

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) An operations and supply chain strategy must be integrated with the organization's corporate strategy.

- true
- false

2) Operations effectiveness relates to the profitability of the core business processes.

- true
- false

3) Operations and supply chain strategy can be viewed as part of a planning process that coordinates operational goals with those of the larger organization.

- true
- false

4) There are two characteristics of a product or service that define quality: design quality and cost.

- true
- false

5) The corporate strategy is operationalized through a set of operations and supply chain decisions.

- true
- false

6) An operation can excel simultaneously on all competitive dimensions. This is what makes a truly great operations company.

- true
- false

7) Straddling occurs when activities are incompatible so that more of one thing necessitates less of another.

- true
- false

8) One of the competitive dimensions that forms the competitive position of a company when planning its strategies is cost.

- true
- false

9) One of the competitive dimensions that forms the competitive position of a company when planning its strategies is delivery speed.

- true
- false

10) One of the competitive dimensions that forms the competitive position of a company when planning its strategies is making the best trade-off.

- true
- false

11) The process where a company seeks to match the benefits of a successful position while maintaining its existing position by adding new features, services, and technologies into its current portfolio is called flexibility.

- true
- false

12) The process where a company seeks to match the benefits of a successful position while maintaining its existing position by adding new features, services, and technologies into its current portfolio is called straddling.

- true
- false

13) By following a straddling strategy, firms can broaden their capabilities and effectively compete with more focused firms in markets requiring low cost for success.

- true
- false

14) An order winner is a set of criteria that differentiates the products or services of one firm from another.

- true
- false

15) An order winner is a set of screening criteria that permits a firm's products to be considered as possible candidates for purchase.

- true
- false

16) An order qualifier is a set of screening criteria that permits a firm's products to be considered as possible candidates for purchase.

- true
- false

17) Activity-system maps show how a company's strategy is delivered through a set of tailored activities.

- true
- false

18) Activity-system maps are useful in understanding how well a system of activities fits the overall company's strategy.

- true
- false

19) Operations risk is the likelihood of a disruption that would impact the ability of a company to continuously supply products or services.

- true
- false

20) Risk mapping involves assessment of the probability or relative frequency of an event against the aggregate severity of the loss.

- true
- false

21) Activity-system maps depict the geographic reach of a company's business strategies.

- true
- false

22) An operations strategy must resist change because of the long-term nature of equipment and personnel investments.

- true
- false

23) Operations and supply strategy can be viewed as part of a planning process that coordinates operational goals with those of the larger organization.

- true
- false

24) The job of operations and supply chain strategy is to deliver the most feature-rich, highest quality product at the lowest price within specified parameters of delivery time and customization.

- true
- false

25) Productivity is a relative measure.

- true
- false

26) In a partial measure of productivity, the denominator of the ratio would include all resources used or all inputs.

- true
- false

27) In a multifactor measure of productivity, the denominator of the ratio would include all resources used or all inputs.

- true
- false

28) The triple bottom line considers evaluating the firm against social, economic, and environmental criteria.

- true
- false

29) Sustainability means meeting a firm's current needs without excessively compromising the ability of future generations to meet their own needs.

- true
- false

30) The social impact of the triple bottom line concept pertains to fair and beneficial business practices toward labor, the community, and the region in which a firm conducts its business.

- true
- false

31) A firm's business practices toward its labor force pertain mainly to the economic aspect of the triple bottom line concept.

- true
- false

32) According to the economic aspect of the triple bottom line concept, the firm is required to compensate shareholders by paying dividends and growing the value of their common stock faster than their competitors.

- true
- false

33) Within a sustainability framework, the economic dimension of the triple bottom line concept goes beyond just profit for the firm but also provides lasting economic benefit to society.

- true
- false

34) Within a sustainability framework, the environmental dimension of the triple bottom line concept has to do with labor, the community, and the region in which a firm conducts its business.

- true
- false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

35) Which of the following is not a major strategic operational competitive dimension that forms a company's competitive position?

- A) Cost or price
- B) Delivery speed
- C) Delivery reliability
- D) Management acumen
- E) Coping with changes in demand

36) A major competitive dimension that forms a company's strategic operational competitive position in their strategic planning is which of the following?

- A) Cost or price
- B) Focus
- C) Automation
- D) Straddling
- E) Activity-system mapping

37) When developing an operations and supply chain strategy, which of the following is an important product-specific criterion to consider?

- A) Technical liaison and support
- B) Learning curve
- C) Competitor's product performance
- D) Production lot size
- E) Total quality management

38) In development of an operations and supply chain strategy, which of the following may be an important product-specific criteria to consider?

- A) Focus
- B) Production lot size
- C) Supplier after-sale support
- D) Learning curve
- E) Total quality management

39) What is the process called where a company seeks to match the benefits of a successful position while maintaining its existing position in offering customers a variety of differing services?

- A) Operations capability analysis
- B) Straddling
- C) Order qualifying
- D) Order winning
- E) Inter-functional analysis

40) An activity-system map is which of the following?

- A) A network guide to route airlines
- B) A listing of activities that make up a project
- C) A diagram that shows how a company's strategy is delivered to customers
- D) A facility layout schematic noting what is done where
- E) A timeline displaying major planned events

41) Which of the following is a partial measure of productivity?

- A) $\text{Output} \div \text{Materials}$
- B) $\text{Output} \div (\text{Labor} + \text{Capital} + \text{Energy})$
- C) $\text{Output} \div \text{All resources used}$
- D) $\text{Output} \div \text{Inputs}$
- E) All of these choices are correct

42) Which of the following is a multifactor measure of productivity?

- A) $\text{Output} \div \text{Materials}$
- B) $\text{Output} \div (\text{Labor} + \text{Capital} + \text{Energy})$
- C) $\text{Output} \div \text{All resources used}$
- D) $\text{Output} \div \text{Inputs}$
- E) All of these choices are correct

43) Which of the following is a total measure of productivity?

- A) $\text{Output} \div \text{Materials}$
- B) $\text{Output} \div (\text{Labor} + \text{Capital} + \text{Energy})$
- C) $\text{Output} \div \text{Labor}$
- D) $\text{Output} \div \text{Inputs}$
- E) All of these choices are correct

44) If all you knew about a production system was that total daily output was 400 units and the total labor necessary to produce the 400 units was 350 hours, what kind of productivity measure could you use to compute productivity?

- A) partial measure
- B) multifactor measure
- C) total measure
- D) global measure
- E) All of these choices are correct

45) If all you knew about a production system was that total daily output was 400 units and the total labor necessary to produce the 400 units was 350 hours, and the total materials used were 425 units, what kind of productivity measure(s) could you use to compute productivity?

- A) Partial measure
- B) Multifactor measure
- C) Total measure
- D) Partial measure and Multifactor measure
- E) Multifactor measure and Total measure

46) The total output from a production system in one day is 500 units and the total labor necessary to produce the 500 units is 350 hours. Using the appropriate productivity measure, which of the following numbers represents the resulting productivity ratio?

- A) 1.000
- B) 1.428
- C) 0.700
- D) 0.411
- E) None of these choices are correct

47) The total output from a production system in one day is 900 units and the total labor necessary to produce the 900 units is 900 hours. Using the appropriate productivity measure, what is the resulting productivity ratio?

- A) 1.000
- B) 1.428
- C) 0.700
- D) 0.411
- E) None of these choices are correct

48) Larry's Auto Body Repair Shop had revenues that averaged \$60,000 per week in April and \$50,000 per week in May. During both months, the shop employed six full-time (40 hours ÷ week) workers. In April the firm also had four part-time workers working 25 hours per week, but in May there were only two part-time workers and they only worked 10 hours per week. What is the percentage change in labor productivity from April to May for Larry's Auto Body Repair?

- A) -20.00%
- B) -15.82%
- C) 8.98%
- D) 2.30%
- E) -25.00%

49) A process has a total measure of productivity of 1.26 and output of 15,000. What are the total inputs?

- A) 3,200
- B) 11,905
- C) 19,533
- D) 27,800
- E) Not enough information to calculate

50) A process has a total measure of productivity of 1.41 and total inputs of 9,050. What was the output?

- A) 3,750
- B) 12,761
- C) 18,104
- D) 21,850
- E) Not enough information to calculate

51) Various financial data for SunPath Manufacturing for 2019 and 2020 follow.

		2019	2020
Output:	Sales	\$ 300,000	\$ 330,000
Inputs:	Labor	40,000	43,000
	Raw Materials	45,000	51,000

Energy	10,000	9,000
Capital Employed	250,000	262,000
Other	2,000	6,000

What is the percentage change in SunPath's total productivity measure between 2019 and 2020?

- A) -9.22
- B) 2.33
- C) -0.53
- D) 2.88
- E) 10.39

52) Various financial data for SunPath Manufacturing for 2019 and 2020 follow.

		2019	2020
Output:	Sales	\$ 300,000	\$ 330,000
Inputs:	Labor	40,000	43,000
	Raw Materials	45,000	51,000
	Energy	10,000	9,000
	Capital Employed	250,000	262,000
	Other	2,000	6,000

What is the percentage change in the energy partial productivity measure for SunPath between 2019 and 2020?

- A) -9.22%
- B) 2.33%
- C) -0.53%
- D) 2.88%
- E) 22.2%

53) Various financial data for SunPath Manufacturing for 2019 and 2020 follow.

		2019	2020
Output:	Sales	\$ 300,000	\$ 330,000
Inputs:	Labor	40,000	43,000
	Raw Materials	45,000	51,000
	Energy	10,000	9,000
	Capital Employed	250,000	262,000
	Other	2,000	6,000

What is the percentage change in the labor partial productivity measure for SunPath between 2019 and 2020?

- A) -9.22
- B) 2.33
- C) -0.53
- D) 2.88
- E) 10.39

54) Various financial data for SunPath Manufacturing for 2019 and 2020 follow.

		2019	2020
Output:	Sales	\$ 300,000	\$ 330,000

Inputs:	Labor	40,000	43,000
	Raw Materials	45,000	51,000
	Energy	10,000	9,000
	Capital Employed	250,000	262,000
	Other	2,000	6,000

What is the percentage change in the multifactor labor and raw materials productivity measure for SunPath between 2019 and 2020?

- A) -9.22
- B) 2.33
- C) -0.53
- D) -2.88
- E) 10.39

55) If the employees of a firm attend a training program, then the time to assemble one unit is reduced by 10%. The training program will

- A) increase the labor productivity only.
- B) increase the multifactor productivity only.
- C) increase both labor and multifactor productivity.
- D) decrease capital productivity.
- E) have no effect on productivity.

56) If the material usage per unit of final product decreases to half of the current usage, then the firm will double the material productivity.increase the multifactor productivity.decrease capital productivity.have no effect on productivity.

- A) I
- B) II
- C) both I and II
- D) III
- E) IV

57) The nature of risks lends them to a three-step risk management process that can be applied to situations where disruptions are possible. There are three steps to the process. Which of the following is not one of those steps?

- A) Identify the sources of potential disruptions.
- B) Insure to protect against the risks.
- C) Assess the potential impact of the risk.
- D) Develop plans to mitigate the risk.

Answer Key

Test name: chapter 2

- 1) TRUE
- 2) FALSE
- 3) TRUE
- 4) FALSE
- 5) FALSE
- 6) FALSE
- 7) FALSE
- 8) TRUE
- 9) TRUE
- 10) FALSE
- 11) FALSE
- 12) TRUE
- 13) FALSE
- 14) TRUE
- 15) FALSE
- 16) TRUE
- 17) TRUE
- 18) TRUE
- 19) FALSE
- 20) TRUE
- 21) FALSE
- 22) FALSE
- 23) TRUE
- 24) FALSE
- 25) TRUE
- 26) FALSE

- 27) FALSE
- 28) TRUE
- 29) FALSE
- 30) TRUE
- 31) FALSE
- 32) FALSE
- 33) TRUE
- 34) FALSE
- 35) D
- 36) A
- 37) A
- 38) C
- 39) B
- 40) C
- 41) A
- 42) B
- 43) D
- 44) A
- 45) D
- 46) B
- 47) A
- 48) C
- 49) B
- 50) B
- 51) D
- 52) E
- 53) B
- 54) C
- 55) C
- 56) C

57) B