

Chapter 1: Operations Management, Processes, and Supply Chain Management

Test Bank

Multiple Choice

1. Which of the following definitions is most closely associated with “operations management”?
- a. The management of processes responsible for the delivery of products to consumers
 - b. The management of activities that add value in a manufacturing environment
 - c. The effective management of knowledge within an organization
 - d. The effective planning, organizing, and controlling of the value-creating activities of the firm

Ans: D

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

2. Which of the following is not a basic operations management activity?
- a. Transformation
 - b. Marketing
 - c. Distribution
 - d. Storage

Ans: B

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

3. Which of the following is a business that would primarily be involved in the production of goods?
- a. Furniture manufacturer
 - b. Package delivery company
 - c. Bank
 - d. Technical support call center

Ans: A

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Application of knowledge

4. Which of the following is a business that would primarily be involved in the provision of services?
- a. Ice cream producer
 - b. Clothing manufacturer
 - c. Package delivery company
 - d. Cell phone assembly company

Ans: C

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Application of knowledge

5. Processes turn _____ into _____.

- a. outputs, inputs
- b. inputs, outputs
- c. returned product, refurbished product
- d. components, raw materials

Ans: B

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Knowledge

Answer Location: Processes and Supply Chains

Difficulty Level: Easy

AACSB Standard: Application of knowledge

6. Process-related decisions may include all of the following except:

- a. Determining which activities to outsource
- b. Determining how a product should be marketed
- c. Determining how to improve an existing process
- d. Determining how to reduce manufacturing costs

Ans: B

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Knowledge

Answer Location: Processes and Supply Chains

Difficulty Level: Easy

AACSB Standard: Application of knowledge

7. In a typical supply chain, goods flow in which of the following manners?

- a. Supplier → Distributor → Manufacturer → Retailer → Consumer
- b. Consumer → Retailer → Distributor → Manufacturer → Supplier
- c. Supplier → Manufacturer → Distributor → Retailer → Consumer
- d. Manufacturer → Supplier → Retailer → Distributor → Consumer

Ans: C

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Knowledge

Answer Location: What Is a Supply Chain?

Difficulty Level: Easy

AACSB Standard: Application of knowledge

8. A firm's primary goods and services suppliers are referred to as:

- a. First-tier suppliers
- b. Market winners
- c. Third echelon suppliers
- d. Customers

Ans: A

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Knowledge

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

9. REHAU Inc. manufactures front and rear bumpers that are shipped directly to Mercedes-Benz assembly plants. REHAU Inc. is likely a _____ for Mercedes-Benz.

- a. Customer
- b. Second-tier supplier
- c. First-tier supplier

d. Retailer

Ans: C

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Comprehension

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

10. Collaboration within a supply chain leads to all of the following except _____.

- a. Enhanced customer satisfaction
- b. Distorted information in the supply chain
- c. Reduced stockout costs
- d. Reduced delivery costs

Ans: B

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Knowledge

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

11. Which of the following would be most likely to enhance supply chain responsiveness?

- a. Partnering with a local supplier in a foreign market
- b. Closing overseas manufacturing facilities
- c. Outsourcing distribution center operations
- d. Limiting product customization options

Ans: A

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Application

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

12. Process integration between a firm and its suppliers and customers is _____.

- a. Undesirable
- b. Likely to provoke conflicts
- c. Desirable
- d. Dangerous

Ans: C

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Application

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

13. Which of the following is not one of the eight key supply chain processes?

- a. Customer service management
- b. Supplier relationship management
- c. Financial management
- d. Demand management

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Eight Key Supply Chain Processes
Difficulty Level: Easy
AACSB Standard: Systems and processes in organizations

14. Which of the eight key supply chain processes refers to “making goods to satisfy target markets”?

- a. Returns management
- b. Demand management
- c. Manufacturing flow management
- d. Order fulfillment

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Eight Key Supply Chain Processes

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

15. Which of the eight key supply chain processes refers to “satisfying customer orders”?

- a. Order fulfillment
- b. Demand management
- c. Customer service management
- d. Product development and commercialization

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Order Fulfillment Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

16. A company that manages its customer base in order to satisfy the customer and ensure that they continue to purchase goods and services is using which of the eight key supply chain processes?

- a. Demand management
- b. Order fulfillment
- c. Returns management
- d. Customer relationship management

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Customer Relationship Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

17. Scott Industrial Products has recently contracted with a local delivery company to ensure that orders are delivered on-time and in appropriate condition to their local customers. Which of the eight key supply chain processes is Scott most likely using for this decision?

- a. Demand management
- b. Order fulfillment
- c. Supplier relationship management
- d. Customer service management

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Application

Answer Location: The Order Fulfillment Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

18. A regional grocery chain has hired an analytics firm to build models to predict which customers are likely to become long-term customers of the chain's stores. These customers will then be carefully targeted with mailers and other marketing outreach. This is an example of which of the eight key supply chain processes?

- a. Order fulfillment
- b. Manufacturing flow management
- c. Customer relationship management
- d. Demand management

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Application

Answer Location: The Customer Service Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

19. Forecasting demand and translating that forecast into desired levels of purchasing, production, and distribution activities is part of which of the eight key supply chain processes?

- a. Manufacturing flow management
- b. Customer service management
- c. Demand management
- d. Customer relationship management

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Demand Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

20. Jim's Restaurant struggles with low demand during off-peak times of the day. To encourage customers to visit during off-peak times, the restaurant has implemented discounts during those times. Doing this is an example of which of the eight key supply chain processes?

- a. Demand management
- b. Customer relationship management
- c. Order fulfillment
- d. Customer service management

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Application

Answer Location: The Demand Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

21. Demand can be positively stimulated by the use of which of the following demand management techniques?

- a. Closing facilities
- b. Increasing prices
- c. Aggressive marketing
- d. Capacity reduction

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Application

Answer Location: The Demand Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

22. *Dabbawalas* in Mumbai, India, are most closely linked with which of the eight key supply chain processes?

- a. Demand management
- b. Returns management
- c. Customer relationship management
- d. Order fulfillment

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Application

Answer Location: The Order Fulfillment Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

23. The key supply chain process responsible for on-time delivery of goods and services to customers is referred to as?

- a. Returns management
- b. Order fulfillment
- c. Demand management
- d. Manufacturing flow management

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Order Fulfillment Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

24. A small manufacturer of customized knitted products for children is considering the use of a new delivery service (it previously relied on mailing products using the postal service). A possible change in delivery service would involve which of the eight key supply chain processes?

- a. Order fulfillment
- b. Demand management
- c. Customer service management
- d. Product development and commercialization

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Order Fulfillment Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

25. Determining how and where to store or move incoming and work-in-process materials is most closely associated with which of the eight key supply chain processes?

- a. Order fulfillment
- b. Supplier relationship management
- c. Manufacturing flow management
- d. Returns management

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Flow Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

26. Developing successful, long-term relationships with key suppliers is part of which process?

- a. Returns management
- b. Supplier relationship management

- c. Demand management
- d. Order fulfillment

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Flow Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

27. An operations management intern has been hired and will review and suggest enhancements to contracts with a firm's suppliers. The intern is involved in which process?

- a. Demand management
- b. Customer service management
- c. Manufacturing flow management
- d. Supplier relationship management

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Flow Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

28. In general, how many suppliers should constitute a firm's supplier base?

- a. Many
- b. Few
- c. Very many
- d. Ten

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Supplier Relationship Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

29. Nissan was able to enhance its profitability by which of the following?

- a. Increasing the company's supplier base
- b. Severing relationships with overseas manufacturers
- c. Reducing the company's number of suppliers
- d. Decreasing its advertising presence

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Supplier Relationship Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

30. Which of the following describes how product lifecycles are changing?

- a. Shortening
- b. Lengthening
- c. Neither shortening nor lengthening
- d. There is no definitive way to know how or if product lifecycles are changing

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Product Development and Commercialization Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

31. A cell phone manufacturer feeling increased pressure to release new and updated models of cell phones is experiencing the effects of?

- a. Lengthened product lifecycles
- b. Shortened product lifecycles
- c. Increased demand
- d. Reduced supplier availability

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Product Development and Commercialization Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

32. Designing and producing new products that customers want and doing it frequently and efficiently is associated with which of the eight key supply chain processes?

- a. Customer service management
- b. Customer relationship management
- c. Manufacturing flow management
- d. Product development and commercialization

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Product Development and Commercialization Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

33. A large manufacturer of farm equipment has recently switched to a product design approach in which representatives from a variety of the firm's functional areas are involved in the product design process.

This type of approach is likely be referred to as?

- a. Concurrent engineering
- b. Functional siloing
- c. Cooperative dynamics
- d. Decision theory

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Product Development and Commercialization Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

34. A cooperative approach to product design is referred to as?

- a. Team manufacturing
- b. Continuous improvement
- c. Concurrent engineering
- d. Functional overlapping

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Supplier Relationship Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

35. Simultaneous design of product, process, and supply chain configuration is referred to as:

- a. Two-dimensional cooperative engineering

- b. Collaborative engineering
- c. Three-dimensional concurrent engineering
- d. Diversity engineering

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Product Development and Commercialization Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

36. Which of the following is not a reason for a company to be concerned about the effective management of product returns?

- a. Reduced disposal costs
- b. Legal requirements related to returns and disposal
- c. Enhanced customer satisfaction
- d. Increased access to emerging markets

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Returns Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

37. Product returns result in approximately how much cost to U.S. suppliers each year (in \$)?

- a. \$10 million
- b. \$100 billion
- c. \$100 million
- d. \$1 billion

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Returns Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

38. Product returns result in approximately how much cost to U.S. suppliers each year (in terms of % profit)?

- a. 3.8%
- b. 5%
- c. 1%
- d. 10%

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Returns Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

39. A company implementing a liberal policy for accepting customers bringing back unwanted or defective purchases relates to which of the eight key supply chain processes?

- a. Customer relationship management
- b. Demand management
- c. Supplier relationship management
- d. Returns management

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension
Answer Location: The Returns Management Process
Difficulty Level: Medium
AACSB Standard: Systems and processes in organizations

40. A performance measure that tracks warranty claims would be most likely to be useful for which of the eight key supply chain processes?

- a. Demand Management
- b. Product development and commercialization
- c. Returns management
- d. Order fulfillment

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension
Answer Location: The Returns Management Process
Difficulty Level: Medium
AACSB Standard: Systems and processes in organizations

41. Agriculture, forestry, fishing, mining, construction, and manufacturing are considered to be in which sector of the U.S. economy?

- a. Farming
- b. Goods
- c. Services
- d. Political

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge
Answer Location: Operations Management in Services
Difficulty Level: Easy
AACSB Standard: Systems and processes in organizations

42. Transportation, communications, utilities, wholesale trade, retail trade, finance, insurance, real estate, and public administration are considered to be in which sector of the U.S. economy?

- a. Farming
- b. Goods
- c. Services
- d. Political

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge
Answer Location: Operations Management in Services
Difficulty Level: Easy
AACSB Standard: Systems and processes in organizations

43. The amount or percentage of time customers are in contact with the service system while the service is being provided refers to?

- a. Time or percentage of time in queue
- b. Interaction
- c. Engagement
- d. Customer contact

Ans: D

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge
Answer Location: Operations Management in Services
Difficulty Level: Easy
AACSB Standard: Systems and processes in organizations

44. High contact services are likely to:
- a. Be as hard or easy to manage as low contact services
 - b. Be harder to manage than low contact services
 - c. Be easier to manage than low contact services
 - d. Require no management

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: Operations Management in Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

45. Which of the following is likely an example of a high contact service?

- a. Nail salon
- b. ATM
- c. Self-service checkout lane at a grocery store
- d. Online banking service

Ans: A

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: Operations Management in Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

46. Which of the following is likely an example of a low contact service?

- a. Beauty parlor
- b. Custom sandwich shop
- c. ATM
- d. Coffee shop

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: Operations Management in Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

47. A low contact service is often characterized by which of the following?

- a. Many customization options
- b. A high degree of direct interaction with the customer
- c. A need for a small number of service facilities
- d. High degrees of automation

Ans: D

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: Operations Management in Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

48. A high contact service is often characterized by which of the following?

- a. Heavy customer involvement
- b. A significant investment in transportation services
- c. High degrees of automation
- d. Low levels of server training

Ans: A

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: Operations Management in Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

49. The key difference between manufacturers and services is?

- a. Manufacturers create tangible goods while services are intangible
- b. Services are typically more expensive than manufacturing
- c. There are no major differences between the two
- d. Manufacturers create intangible goods while services are tangible

Ans: A

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: Operations Management in Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

50. Which of the following might be a problem that is typical of services?

- a. Intangible product
- b. Decentralized location
- c. Inability to store services in inventory
- d. Quality based on customer perceptions

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

51. Which match of characteristics is correct?

- a. Services → Quality based on product design
- b. Manufacturing → Intangible product
- c. Services → Location based on customer traffic
- d. Manufacturing → Decentralized locations

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

52. Which match of characteristics is correct?

- a. Services → Customers can easily compare competitors' products
- b. Manufacturing → Location based on low cost
- c. Services → Tangible product
- d. Manufacturing → Decentralized locations

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

53. NYA provides consulting for human resources departments at major corporations. What type of company is NYA?

- a. Virtual

- b. Services
- c. Manufacturing
- d. Neither services nor manufacturing

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

54. Rebecca and Heather both visit a coffee shop on the same day and leave feedback about the shop on a popular online restaurant rating site. Rebecca leaves very negative feedback while Heather leaves very positive feedback. This is likely an example of what?

- a. Poor customer service for both customers
- b. Typical service experienced in a food service setting
- c. Variation in service quality
- d. Customer warranty claims

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

55. Repairing a _____ is typically easier than repairing a _____.

- a. customer service failure, manufacturing failure
- b. broken manufactured product, poorly provided service experience
- c. poorly provided service experience, broken manufactured product
- d. transportation service failure, fast-food service failure

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

56. Poorly provided service experiences tend to be _____ correctable than a defective, manufactured product.

- a. neither more nor less
- b. more
- c. less
- d. far more

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

57. Services _____ inventoried.

- a. cannot be
- b. are easily
- c. are often
- d. can be

Ans: A

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

58. Manufactured products _____ inventoried.

- a. cannot be
- b. are rarely
- c. are difficult to be
- d. can be

Ans: D

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

59. A clothing store hires additional customer service employees in anticipation of demand associated with the release of a popular new product. The clothing store is taking a risk related to which characteristic of services?

- a. Service quality varies from server to server
- b. Services are intangible
- c. Services cannot be inventoried
- d. Service quality varies from company to company

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

60. A bank has discovered that their tellers receive vastly different ratings from a mystery shopper. This is an example of which characteristic of services?

- a. Service quality varies from server to server
- b. Services are intangible
- c. Services cannot be inventoried
- d. Service quality varies from company to company

Ans: A

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

61. A service's goods-service package is defined by all of the following except?

- a. Explicit service
- b. Supporting facility
- c. Implicit service
- d. Customer demand

Ans: D

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

62. Implicit service, as part of a goods–service, includes which of the following?

- a. Bank building
- b. Transportation
- c. Convenience
- d. Food in a restaurant

Ans: C

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

63. Explicit service, as part of a goods–service, includes which of the following?

- a. Bank building
- b. Transportation
- c. Convenience
- d. Food in a restaurant

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

64. Facilitating goods, as part of a goods–service, include which of the following?

- a. Bank building
- b. Transportation
- c. Convenience
- d. Food in a restaurant

Ans: D

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

65. Differences between a traditional airline and a budget airline can be best described as a difference in the _____ of the airlines.

- a. goods–service packages
- b. customer profile
- c. explicit services
- d. financial model

Ans: A

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Hard

AACSB Standard: Systems and processes in organizations

66. All of the following are issues faced when expanding services into foreign markets except:

- a. Identifying global customers
- b. Legal and political issues
- c. Domestic competitors and the economic climate
- d. Decreased complexity

Ans: D

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge
Answer Location: Global Service Issues
Difficulty Level: Easy
AACSB Standard: Systems and processes in organizations

67. A company being forced to form a joint venture with a local company in order to operate in a foreign country is an example of which type of issue faced when expanding services into a foreign market?

- a. Identifying global customers
- b. Legal and political issues
- c. Domestic competitors and the economic climate
- d. Labor, facilities, and infrastructure support

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension
Answer Location: Global Service Issues
Difficulty Level: Medium
AACSB Standard: Systems and processes in organizations

68. A company modifying its services to appeal to customers in a foreign market is an example of which issue:

- a. Identifying global customers
- b. Legal and political issues
- c. Domestic competitors and the economic climate
- d. Labor, facilities, and infrastructure support

Ans: A

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension
Answer Location: Global Service Issues
Difficulty Level: Medium
AACSB Standard: Systems and processes in organizations

69. The reduction of waste, along with continuous improvement, and the synchronization of material flows within the organization and between supply chain trading partners are characteristics of which operations management development?

- a. Project management
- b. Lean thinking
- c. Total Quality Management
- d. MRP and ERP

Ans: B

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge
Answer Location: Lean Thinking and Six Sigma Quality
Difficulty Level: Easy
AACSB Standard: Systems and processes in an organization

70. Lean thinking is characterized by all of the following except:

- a. Reduction of waste
- b. Increased inventory levels
- c. Synchronization of supply chain flows
- d. Continuous improvement

Ans: B

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Lean Thinking and Six Sigma Quality
Difficulty Level: Easy
AACSB Standard: Systems and processes in an organization

71. The JIT concept relies on product being _____ through the system as needed.

- a. Pushed
- b. Aggregated
- c. Pulled
- d. Stockpiled

Ans: C

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Lean Thinking and Six Sigma Quality

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

72. A company wishing to switch from a push-oriented to a pull-oriented system will likely consider the implementation of which concept?

- a. Kaizen
- b. JIT
- c. TQM
- d. RFID

Ans: B

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Comprehension

Answer Location: Lean Thinking and Six Sigma Quality

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

73. An automotive company requires that its suppliers provide component parts as needed in appropriate quantities without significant buildup of inventory. This requirement is likely associated with which concept?

- a. DIMAIC
- b. TQM
- c. SCM
- d. JIT

Ans: D

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Application

Answer Location: Lean Thinking and Six Sigma Quality

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

74. A philosophy that encompasses a collection of processes that seek to improve quality continuously to please customers, reduce costs, and ultimately create competitive advantage for the firm is referred to as:

- a. TQM
- b. SCM
- c. ASQ
- d. JIT

Ans: A

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Lean Thinking and Six Sigma Quality
Difficulty Level: Easy
AACSB Standard: Systems and processes in an organization

75. Software applications that were developed to try and balance part purchases and plant capacities with production requirements are referred to as _____.

- a. TQM
- b. JIT
- c. MRP
- d. ARP

Ans: C

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Material Requirements Planning and Enterprise Resource Planning

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

76. The next iteration of MRP systems is referred to as _____ and allow for better planning using "what-if analyses."

- a. ERP
- b. ELP
- c. 2-MRP
- d. MRP-II

Ans: D

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Material Requirements Planning and Enterprise Resource Planning

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

77. A small but growing automotive producer has noticed a problem of imbalanced plant capacity and component parts inventory. They should consider implementing:

- a. JIT
- b. SQC
- c. ASQ
- d. MRP

Ans: D

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Application

Answer Location: Material Requirements Planning and Enterprise Resource Planning

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

78. Which of the following systems is most complex?

- a. ERP
- b. MRP
- c. MRP-II
- d. FRP

Ans: A

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Comprehension

Answer Location: Material Requirements Planning and Enterprise Resource Planning

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

79. Planning, scheduling, and controlling of resources to meet specific goals are activities related to which concept?

- a. Operations management
- b. Project management
- c. Quality control
- d. Supply chain management

Ans: B

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Comprehension

Answer Location: Project Management

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

80. A bride and groom planning for a large wedding may find it useful to use techniques from which concept?

- a. Statistical quality control
- b. Lean production
- c. Project management
- d. MRP

Ans: C

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Application

Answer Location: Project Management

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

81. Which technology enables a device to read data stored on chips at a distance, without requiring line-of-sight scanning?

- a. JIT
- b. RFID
- c. CIP
- d. RTR

Ans: B

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Radio Frequency Identification

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

82. A large hardware store is considering an investment in technology to enable easier inventory tracking of boxes of product when received. What technology could the hardware store consider?

- a. DTC
- b. SQC
- c. ASQ
- d. RFID

Ans: D

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Application

Answer Location: Radio Frequency Identification
Difficulty Level: Easy
AACSB Standard: Systems and processes in an organization

83. All of the following are potential benefits of RFID except:

- a. Greater product visibility
- b. Better inventory management
- c. Reduced product tampering
- d. Increased manufacturing quality

Ans: D

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Comprehension

Answer Location: Radio Frequency Identification

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

84. Broadly speaking, the application of ethical principles to business situations is referred to as:

- a. Everyday low pricing
- b. Corporate social responsibility
- c. Business ethics
- d. Total quality management

Ans: C

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Business Ethics and Sustainability

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

85. A modern term for business ethics is:

- a. Corporate social responsibility
- b. Ethical management
- c. Social justice
- d. Business responsibility

Ans: A

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Business Ethics and Sustainability

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

86. Which of the following would be considered to be an ethical purchasing practice?

- a. Purchasing from foreign suppliers
- b. Selecting suppliers based solely on low cost
- c. Buying from large firms
- d. Purchasing from minority-owned firms

Ans: D

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Comprehension

Answer Location: Business Ethics and Sustainability

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

87. What concept is defined as the ability to meet the needs of current supply chain members without hindering the ability to meet the needs of future generations in terms of economic, environmental, and social challenges?

- a. Sustainability
- b. Ethical purchasing
- c. Corporate social responsibility
- d. Business ethics

Ans: A

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Business Ethics and Sustainability

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

88. A company that is interested in balancing profit-seeking with environmental protection initiatives would likely be interested in which of the following concepts?

- a. Project management
- b. Lean production
- c. Sustainability
- d. Design for manufacture

Ans: C

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Knowledge

Answer Location: Business Ethics and Sustainability

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

89. Business process integration refers to which of the following?

- a. Selling key processes to competitors to apply pressure to innovate
- b. The coordination of process design efforts within a company
- c. The sharing and coordination of key processes between companies in a supply chain
- d. Quality control initiatives that span multiple firms

Ans: C

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Comprehension

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

90. Which of the following is most likely to be considered to be a service (rather than a good)?

- a. Child's toy
- b. Loan from a bank
- c. Light bulb
- d. Car

Ans: B

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Application

Answer Location: Operations Management in Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

91. Which of the following is not one of the eight key supply chain processes?

- a. Customer service management

- b. Demand management
- c. Inventory management
- d. Order fulfillment

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Eight Key Supply Chain Processes

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

92. Customer relationship management software has experienced _____ adoption in recent years.

- a. decreased
- b. increased
- c. neither an increase nor decrease in adoption
- d. customer relationship management software adoption cannot be measured

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Customer Relationship Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

93. A financial planner is considering the expansion of her services into a new market. In order to manage her expected new customers, she should consider what type of principles?

- a. Customer relocation management
- b. Customer relationship management
- c. Customer acquisition management
- d. Customer measurement management

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Customer Relationship Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

94. Excess server capacity can be used to mitigate which of the following situations?

- a. Excessive customer questions about a product
- b. Excessive customer warranty claims
- c. Excessive customer product returns
- d. Excessive customer wait time

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Customer Relationship Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

95. The maximum amount of goods and/or services that a system can produce over a set period of time refers to?

- a. Capacity
- b. Ceiling
- c. Floor
- d. Reorder point

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Customer Service Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

96. Customers sharing of their planned future purchase quantities, actual sales data, or promotion and new product plans with their supplier can lead to?

- a. Increased capacity
- b. Increased customer wait time
- c. Reduced forecast error and needed safety stock
- d. Excessive product returns

Ans: C

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Demand Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

97. The development of contingency plans for the occasions when demand and capacity imbalances exist is accomplished by?

- a. Demand modification
- b. Demand mitigation
- c. Demand misalignment
- d. Demand management

Ans: D

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Demand Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

98. The warehousing facilities and the transportation modes utilized by an organization make up a?

- a. Product network
- b. Distribution network
- c. Supply network
- d. Logistics network

Ans: B

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Order Fulfillment Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

99. Manufacturing postponement is most closely associated with which concept?

- a. Flow management
- b. Demand management
- c. Delay management
- d. Distribution management

Ans: A

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Flow Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

100. Sustainability and profit are, in modern times, largely viewed as being _____.

- a. Identical

- b. At odds
- c. Mutually exclusive
- d. Compatible

Ans: D

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Comprehension

Answer Location: Business Ethics and Sustainability

Difficulty Level: Medium

AACSB Standard: Social responsibility

True/False

1. Globalization has led to an increase in the number of markets available.

Ans: True

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Comprehension

Answer Location: Introduction

Difficulty Level: Easy

AACSB Standard: Contexts of organizations in a global society

2. The recession that began in 2008 challenged global companies to cut costs while maintaining and expanding customer markets.

Ans: True

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Comprehension

Answer Location: Introduction

Difficulty Level: Easy

AACSB Standard: Contexts of organizations in a global society

3. Operations management concepts are modern concepts and did not exist prior to the 20th century.

Ans: False

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

4. Operations managers typically take an “inward-facing” view of their organizations.

Ans: False

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

5. Operations management professionals are typically well compensated.

Ans: True

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

6. In a typical supply chain, product flows away from the customer.

Ans: False

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Comprehension

Answer Location: What Is a Supply Chain?

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

7. Companies often have multiple supply chains.

Ans: True

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Comprehension

Answer Location: What Is a Supply Chain?

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

8. The pursuit of lower costs has led to supply chains that are less global.

Ans: False

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Comprehension

Answer Location: What Is a Supply Chain?

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

9. Enhanced information sharing is a by-product of collaboration in a supply chain.

Ans: True

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Comprehension

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

10. Demand management involves the use of forecasts to plan purchasing, production, and distribution activities.

Ans: True

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Demand Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

11. Using forecasts will result in no imbalance of demand and capacity.

Ans: False

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Analysis

Answer Location: The Demand Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

12. Transportation, storage, and related activities are collectively referred to as “distribution.”

Ans: False

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Order Fulfillment Process
Difficulty Level: Easy
AACSB Standard: Systems and processes in an organization

13. Order fulfillment is “making the product or service and managing production inventories.”

Ans: False

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Order Fulfillment Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

14. A firm should have a supplier base composed of many suppliers.

Ans: False

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Comprehension

Answer Location: The Supplier Relationship Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

15. High customer contact services are more likely to offer a variety of customization options than low customer contact services.

Ans: True

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: Operations Management in Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in an organization

Short Answer

1. The effective planning, organizing, and controlling of the value-creating activities of the firm is referred to as _____.

Ans: Operations Management

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Knowledge

Answer Location: Operations Management Defined

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

2. All goods reach a customer via a _____.

Ans: Supply chain

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Knowledge

Answer Location: What Is a Supply Chain?

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

3. Improving _____ in a supply chain can lead to lower inventory costs, better customer service, and information sharing.

Ans: Collaboration

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Comprehension

Answer Location: A Supply Chain View of the Organization
Difficulty Level: Medium
AACSB Standard: Systems and processes in an organization

4. Customer _____ management involves the management of product and service agreements with customers.

Ans: Service

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Customer Service Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

5. The _____ process would be used to establish and develop relationships with suppliers.

Ans: Supplier Relationship Management

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Supplier Relationship Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

6. A provider of outsourced logistics services is known as a _____?

Ans: Third-part logistics (3PL) provider

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Order Fulfillment Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

7. Management of customer queues is most closely related to the _____ process.

Ans: Flow management

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Flow Management Process

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

8. _____ the number of suppliers in a company's supplier base can lead to increased leverage on other suppliers and lower prices.

Ans: Decreasing

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Supplier Relationship Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

9. A company's suppliers should be reevaluated _____.

Ans: Regularly/periodically

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Supplier Relationship Management Process

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

10. A company that primarily sells an intangible product is most likely a _____ company.

Ans: Services

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Knowledge

Answer Location: The Differences Between Manufacturers and Services

Difficulty Level: Easy

AACSB Standard: Systems and processes in organizations

Essay

1. Consider your favorite restaurant. How does the restaurant effectively plan, organize, and control its value-creating activities?

Ans: A successful answer should identify a few value-creating activities and then describe how those activities are managed.

Learning Objective: LO 1.1: Define and discuss operations management

Cognitive Domain: Application

Answer Location: Operations Management Defined

Difficulty Level: Medium

AACSB Standard: Application of knowledge

2. Describe the basic elements of a supply chain for a cell phone producer (e.g., Apple or Samsung). How does this supply chain differ from the supply chain for a clothing item such as a t-shirt?

Ans: A successful answer should identify the elements of each supply chain (suppliers, manufacturer/assembly, and retailers). The answer should also contrast that a cell phone is made from components (assembled) while a t-shirt is manufactured from raw materials.

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Analysis

Answer Location: What Is a Supply Chain?

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

3. Describe how disruptions such as natural disasters or terrorism affect supply chains.

Ans: A successful answer might give an example of a recent natural disaster or other disruption and describe how that event affected supply chains. There are numerous events that can easily be researched and the supply chain impacts examined. Examples might include the Japan earthquake/tsunami, the 9/11 terrorist attacks, etc.

Learning Objective: LO 1.2: Define processes and supply chains

Cognitive Domain: Analysis

Answer Location: What Is a Supply Chain?

Difficulty Level: Medium

AACSB Standard: Contexts of organizations in a global society

4. How does enhancing collaboration in a supply chain enhance the supply chain? Find an example or create a hypothetical example that demonstrates the enhancement.

Ans: A successful answer should discuss the reduced costs, improved customer service, and enhanced communication that occur in a supply chain with collaboration. Students should be able to search and find an example of supply chain collaboration or create a reasonable hypothetical example.

Learning Objective: LO 1.3: Explain the value of viewing operations management from a process and a supply chain perspective

Cognitive Domain: Analysis

Answer Location: A Supply Chain View of the Organization

Difficulty Level: Hard

AACSB Standard: Systems and processes in an organization

5. How do the eight key supply chain processes drive successful process integration?

Ans: A successful answer should link the processes to relevant supply chain activities and identify the benefits associated with those activities.

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Knowledge

Answer Location: The Eight Key Supply Chain Processes

Difficulty Level: Medium

AACSB Standard: Systems and processes in organizations

6. Describe how a company might use some or all of the eight key supply chain processes to gain a competitive advantage. Provide a minimum of one specific example of a competitive advantage gained.

Ans: A successful answer should describe the benefits that come to a company from successful management of the key processes. For example, a company may differentiate itself by its return policy (returns management) and thus gain a significant competitive advantage.

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Analysis

Answer Location: The Eight Key Supply Chain Processes

Difficulty Level: Hard

AACSB Standard: Systems and processes in organizations

7. A bakery that serves a large geographic region is struggling with the delivery of its products in a timely manner to grocery stores and restaurants in its service area. Describe how the bakery might use order fulfillment practices to enhance its delivery service.

Ans: A successful answer might propose the use of 3PL to streamline and improve the delivery process. Other options might include a decentralization of the baking process so that product is produced closer to the customers and delivery time is reduced.

Learning Objective: LO 1.4: Describe the eight key processes linking organizations along the supply chain

Cognitive Domain: Analysis

Answer Location: The Eight Key Supply Chain Processes

Difficulty Level: Hard

AACSB Standard: Systems and processes in organizations

8. Describe how a company can be difficult to classify as a services or goods company. Provide at least one example of such a company where that classification might be difficult.

Ans: A successful answer will describe how some companies provide both goods and services. An example might be a fast-food restaurant (as described in the text) that provides both fast service but also tangible goods (the food).

Learning Objective: LO 1.5: Discuss the importance of operations management in services

Cognitive Domain: Comprehension

Answer Location: Operations Management in Services

Difficulty Level: Medium

AACSB Standard: Systems and processes in an organization

9. Provide a brief review of developments in operations management in recent years. Find at least one example of how one of these developments has impacted a company and its customers.

Ans: A successful answer will touch briefly on the operations management developments described in the text and may bring in (in the case of an exceptional answer) other developments from outside the text. The answer will also address how a development has impacted a company. For example, the impact of use of RFID on a company's inventory management practices might be mentioned.

Learning Objective: LO 1.6: Summarize a number of the important developments in operations management

Cognitive Domain: Analysis

Answer Location: Important Developments in Operations Management

Difficulty Level: Hard

AACSB Standard: Systems and processes in an organization