.1
- B) 43.2
- C) 42.5
- D) 44.5

17) Given an actual demand this period of 61, a forecast for this period of 58, and an alpha of 0.3, what would the forecast for the next period be using exponential smoothing?

- A) 45.5
- B) 57.1
- C) 58.9
- D) 61.0

18) The total of all outputs produced by the transformation process divided by the total of the inputs is:

- A) Utilization
- B) Greater in manufacturing than in services
- C) Defined only for manufacturing firms.
- D) Multifactor productivity

19) A time-series trend equation is  $25.3 + 2.1x$ . What is your forecast for period 7?

- A) 23.2
- B) 25.3
- C) 27.4
- D) 40.0

20) Which of the following is TRUE regarding computer-aided design?

- A) It is too expensive to use in most manufacturing and design settings
- B) It is an obsolete technology
- C) It results in longer development cycles for virtually all products
- D) It is the use of computers to interactively design products and prepare engineering documentation

21) Who was the person most responsible for popularizing interchangeable parts in manufacturing?

- A) Frederick Taylor
- B) Henry Ford
- C) Eli Whitney
- D) Whitney Houston

**22) 3-D printing has proven to be particularly advantageous for:**

- A) Prototype development and custom products
- B) Modular design
- C) Quality function deployment
- D) Robust design

**23) The "Father of Scientific Management" is:**

- A) Henry Ford
- B) Frederick W. Taylor
- C) W. Edwards Deming
- D) Frank Gilbreth

**24) Productivity can be improved by:**

- A) Increasing inputs while holding outputs steady
- B) Decreasing outputs while holding inputs steady
- C) Increasing inputs and outputs in the same proportion
- D) Decreasing inputs while holding outputs steady

**25) Henry Ford is noted for his contributions to:**

- A) Time and motion studies.
- B) Statistical quality control.
- C) Assembly line operations.
- D) Scientific management.

**26) Three commonly used productivity variables are:**

- A) Quality, external elements, and precise units of measure.
- B) Labor, capital, and management.
- C) Technology, raw materials, and labor.
- D) Education, diet, and social overhead.

**27) The marketing function is concerned with:**

- A) producing goods or providing services.
- B) procuring materials, supplies, and equipment.
- C) building and maintaining a positive image.
- D) generating the demand for the organization's products or services.

**28) Which of the following influences layout design?**

- A) inventory requirements
- B) capacity needs
- C) personnel levels
- D) All of the above influence layout decisions

**29) Which productivity variable has the greatest potential to increase productivity?**

- A) labor
- B) globalization
- C) management
- D) capital

**30) Which of the following is NOT true when explaining why productivity tends to be lower in the service sector than in the manufacturing sector?**

- A) Services are typically labor-intensive.
- B) Services are often difficult to evaluate for quality.
- C) Services are often an intellectual task performed by professionals.
- D) Service operations are typically capital intensive.

**31) A business's stakeholders, whose conflicting perspectives cause ethical and social dilemmas, include:**

- A) lenders.
- B) suppliers.
- C) owners.
- D) all of the above.

**32) The purchasing function is concerned with:**

- A) producing goods or providing services.
- B) procuring materials, supplies, and equipment.
- C) building and maintaining a positive image.
- D) generating the demand for the organization's products or services.

**33) The finance function is concerned with:**

- A) producing goods or providing services.
- B) procuring materials, supplies, and equipment.
- C) building and maintaining a positive image.
- D) securing monetary resources.

**34) Which of the following is one of the 10 strategic operations management decisions?**

- A) depreciation policy for tax returns
- B) advertising
- C) process and capacity design
- D) pricing

**35) Who among the following is associated with contributions to quality control in operations management?**

- A) Charles Babbage
- B) Henry Ford
- C) Frank Gilbreth
- D) W. Edwards Deming

**36) Which of the following is NOT a typical service attribute?**

- A) intangible product
- B) easy to store
- C) customer interaction is high
- D) simultaneous production and consumption

**37) Which of the following is a similarity between goods and services?**

- A) mass production
- B) consistency
- C) automation
- D) Both have quality standards.

**38) Which of the following is NOT among the ethical and social challenges facing operations managers?**

- A) honoring stakeholder commitments
- B) training, retaining, and motivating employees
- C) efficiently developing and producing safe high-quality green products
- D) increasing executive pay

**39) An operations manager is NOT likely to be involved in:**

- A) The design of goods and services to satisfy customers' wants and needs.
- B) The quality of goods and services to satisfy customers' wants and needs.
- C) The identification of customers' wants and needs.
- D) Work scheduling to meet the due dates promised to customers

**40) Budgeting, recruiting, and scheduling are examples of a:**

- A) Development.
- B) Core process.
- C) Operation Strategic decisions.
- D) System.

**41) Operations management is part of a production system that can be described in the following manner: Organization: inputs→processes→outputs.**

**Which one of the following correctly describes a production system?**

- A) Airline: pilots→planes→transportation
- B) Bank: tellers→computerequipment→deposits
- C) Furniture manufacturer: wood→sanding→chair
- D) Telephone company: satellites→cables→communication

**42) Manufacturing processes usually have:**

- A) physical, durable output.
- B) high levels of customer contact.
- C) output that cannot be inventoried.
- D) low levels of capital intensity.

**43) Which of the following is NOT one of the 10 strategic operations management decisions?**

- A) layout strategy
- B) maintenance
- C) process and capacity design
- D) mass customization

**44) Which of the following attributes is most typical of a service?**

- A) production and consumption occur simultaneously
- B) tangible
- C) mass production
- D) consistency

**45) The service sector has lower productivity improvements than the manufacturing sector because:**

- A) the service sector uses less skilled labor than manufacturing.
- B) the quality of output is lower in services than manufacturing.
- C) services usually are labor-intensive.
- D) service sector productivity is hard to measure.

**46) What term is given to those individuals with a vested interest in an organization, including customers, distributors, suppliers, owners, lenders, employees, and community members?**

- A) alumni
- B) investors
- C) vestors
- D) stakeholders

**47) An operations task performed at Hard Rock Café is:**

- A) borrowing funds to build a new restaurant.
- B) advertising changes in the restaurant menu.
- C) calculating restaurant profit and loss.
- D) preparing employee schedules.

**48) Which of the following would NOT be an operations function in a commercial bank?**

- A) auditing
- B) teller scheduling
- C) maintenance
- D) collection



**49) Managing quality as one of the operation management strategic decisions includes:**

- A) Determine the customer's quality expectations
- B) Establish policies and procedures to identify and achieve that quality
- C) A and B
- D) Determine the limits of cost, quality and human resources required

**50) "Considers inventory ordering and holding decisions" is within the strategic operations management decision area of:**

- A) Inventory management
- B) Managing quality
- C) Process and capacity strategy
- D) Design of goods and services