https://selldocx.com/products
/test-bank-operations-management-an-integrated-approach-6e-reid

File: ch01, Chapter 1: Introduction to Operations Management

Multiple Choice

1. Every business is managed through what three major functions?
a) accounting, finance, and marketing
b) engineering, finance, and operations management
c) accounting, purchasing, and human resources
d) accounting, engineering, and marketing
e) finance, marketing, and operations management

Ans: e
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

2. Which business function is responsible for managing cash flow, current assets, and capital investments?
a) accounting
b) finance
c) marketing
d) operations management
e) purchasing

Ans: b
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

3. The finance function is responsible for:
a) sales, generating customer demand, and understanding customer wants and needs.
b) plans and coordinates all the resources needed to design, produce, and deliver the merchandise to its various retail locations.
c) planning, coordinating, and controlling the resources needed to produce a company's products and services.
d) managing cash flow, current assets, and capital investments.
e) efficiency and costs.

Copyright ©2016 John Wiley & Sons, Inc.

Ans: d
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

4. Which business function is responsible for sales, generating customer demand, and understanding customer wants and needs?
a) finance
b) human resources
c) marketing
d) operations management
e) purchasing

Ans: c
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

5. Which business function is responsible for planning, coordinating, and controlling the resources needed to produce a company's products and services?
a) engineering
b) finance
c) human resources
d) marketing
e) operations management

Ans: e
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

6. Which of the following is not true for business process reengineering?
a) It can increase efficiency.
b) It cannot be used to improve quality.
c) It can reduce costs.
d) It involves asking why things are done in a certain way.
e) It involves redesigning processes.

Copyright ©2016 John Wiley & Sons, Inc.

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

7. At The GAP, which function plans and coordinates all the resources needed to design, produce, and deliver the merchandise to its various retail locations?
a) engineering
b) human resources
c) marketing
d) operations management
e) purchasing

Ans: d
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

8. Operations Management is responsible for increasing the organization's efficiency, which means the company will be able to _____.
a) add to the engineering process
b) take for granted current operations
c) increase the number of positions under the manager's position
d) eliminate activities that do not add value
e) increasing purchasing opportunities

Ans: d
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

9. Which one of the following would **not** generally be considered to be a transformation?
a) a haircut
b) a train ride
c) manufacturing a radio
d) waiting to see the doctor

Copyright ©2016 John Wiley & Sons, Inc.

e) a surgery

Ans: d
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

10. At a factory, the transformation process is a (an) _____ change of raw materials and components into products.
a) locational
b) imperceptible
c) hypothetical
d) irreversible
e) physical

Ans: e
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

11. Which of the following is **not** an input?
a) services
b) managers
c) buildings
d) technology
e) information

Ans: a
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

12. Operations management is responsible for orchestrating all the resources needed to produce the final product. This includes all of the following **except** _____.
a) managing cash flow
b) arranging schedules

Copyright ©2016 John Wiley & Sons, Inc.

c) managing inventory
d) controlling quality
e) designing work methods

Ans: a
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

13. Which second-tier computer company utilized a drastic change in its operations function to become an industry leader in the late 1990s?
a) Apple
b) Compaq
c) Dell
d) IBM
e) Kozmo

Ans: c
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

14. A company with a low customer contact that is capital intensive is called:
a) a farm
b) manufacturing
c) quasi-manufacturing
d) service
e) Industrial era operations management

Ans: c
Section Ref: Differences Between Manufacturing and Service Organizations
Level: Easy
Bloom's: Knowledge
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

15. Which initially successful web-based home delivery company had to shut down in 2001 due to inadequate management of its operations?
a) Contact.com

Copyright ©2016 John Wiley & Sons, Inc.

b) Time Saver.com
c) Kozmo.com
d) Kramer.com
e) Neptune.com

Ans: c
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

16. In order to be successful with Web-based on-line shopping, companies must do all **except** which of the following?
a) manage distribution centers and warehouses
b) operate fleets of trucks
c) maintain adequate inventories of products
d) increase the cost of production
e) schedule deliveries

Ans: d
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Technology

17. What outsourcing functions does UPS provide for clients?
a) accounting and inventories
b) inventories and deliveries
c) accounting and deliveries
d) accounting and maintenance
e) deliveries and maintenance

Ans: b
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

18. An example of an operation that does **not** add value is _____.
a) removing iron ore from the ground and shipping it to a steel mill

Copyright ©2016 John Wiley & Sons, Inc.

b) filling the underground gasoline tanks at a service station
c) making a wedding cake
d) moving components to a warehouse for storage until the factory needs them
e) moving luggage from a cab to the airport ticket counter

Ans: d
Section Ref: What is Operations Management?
Level: Medium
Bloom's: Application
Learning Objective 1: Define operations management.
AACSB: Reflective Thinking

19. Which famous economist once suggested that, "The production problem has been solved."?
a) John Nash
b) Irving Fisher
c) John Kenneth Galbraith
d) Adam Smith
e) John Maynard Keynes

Ans: c
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

20. What was the primary reason why American firms lost market dominance in many industries in the 1970s and 1980s?
a) OPEC oil embargoes
b) the Vietnam war had drained the economy of resources
c) after Richard Nixon was President, foreign consumers began to mistrust American firms
d) they had become lax with a lack of competition in the 1950s and 1960s
e) foreign government subsidies for business

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

21. In what area does General Motors earn its highest return on capital?
a) selling cars
b) selling logo merchandise

Copyright ©2016 John Wiley & Sons, Inc.

c) financing
d) selling racing engines
e) post-sales parts and service

Ans: e
Section Ref: Differences between Manufacturing and Service Organizations
Level: Easy
Bloom's: Knowledge
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

22. Which of the following is an example of a "back room" operation for an airline company?
a) serving food and drinks to passengers
b) collecting tickets and checking passengers in at the gate
c) loading luggage onto the airplane
d) demonstrating use of the seat belt and other safety features of the airplane
e) assisting passengers in getting off of the plane

Ans: c
Section Ref: Differences between Manufacturing and Service Organizations
Level: Medium
Bloom's: Application
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Reflective Thinking

23. What are companies that have low customer contact and are capital intensive; yet provide a service, called?
a) pseudo-manufacturing organizations
b) quasi-manufacturing organizations
c) hierarchical manufacturing organizations
d) service factories
e) servifacturing organizations

Ans: b
Section Ref: Differences between Manufacturing and Service Organizations
Level: Easy
Bloom's: Knowledge
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

24. What percentage of total non-farm jobs in the U.S. economy comes from service-producing industries?
a) 20%

Copyright ©2016 John Wiley & Sons, Inc.

b) 50%
c) 60%
d) 80%
e) 95%

Ans: d
Section Ref: Differences between Manufacturing and Service Organizations
Level: Easy
Bloom's: Knowledge
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

25. What are long-term decisions that set the direction for the entire organization called?
a) tactical
b) operational
c) directional
d) distant
e) strategic

Ans: e
Section Ref: Operations Management Decisions
Level: Easy
Bloom's: Knowledge
Learning Objective 3: Describe decisions that operations managers take.
AACSB: Analytic

26. Which of the following is **not** true with respect to strategic and tactical decisions?
a) tactical decisions focus on more specific day-to-day decisions
b) tactical decisions determine the direction for strategic decisions
c) tactical decisions provide feedback to strategic decisions
d) tactical decisions are made more frequently and routinely
e) tactical decisions must be aligned with strategic decisions

Ans: b
Section Ref: Operations Management Decisions
Level: Easy
Bloom's: Comprehension
Learning Objective 3: Describe decisions that operations managers take.
AACSB: Analytic

27. Which of the following is **not** primarily performed by the operation management function?
a) job design and work measurement
b) advertising strategy

Copyright ©2016 John Wiley & Sons, Inc.

c) location analysis
d) quality management
e) facility layout

Ans: b
Section Ref: Operations Management Decisions
Level: Easy
Bloom's: Comprehension
Learning Objective 3: Describe decisions that operations managers take.
AACSB: Analytic

28. When did operations management emerge as a formal field of study?
a) during the late 1950s and early 1960s
b) during the late 1970s and early 1980s
c) during World War II
d) during the nineteenth century
e) during the early 1900s

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

29. Managing the transformation of inputs into goods and services is:
a) a post industrial era process.
b) a direct contributor to the curved earth syndrome.
c) as old as time.
d) a twenty-first century developed process.
e) a design of Frederick Taylor.

Ans: c
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

30. Who invented the steam engine?
a) James Watt
b) Adam Smith
c) Eli Whitney

Copyright ©2016 John Wiley & Sons, Inc.

d) Henry Ford
e) Frederick Taylor

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

31. What concept involves breaking down the production of a product into a series of small, elementary tasks, each of which is performed by a different worker?
a) division of labor
b) interchangeable parts
c) scientific management
d) the Hawthorne effect
e) operations research

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

32. Who wrote The Wealth of Nations in 1776, describing division of labor?
a) James Watt
b) Adam Smith
c) Eli Whitney
d) Henry Ford
e) Frederick Taylor

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

33. The concept of interchangeable parts was introduced by _____.
a) Adam Smith
b) Frederick Taylor
c) Eli Whitney

Copyright ©2016 John Wiley & Sons, Inc.

d) Henry Ford
e) W. Edwards Deming

Ans: c
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

34. Who created "scientific management?"
a) James Watt
b) Adam Smith
c) Eli Whitney
d) Frederick W. Taylor
e) Henry Ford

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

35. What was Frederick W. Taylor's background?
a) physics
b) human resources management
c) operations research
d) psychology
e) engineering

Ans: e
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

36. A key feature of scientific management is that workers are motivated only by _____.
a) love
b) power
c) challenging work

Copyright ©2016 John Wiley & Sons, Inc.

d) money
e) fame

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

37. A key feature of scientific management is that workers are limited only by _____.
a) machinery
b) co-workers
c) their job description
d) their tools
e) their physical ability

Ans: e
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

38. The creator of scientific management believed that _____.
a) worker productivity is governed by scientific laws
b) the worker should have a lot of control over his or her job
c) efficiency is overrated
d) worker pay should primarily be based on seniority
e) mathematical models are the basis for management of production

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

39. Which of the following operations management concepts did **not** evolve from scientific management?
a) moving assembly lines

Copyright ©2016 John Wiley & Sons, Inc.

b) interchangeable parts
c) stopwatch time studies
d) piece rate incentives
e) setting time standards for task performance

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

40. Who popularized the moving assembly line?
a) James Watt
b) Adam Smith
c) Eli Whitney
d) Frederick W. Taylor
e) Henry Ford

Ans: e
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

41. Under scientific management, information from what is used to set time standards for task performance?
a) stopwatch time studies
b) observance of similar tasks
c) computer simulation
d) negotiations with unions
e) arbitration

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

42. What movement started with the publication of the results of the Hawthorne studies?
a) scientific management

Copyright ©2016 John Wiley & Sons, Inc.

b) human relations
c) management science
d) marketing research
e) operations management

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

43. What is the Hawthorne effect?
a) workers responding to the attention they are given
b) stopwatch time studies leading to time standards
c) the use of quantitative methods for solving management problems
d) the use of interchangeable parts
e) more lighting increases productivity

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

44. Increasing the level of responsibility of a job by adding planning tasks is _____.
a) job enlargement
b) job rotation
c) job involvement
d) job enrichment
e) job backward integration

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

45. The first military use of management science was solving complex problems of logistics control, weapons system design, and deployment of missiles during _____.
a) World War I

Copyright ©2016 John Wiley & Sons, Inc.

b) World War II
c) The Korean War
d) The Vietnam War
e) Operation Desert Storm

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

46. What term describes the approach of giving workers a larger portion of the total task to do?
a) job enlargement
b) job rotation
c) job involvement
d) job enrichment
e) job backward integration

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

47. When were the Hawthorne Studies conducted?
a) 1770s
b) 1830s
c) 1930s
d) 1960s
e) 1980s

Ans: c
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

48. In what company were the Hawthorne Studies conducted?
a) Westinghouse
b) General Electric

Copyright ©2016 John Wiley & Sons, Inc.

c) Hawthorne Incorporated
d) General Motors
e) Western Electric

Ans: e
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

49. Management science is focused on:
a) profit margin
b) qualitative systems analysis
c) management promotion metrics
d) quantitative techniques for solving personnel issues
e) quantitative techniques for solving operations problems

Ans: e
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

50. When was the first mathematical model for inventory management developed?
a) 1770
b) 1865
c) 1900
d) 1913
e) 1930

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

51. Where was the just-in-time philosophy developed?
a) Germany
b) United States
c) Canada

Copyright ©2016 John Wiley & Sons, Inc.

d) Japan
e) Italy

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

52. Just-in-time philosophy is applicable in:
a) Service organizations
b) Manufacturing organizations
c) Assembly line operations
d) A, B, and C
e) A and C only

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

53. When was the just-in-time philosophy developed?
a) 1980s
b) 1930s
c) 1800s
d) 1700s
e) 1990s

Ans: a
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

54. What is a philosophy that aggressively seeks to improve product quality by eliminating causes of product defects and making quality an all-encompassing organizational philosophy?
a) CQI
b) TQM
c) SPC

Copyright ©2016 John Wiley & Sons, Inc.

d) JIT
e) BPR

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

55. Which of the following is considered a "quality guru?"
a) Elton Mayo
b) W. Edwards Deming
c) Alex Gamble
d) F.W. Harris
e) Frederick W. Taylor

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

56. Supply chain management involves managing:
a) the flow of internal information only.
b) the flow of materials and information from suppliers and buyers to the final customer.
c) the flow of raw materials to inventory only.
d) managing the stock room supply only.

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

57. Many companies require their suppliers to meet what standards as a condition for obtaining contracts?
a) RFO 6000
b) PUR 8000
c) ISO 9000
d) MACH 5000

Copyright ©2016 John Wiley & Sons, Inc.

e) SUP 2000

Ans: c
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

58. One of the two **most** important features of time-based competition involves _____.
a) advertising on the Internet
b) stopwatch time studies
c) setting time standards for task performance
d) instantaneous access to inventory information
e) developing new products and services faster than the competitor

Ans: e
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

59. ISO 14000 standards provide guidelines for what?
a) business ethics
b) environmentally responsible actions
c) supplier certification
d) quality control
e) web site development

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

60. NAFTA and the EU are _____.
a) certification groups
b) regional trade agreements
c) quality control methods
d) logistics providers

Copyright ©2016 John Wiley & Sons, Inc.

e) U.S. government agencies

Ans: b
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

61. What type of commerce makes up the highest percentage of electronic transactions?
a) B2C
b) C2C
c) B4B
d) B2B
e) B4C

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Technology

62. The Internet developed from a government network called ARPANET, which was created in 1969 by _____.
a) Japanese scientists
b) the EPA
c) the U.S. Defense Department
d) NSF
e) ISO

Ans: c
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Technology

63. Today's business must think in terms of:
a) regional trade zones
b) the EPA
c) the U.S. Defense Department

Copyright ©2016 John Wiley & Sons, Inc.

d) the global market place
e) the curved world

Ans: d
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Diversity

64. General Electric's Trading Process Network primarily handles transactions between _____.
a) individual customers
b) companies and individual customers
c) companies and their shipping firms
d) companies and their distributors
e) companies and their suppliers

Ans: e
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

65. What is a concept that takes a total system approach to creating efficient operations?
a) lean systems
b) enterprise resource planning
c) customer relationship management
d) management science
e) management information systems

Ans: a
Section Ref: Today's OM Environment
Level: Easy
Bloom's: Knowledge
Learning Objective 5: Identify current trends in operations management.
AACSB: Analytic

66. What are software solutions that allow the firm to collect customer-specific data?
a) MRP
b) CRM
c) ERP

Copyright ©2016 John Wiley & Sons, Inc.

d) JIT
e) ISO

Ans: b
Section Ref: Today's OM Environment
Level: Easy
Bloom's: Knowledge
Learning Objective 5: Identify current trends in operations management.
AACSB: Analytic

67. Entry-level positions for operations management graduates include all of the following **except _____**.
a) quality specialist
b) inventory analyst
c) plant manager
d) production analyst
e) production supervisor

Ans: c
Section Ref: Operations management in practice
Level: Easy
Bloom's: Comprehension
Learning Objective 6: Describe the flow of information between operations management and other business functions.
AACSB: Analytic

68. Operations management personnel perform a variety of functions, including all of the following **except _____**.
a) analyzing production problems
b) analyzing potential mergers
c) developing forecasts
d) developing employee schedules
e) monitoring inventory

Ans: b
Section Ref: Operations Management in Practice
Level: Easy
Bloom's: Comprehension
Learning Objective 6: Describe the flow of information between operations management and other business functions.
AACSB: Analytic

69. Which of the following concepts is linked the **least** with Henry Ford?

Copyright ©2016 John Wiley & Sons, Inc.

a) scientific management
b) mass production
c) mass customization
d) technology
e) interchangeable parts

Ans: c
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

70. Today's operations management is characterized by:
a) its use of the internet.
b) its reliance on the intranet.
c) its increased use of cross-functional decision making.
d) its use of cross-functional job sharing.
e) its use of interchangeable parts.

Ans: c
Section Ref: Today's OM Environment
Level: Easy
Bloom's: Comprehension
Learning Objective 5: Identify current trends in operations management.
AACSB: Analytic

71. Which of the following historical figures would probably have the **most** different management style from the others?
a) Elton Mayo
b) Henry Ford
c) Eli Whitney
d) Frederick W. Taylor
e) Adam Smith

Ans: a
Section Ref: Historical Development
Level: Hard
Bloom's: Evaluation
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

72. Operations management interacts with which of the following:

Copyright ©2016 John Wiley & Sons, Inc.

a) Marketing
b) Information systems
c) Finance
d) Engineering
e) all the above

Ans: e
Section Ref: OM Across the Organization
Level: Easy
Bloom's: Comprehension
Learning Objective 6: Describe the flow of information between operations management and other business functions.
AACSB: Analytic

73. OM's transformation role is to add value. Value added is
a) performing activities well for the least possible cost
b) the net decrease between output product value and input material value
c) increasing product value in the first stage
d) the net increase between output product value and input material value
e) customizing a product, regardless of expense, to satisfy customer needs

Ans: d
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

True/False

74. Operations management is the business function that plans, coordinates, and controls the resources needed to produce a company's products and services.

Ans: True
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

75. Marketing is the central core function of every company.

Copyright ©2016 John Wiley & Sons, Inc.

Ans: False
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

76. Operations management is the central core function of every company.

Ans: True
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

77. An example of a transformation is waiting to see the doctor.

Ans: False
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

78. At a factory, the transformation process is the physical change of raw materials and components into products.

Ans: True
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

79. An example of an operation that does **not** add value is making a wedding cake.

Ans: False
Section Ref: What is Operations Management?
Level: Medium
Bloom's: Application
Learning Objective 1: Define operations management.

Copyright ©2016 John Wiley & Sons, Inc.

AACSB: Reflective Thinking

80. Efficiency means being able to perform **most** activities.

Ans: False
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

81. An example of a "back room" operation for an airline company is loading luggage onto the airplane.

Ans: True
Section Ref: Differences between Manufacturing and Service Organizations
Level: Medium
Bloom's: Application
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Reflective Thinking

82. Companies that have low customer contact and are capital intensive, yet provide a service, are called service factories.

Ans: False
Section Ref: Differences between Manufacturing and Service Organizations
Level: Easy
Bloom's: Knowledge
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

83. The Industrial Revolution started in the 1770s with the development of a number of inventions that relied on machine power instead of human power.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

Copyright ©2016 John Wiley & Sons, Inc.

84 Division of labor involves breaking down the production of a product into a series of small, elementary tasks, each of which is performed by a different worker.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

85. A key feature of scientific management is that workers are limited only by their tools.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

86. The creator of scientific management believed that worker productivity was governed by scientific laws.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

87. Operations management is a result of a single event, the industrial revolution.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

88. Worker participation in decision making is a key feature of scientific management.

Ans: False

Copyright ©2016 John Wiley & Sons, Inc.

R Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

89. "Job enrichment" is an approach in which workers are given a larger portion of the total task to do.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

90. The first mathematical model for inventory management was developed by Elton Mayo.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

91. Operations research started with the publication of the results of the Hawthorne studies.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

92. Sustainability was an early 1950's management function and focus.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

Copyright ©2016 John Wiley & Sons, Inc.

93. The Hawthorne effect is that workers are motivated by the attention they are given.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

94. Increasing the level of responsibility of a job by adding planning tasks is called job enrichment.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

95. Outsourcing is providing goods or services to an outside provider.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

96. Management science focuses on developing quantitative techniques for solving operations problems.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

97. The advent of the computer age paved the way for the development of MRP for inventory control and scheduling.

Copyright ©2016 John Wiley & Sons, Inc.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Technology

98. The objective of supply chain management is to have every member of the chain compete against each other to enhance competitive abilities.

Ans: False
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

99. The need to offer a greater variety of product choices to customers of a traditionally standardized product is the challenge of flexibility.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

100. One of the **most** important trends in companies today is competition based on time.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

101. The highest percentage of transactions on the internet occurs between businesses and their customers (B2C).

Ans: False
Section Ref: Historical Development

Copyright ©2016 John Wiley & Sons, Inc.

Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Technology

102. Big Data Analytics allows companies to precisely understand what happened in the past and better predict the future.

Ans: True
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Technology

103. Today many corporate CEOs have come through the ranks of operations.

Ans: True
Section Ref: Operations Management in Practice
Level: Easy
Bloom's: Knowledge
Learning Objective 6: Describe the flow of information between operations management and other business functions.
AACSB: Analytic

104. Marketing can always meet the customer's needs.

Ans: False
Section Ref: Operations Management in Practice
Level: Easy
Bloom's: Comprehension
Learning Objective 6: Describe the flow of information between operations management and other business functions.
AACSB: Analytic

105. Marketing can meet the customer needs if they understand what operations can produce.

Ans: True
Section Ref: OM Across the Organization
Level: Easy
Bloom's: Comprehension
Learning Objective 6: Describe the flow of information between operations management and

Copyright ©2016 John Wiley & Sons, Inc.

other business functions.
AACSB: Analytic

106. Finance cannot judge the need for capital investments if they understand operations concepts and needs.

Ans: False
Section Ref: OM Across the Organization
Level: Easy
Bloom's: Comprehension
Learning Objective 6: Describe the flow of information between operations management and other business functions.
AACSB: Analytic

Essay

107. Define operations management.

Ans: The business function responsible for planning, coordinating, and controlling the resources needed to produce a company's products and services.
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

108. What must companies focus on in order to survive in today's business environment?

Ans: quality, time-based competition, efficiency, international perspectives, and customer relationships
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

109. What are the three major functions through which every business is managed?

Ans: finance, marketing, and operations management
Section Ref: What is Operations Management?
Level: Easy

Copyright ©2016 John Wiley & Sons, Inc.

Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

110. What is the "role" of operations management?

Ans: To transform organizational inputs into outputs
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Analytic

111. List at **least** seven different possible inputs to a transformation process.

Ans: workers, managers, buildings, equipment, materials, technology, and information
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge
Learning Objective 1: Define operations management.
AACSB: Analytic

112. What must companies do in order to be successful with Web-based on-line shopping?

Ans: Manage distribution centers and warehouses, operate fleets of trucks, forecast what customers want and maintain adequate inventories of products, and schedule deliveries while keeping costs low and customers happy.
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Comprehension
Learning Objective 1: Define operations management.
AACSB: Technology

113. In what ways do service organizations differ from manufacturing organizations?

Ans: Manufacturing organizations produce a physical, tangible product that can be stored in inventory before it is needed, while service organizations produce an intangible product that cannot be produced ahead of time; and for manufacturing organizations most customers have no direct contact with the operation, while for service organizations customers are typically present during creation of the service. Also, service organizations tend to have a shorter response time and are more labor intensive.
Section Ref: Differences Between Manufacturing and Service Organizations

Copyright ©2016 John Wiley & Sons, Inc.

Level: Medium
Bloom's: Analysis
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

114. List some typical operations management decisions that are made, along with their associated operations management term.

Ans: What are the unique features of the business that will make it competitive? (Operations strategy)
What are the unique features of the product? (Product design)
What are the unique features of the process that give the product its unique characteristics? (Process selection)
How do we manage our sources of supply? (Supply chain management)
How will managers ensure the quality of the product, measure quality, and identify quality problems? (Quality management)
What is the expected demand for the product? (Forecasting)
Where will the facility be located? (Location analysis)
How large should the facility be? (Capacity planning)
How should the facility be laid out? (Facility layout)
What jobs will be needed in the facility, who should do what task, and how will their performance be measured? (Job design and work measurement)
How will the inventory of raw materials be monitored? When will orders be placed? (Inventory mgt.)
Who will work on what schedule? (Scheduling)
Section Ref: Operations Management Decisions
Level: Easy
Bloom's: Knowledge
Learning Objective 3: Describe decisions that operations managers take.
AACSB: Analytic

115. Why are operations management decisions typically more complex for large companies than for small companies?

Ans: Because of the size and scope of large companies: they typically produce a greater variety of products, have multiple location sites, and often use both domestic and international suppliers.
Section Ref: Operations Management Decisions
Level: Easy
Bloom's: Comprehension
Learning Objective 3: Describe decisions that operations managers take.
AACSB: Analytic

Copyright ©2016 John Wiley & Sons, Inc.

116. What operations management approaches came out of the scientific management movement?

Ans: moving assembly lines, stopwatch time studies, piece rate incentives, and setting time standards for task performance
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

117. Tactical decisions can be distinguished from strategic decisions by what set of characteristics?

Ans: Focus on specific day-to-day issues, tactical decisions are made after strategic decisions, tactical decisions must be aligned with strategic decisions, tactical decisions provide feedback to strategic decision.
Section Ref: Operations Management Decisions
Level: Medium
Bloom's: Analysis
Learning Objective 3: Describe decisions that operations managers take.
AACSB: Analytic

118. What are the two key features of scientific management?

Ans: First, it is assumed that workers are motivated only by money and are limited only by their physical ability. Second, management should perform "planning" separately from the workers who perform the "doing."
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

119. What were the major impacts on operations management that resulted from the widespread use of computers in the 1970s?

Ans: using quantitative models on a larger scale; development of material requirements planning; and data processing was made easier, with advances in forecasting, scheduling, and inventory management
Section Ref: Historical Development
Level: Easy

Copyright ©2016 John Wiley & Sons, Inc.

Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Technology

120. What is the basic approach for business process reengineering and what are its major impacts?

Ans: It involves asking why things are done in a certain way, questioning assumptions, and then redesigning the processes. It can increase efficiency, improve quality, and reduce costs.
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

121. How has information technology tools helped with supply chain management?

Ans: They enable collaborative planning and scheduling. They allow synchronized supply chain execution and design collaboration, and they allow companies to respond better and faster to changing market needs.
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

122. What are environmental issues faced by business?

Ans: air pollution, water pollution, global warming, and waste disposal
Section Ref: Historical Development
Level: Easy
Bloom's: Knowledge
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

123. Operations Management is:

Ans: The business function that plans, organizes, coordinates, and controls resources an organization transforms into goods and services.
Section Ref: What is Operations Management?
Level: Easy
Bloom's: Knowledge

Copyright ©2016 John Wiley & Sons, Inc.

Learning Objective 1: Define operations management.
AACSB: Analytic

124. Why is today's Operations Management environment described as very different from what it was just a few years ago?

Ans: Customers demand better quality, greater speed, and lower costs.
Section Ref: Today's OM Environment
Level: Easy
Bloom's: Comprehension
Learning Objective 5: Identify current trends in operations management.
AACSB: Analytic

125. While customers and service organizations interact directly, customers and manufacturers interact

Ans: Through service organizations like distributors, wholesalers, and retailers.
Section Ref: Differences between Manufacturing and Service Organizations
Level: Medium
Bloom's: Analysis
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

126. Manufacturers often provide services like

Ans: Shipping, helping customers use products, repairs, replacement parts, warranty service, and credit.
Section Ref: Differences between Manufacturing and Service Organizations
Level: Medium
Bloom's: Application
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Reflective Thinking

127. Service providers may also transform inputs into

Ans: Goods that support their service, like restaurant food preparation, hair and skin care products, and final assembly of bicycles, tricycles, wagons, furniture, and other products.
Section Ref: Differences between Manufacturing and Service Organizations
Level: Medium
Bloom's: Application
Learning Objective 2: Describe difference between manufacturing and service organizations.

Copyright ©2016 John Wiley & Sons, Inc.

AACSB: Reflective Thinking

128. Service providers' "back room" activities, like _____, often have manufacturing characteristics like _____.

Ans: Check and credit card transaction processing, credit analysis, cleaning and repairing clothing and other products; physical products that can be inventoried, low customer contact, capital intense, and long response times.
Section Ref: Differences between Manufacturing and Service Organizations
Level: Easy
Bloom's: Comprehension
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

129. While service and manufacturing firms contribute more to the economy and offer more jobs at all levels, _____ are also important to our lives and the economy.

Ans: Agriculture, fishing, and forestry; construction, and extraction (mining, oil and natural gas, industrial gases).
Section Ref: Differences between Manufacturing and Service Organizations
Level: Hard
Bloom's: Evaluation
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

130. All business functions need _____from operations management while operations managers are highly dependent on_____ from _____ _____ to perform their jobs.

Ans: Information, input, all others
Section Ref: Operations Management in Practice
Level: Easy
Bloom's: Comprehension
Learning Objective 6: Describe the flow of information between operations management and other business functions.
AACSB: Analytic

131. While Operations Management focuses on privately−owned firms, governments provide many services and some goods, like:

Ans: postal service; family, social, and aged assistance and care, health care, transportation, safety and security, transportation facility maintenance, education and libraries, real estate title and ownership recording, professional licensing, skill testing, recreation and related licensing

Copyright ©2016 John Wiley & Sons, Inc.

(fishing and hunting), historic preservation.
Section Ref: Differences between Manufacturing and Service Organizations
Level: Hard
Bloom's: Evaluation
Learning Objective 2: Describe difference between manufacturing and service organizations.
AACSB: Analytic

132. The history of Operations Management reflects.

Ans: The accumulation of experience and ideas over time.
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

133. Applying the best practices to operations management is **not** enough to give a competitive advantage because:

Ans: Best practices are quickly passed to competitors.
Section Ref: Today's OM Environment
Level: Easy
Bloom's: Comprehension
Learning Objective 5: Identify current trends in operations management.
AACSB: Analytic

134. Scientific Management, Management Science, Just−in−Time, Total Quality Management, Business Process Reengineering, and other developments reflect the application of _____ and _____ to the transformation of inputs into goods and services.

Ans: the Computer Age or computers or information processing or quantitative methods and philosophies that emphasize human relations, questioning existing practices, accepting change.
Section Ref: Historical Development
Level: Easy
Bloom's: Comprehension
Learning Objective 4: Identify major historical developments in operations management.
AACSB: Analytic

Copyright ©2016 John Wiley & Sons, Inc.