

Concept Check Questions for Learning Objectives
Chapter 1 – Introduction to Operations and Supply Chain Management

The Operations Function

1. The operations function interacts with
 - a. Marketing
 - b. Suppliers
 - c. Human resources
 - d. Finance
 - e. All of the above

Difficulty: Easy

Answer: d

2. Operations is often described as
 - a. the creative core of an organization
 - b. a transformation process
 - c. the source of firm profitability
 - d. all of the above

Difficulty: Easy

Answer: b

The Evolution of Operations and Supply Chain Management

1. _____ helped to enable the Industrial Revolution.
 - a. Linear programming
 - b. Quality circles
 - c. Interchangeable parts
 - d. The Internet

Difficulty: Easy

Answer: c

2. The *Principles of Scientific Management* were proposed by
 - a. Adam Smith
 - b. Henry Ford
 - c. Frederick Taylor
 - d. Elton Mayo

Difficulty: Easy

Answer: c

3. Supply chain management emerged as
- a. companies started to outsource production
 - b. the number of suppliers for each company grew
 - c. globalization expanded the reach of suppliers and customers
 - d. all of the above

Difficulty: Easy

Answer: d

4. The quality revolution was brought to us by
- a. Germany
 - b. Japan
 - c. China
 - d. Mexico

Difficulty: Easy

Answer: b

Globalization

1. Globalization has grown rapidly due to
- a. World trade agreements
 - b. The Internet
 - c. Outsourcing
 - d. All of the above

Difficulty: Easy

Answer: d

2. Which of the following countries has the highest hourly wage rate?
- a. Norway
 - b. U.S.
 - c. Germany
 - d. South Korea

Difficulty: Moderate

Answer: a

3. Companies go global to
- a. take advantage of favorable costs
 - b. gain access to international markets
 - c. build reliable sources of supply
 - d. all of the above

Difficulty: Easy

Answer: d

4. Which of the following countries has the highest trade in goods as a percent of GDP?
- a. U.S.
 - b. Germany
 - c. Japan
 - d. China

Difficulty: moderate

Answer: b

Productivity and Competitiveness

1. The most common measure of productivity is
- a. Labor productivity
 - b. Multifactor productivity
 - c. Material productivity
 - d. Technological productivity

Difficulty: Easy

Answer: a

2. Productivity is defined as
- a. output over input
 - b. input over output
 - c. process yield
 - d. exports minus imports

Difficulty: Easy

Answer: a

Strategy and Operations

1. A company's _____ is what they do better than anyone else.
- a. primary task
 - b. core competence
 - c. order qualifier
 - d. positioning strategy

Difficulty: Easy

Answer: b

2. The balanced scorecard keeps strategy on track by measuring
- a. Finance, marketing, operations, and human resources
 - b. Finance, customers, processes, and learning and growing
 - c. Shareholder value, customer satisfaction, production efficiency, and worker satisfaction
 - d. Inputs and outputs to each critical process

Difficulty: Moderate

Answer: b

3. _____ converts strategy into measurable objectives down through the organization.
- a. Strategic positioning
 - b. Policy deployment
 - c. Production planning
 - d. Vertical integration

Difficulty: easy

Answer: b

4. The last factor considered in a purchasing decision is the
- a. order qualifier
 - b. order winner
 - c. quality factor
 - d. core competency

Difficulty: Easy

Answer: b