

Student name: _____

Why is operations management a more encompassing term than production management?

Operations management is concerned with multiple products and services.

Operations management refers to service as well as manufacturing organizations.

Operations management is broader including the financing and marketing functions.

Operations management makes use of the tools of quantitative analysis and computer systems.

Which of the following functions is responsible for the actual movement of goods and/or services across organizations?

logistics

operations

purchasing

None of these choices are correct.

Approximately, what percentage of the American workforce works in service industries?

20 percent

40 percent

80 percent

90 percent

The five decision areas in operations management are

planning, technology, inventory, control, and services.

process, quality, capacity, inventory, and supply chain.

process, quality, technology, capacity, and production.

None of these choices are correct.

A productive process approach

views operations as a separate organizational function.

must provide feedback information for control of process inputs and technology.

is of limited use in service organizations.

disregards human and social concerns.

Capacity decisions

include staffing and scheduling.

include inventory control.

include defining product specifications.

None of these choices are correct.

Inventory decisions involve

determining what to order, how much to order, and when to order.

tracking the flow of materials.

managing the finished goods inventories.

All of these choices are correct.

This is at the heart of efficiency by providing the same output at lower input costs or providing more output for the same inputs.

effectiveness

productivity

process design

sustainability

quality control

The essence of operations management can be described by

process, capacity, and people.

decisions, function, and process.

planning, control, and organization.

integrated planning and control.

This person will help improve the efficiency of the supply chain and increase our profit margins.

supply chain analyst

procurement officer

quality associate

inventory manager

service operations analyst

The three primary functions that exist in most business organizations are

operations, accounting, and finance.

operations, production, and finance.

production, marketing, and human resources.

operations, finance, and marketing.

The three major functions of business organizations

are mutually exclusive.

function independently of each other.

interface with each other.

do not interface with each other.

Which one of the following would NOT generally be classified under the heading of input in a university system?

staff

equipment

facilities

knowledge

research

The five major decision responsibilities of operations management are

process, quality, capacity, sourcing, and human resources.

process, quality, human resources, logistics, and inventory.

quality, inventory, human resources, capacity, and supply chain.

process, capacity, quality, supply chain, and inventory.

Which of the following does NOT come under the process category of the operations decision framework?

layout of the facility

job design

the type of equipment and technology

product or service inspection

Supply chain management includes the integration of

suppliers.

manufacturers.

customers.

All of these choices are correct.

The supply chain extends from

raw material suppliers to manufacturing.

raw material suppliers to supplier.

dealer to customer.

raw material supplier to customer.

Supply chain management includes all of the following except

purchasing.

inventory control.

advertising.

customer service.

A comprehensive decision-making framework for operations includes

consideration of other organizational functions.

consideration of operations in isolation of other functions.

suppliers but not customers.

customers but not suppliers.

Common inputs to the operations transformation process include all of the following EXCEPT

raw materials.

energy.

capacity.

labor.

conversion processes.

The major decision responsibilities of the operations and supply chain management include all of the following EXCEPT

quality.

process.

capacity.

capability.

inventory.

The operations management function is especially important for all of the following reasons EXCEPT

its governance of the transformation process.

the integrative nature of business decision making.

its responsibility for pricing decisions.

the responsibility for the quality of products and services produced.

the responsibility for managing the largest portion of a firm's assets and people.

Key elements/events that should be monitored in the firm's external environment include all of the following EXCEPT

competitors.

political events.

economic events.

social trends

All of them should be monitored.

Contemporary challenges facing operations today include all of the following EXCEPT scientific management.

integration with other functions.

sustainability concerns.

advancing service operations.

globalization of operations.

Which of the following is NOT true regarding service and manufacturing operations?

Both can be viewed as transformation processes.

Both convert raw materials, energy, labor, and capital into valued outputs.

Both are managed by operations managers.

Both employ roughly 50 percent of the U.S. workforce.

Which of the following statements is INCORRECT?

Marketing is typically responsible for generating demand for products.

Human resources is typically responsible for assuring the quality of products.

Operations is typically responsible for producing and delivering products and services.

Finance is typically responsible for acquiring and allocating capital.

Which of the following is NOT true regarding the process view of operations?

Operations managers are responsible for the conversion process.

A sales office may be viewed as a production process.

It is a basis for analyzing operations across the entire supply chain.

All of these choices are correct.

At Pizza U.S.A., the focus of supply chain decisions is

sourcing and logistics.

capacity and inventory.

quality and process.

None of these choices are correct.

When a company employs statistical tools to reduce the likelihood of a product recall, this best represents what type of decision?

process

quality

supply chain

logistics

When a company develops a report card for evaluating its suppliers, this best represents what type of decision?

process

quality

supply chain

capacity

When a company upgrades its assembly line, this best represents what type of decision?

process

quality

inventory

supply chain

A company using a team of people from marketing, human resources, and operations to develop a new service offering is

practicing cross-functional decision making.

supporting functional silo development.

better off allowing marketing to design the new service.

None of these choices are correct.

Operations decisions concerning the type of process selected are often made in conjunction with which of these functions?

marketing

finance

human resources

All of these choices are correct.

Operations decisions concerning inventory levels are often made with which of these functions?

marketing

finance

marketing and finance

marketing, finance, and human resources

What are the five inputs and two outputs of an operations transformation process?

Which of the following would NOT be considered an output of an airline flight operation?

transportation from point A to point B

flight safety

satisfied customer

seat assignment

Which of the following is NOT one of the important challenges facing operations and supply chain managers?

service operations lagging behind manufacturing operations

other functions (e.g., marketing, finance) not working together

finding suppliers with appropriate sustainability practices

applying scientific management principles to increase efficiency

Decision making using analytics is viewed as

prescriptive (use of mathematical models to optimize decisions).

predictive (use of data to predict what is likely to happen).

descriptive (use of data to summarize the present situation).

All of these choices are correct.

Which of the following is NOT a typical application of analytics in operations and supply chain management?

forecasting

capacity and scheduling

logistics and sourcing

All of these choices are typical applications.

Which of the following would NOT be considered an operations and supply chain position title?

business metrics/analytics analyst

continuous improvement lead

commodity sourcing manager

All of these choices would be considered operations and supply chain position titles.

The transformation view of the operations function provides a unified approach for studying the manufacturing and service industries.

true

false

The process view provides a basis for viewing an entire business as a system of interconnected processes.

true

false

The operations definition emphasizes decision, function, and process elements of the organization. Briefly discuss the need to address these fundamental elements.

Identify the critical operations and supply chain decision areas in an organization and discuss the responsibilities of an operations manager while addressing these decisions.

This person will oversee purchases and develop new contracts.

supply chain analyst

procurement officer

quality associate

inventory manager

service operations analyst

This person will see that manufacturing processes follow company and industry standards.

supply chain analyst

procurement officer

quality associate

inventory manager

service operations analyst

GDP is important because

it provides equality of income.

it measures the output of the economy.

it measures the exports of the country.

it is a measure of increasing national sales.

This person will manage inventory using a computerized database system.

supply chain analyst

procurement officer

quality associate

inventory manager

service operations analyst

GDP growth requires the following:

productivity.

productivity and innovation.

high inventories.

government regulations.

This person will study the organizational workflows and processes to recommend and implement changes to increase revenue and services offered.

supply chain analyst

procurement officer

quality associate

inventory manager

service operations analyst

Calculate the productivity improvement from the following example.

	Year 1	Year 2	Annual Inflation
Output (sales) \$ million	\$ 69.4	\$ 76.8	3%
Labor (payroll) \$ million	\$ 31.4	\$ 33.0	2%

3.32%

5.12%

5.20%

4.22%

Customer value is created when customers receive what they want at a low price.

true

false

Calculate the productivity improvement from the following example:

	Year 1	Year 2	Annual Inflation
Output (sales) \$ million	\$ 79.4	\$ 86.8	3%
Labor (payroll) \$ million	\$ 41.4	\$ 43.0	2%
Capital \$ million	\$ 10.4	\$ 10.9	0%

3.56%

4.56%

4.22%

3.46%

The convergence of digital technologies is sometimes called what?

Web business

Business-to-business or B2B

Industry 4.0

Digital industry

Web-based industry

Answer Key

Test name: Ch1_Operations Management in the Supply Chain_2025

B

A

C

B

B

A

D

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Essay

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TRUE

TRUE

Essay

Essay

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E

D

FALSE

A

C