## **Operations and Supply Management the Core 2nd Edition Jacobs Test Bank**

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## **c1**

Student:

- 1. Which of the following is a reason for studying operations management (OSCM)?
- A. OSM is essential for understanding organizational behavior.
- B. Most business graduates do OSM work regardless of their job title.
- C. Concepts and tools of OSM are useful in other functions of business.
- D. OSM is a required course in all business degree programs.
- E. OSM is the most rigorous business discipline.
- 2. Operations and supply chain management does not involve which of the following?
- A. Using operations research/management science decision-making tools
- B. Industrial engineering issues
- C. Line management responsibilities
- D. Improving operating systems
- E. Portfolio management
- 3. Operations management is applicable \_\_\_\_\_.
- A. mostly in the service sector
- B. to services exclusively
- C. mostly in the manufacturing sector
- D. to both manufacturing and service sectors
- E. to the manufacturing sector exclusively
- 4. Which of the following is not typically a component of the supply chain?
- A. Procuring raw materials
- B. Transformation
- C. Delivery
- D. Cost accounting
- E. Warehousing

5. The concept of operations and supply chain management should be important to which of the following management areas?

- A. Production
- B. Marketing
- C. Finance
- D. Engineering
- E. All of the above areas should understand the importance of the OSCM function
- 6. At the most fundamental level, operations and supply chain management is concerned about what?
- A. Getting work done quickly
- B. Getting work done efficiently
- C. Getting work done without error
- D. Getting work done at a low cost
- E. OSCM is concerned about all of the above

7. Which of the following refers to the processes that are used to transform resources into goods and services?

- A. Processing
- B. Operations
- C. Transforming
- D. Supply
- E. Servicing

8. Which of the following refers to how materials and services are moved to and from the transformation processes?

- A. Processing
- B. Operations
- C. Transforming
- D. Supply
- E. Servicing

9. All managers should understand which of the following transformation processes?

- A. How processes are organized
- B. How capacity is determined
- C. Process time
- D. How quality is monitored
- E. Managers should understand all of the above processes

- 10. A reduction of 5% in the cost of raw materials results directly in what?
- A. An increase of 5% of cost
- B. A significant increase in profit
- C. An extra 5% of profit
- D. No impact on profit or cost
- E. A significant decrease in ROI
- 11. Which of the following means doing something at the lowest possible cost?
- A. Effectiveness
- B. Efficiency
- C. Cost effectiveness
- D. Value
- E. Break even
- 12. Which of the following means doing the right things to create the most value?
- A. Effectiveness
- B. Efficiency
- C. Cost effectiveness
- D. Value
- E. Break even
- 13. Which of the following can be defined as quality divided by price?
- A. Effectiveness
- B. Efficiency
- C. Cost effectiveness
- D. Value
- E. Break even
- 14. Current issues in OSCM do not include:
- A. Coordinating relationships between organizations.
- B. Making senior management aware that OSCM can be a competitive weapon.
- C. The triple bottom line.
- D. Managing customer touch points.
- E. Increasing global supply chain employment.

- 15. Which of the following are the reasons for studying operations and supply chain management?
- A. To understand modern approaches to management
- B. Systematic way of looking at processes
- C. Career opportunities
- D. Concepts are transferable to other functions of business
- E. All of the above are reasons to study OSCM
- 16. The operations and supply chain management transformation process consists of which of the following?
- A. Feedback, external factors, and transformations
- B. Inputs, outputs, and customers
- C. Customers, inputs, and resources
- D. Inputs, transformation, and outputs
- E. Resources, customers, and internal factors
- 17. The operations management transformation process in a hospital is <u>primarily</u> which of the following?
- A. Physical
- B. Locational
- C. Exchange
- D. Physiological
- E. Storage

18. The operations management transformation process in a manufacturing firm is <u>primarily</u> which of the following?

- A. Physical
- B. Locational
- C. Exchange
- D. Storage
- E. Physiological

19. The operations management transformation process in retailing is primarily which of the following?

- A. Physical
- B. Locational
- C. Exchange
- D. Storage
- E. Physiological

20. The operations management transformation process in the trucking industry is <u>primarily</u> which of the following?

A. Physical

- B. Locational
- C. Exchange
- D. Physiological
- E. Storage

21. Match the transformations of 1) exchange, 2) physical, 3) physiological, and 4) storage with their respective examples given below (remember the order is given by the above sequence).

- (1) Exchange
- (2) Physical
- (3) Physiological
- (4) Storage
- (A) Manufacturing
- (B) Making a sick person well
- (C) Retailing
- (D) Warehousing
- A. 1)-C, 2)-A, 3)-D, 4)-B
- B. 1)-D, 2)-A, 3)-C, 4)-B
- C. 1)-A, 2)-B, 3)-D, 4)-C
- D. 1)-B, 2)-C, 3)-D, 4)-A
- E. 1)-C, 2)-A, 3)-B, 4)-D

22. Which of the following process refers to the various ways that material can be moved?

- A. Manufacturing and service
- B. Intangible
- C. Logistics
- D. Distribution
- E. Tangible

23. Which of the following processes relates to warehouse functions?

- A. Manufacturing and service
- B. Intangible
- C. Logistics
- D. Distribution
- E. Tangible

24. Which of the following are involved with the actual production of goods and services?

A. Manufacturing and service

B. Intangible

C. Logistics

D. Distribution

E. Tangible

25. Which is <u>not</u> true regarding the differences between goods and services?

A. Services are generally produced and consumed simultaneously, tangible goods are not.

- B. Services tend to be more knowledge based than products.
- C. Services tend to have a more inconsistent product definition than goods.
- D. Goods tend to have higher customer interaction than services.

E. None of the choices are correct.

26. What type of process are services typically associated with?

A. Tangible

B. Intangible

C. Direct

D. Indirect

E. Bundles

27. Service process is typically referred to as \_\_\_\_\_\_ whereas a good is typically referred to as \_\_\_\_\_\_.

A. intangible, direct

B. high customer interaction, low customer interaction

C. Intangible, Tangible

D. high variability, low variability

E. Tangible, Intangible

28. Which of the following distinguishes services from goods?

A. Level of tangibility

B. Level of intangibility

C. Production and consumption

D. Customer interaction

E. Inventory level

29. One of the primary differences between services and goods is that goods can be \_\_\_\_\_.

- A. designed
- B. transformed
- C. specific
- D. measured for productivity
- E. inventoried

30. Which of the following is <u>not</u> a characteristic that distinguishes services from goods?

- A. Service jobs are unskilled.
- B. A service is intangible.
- C. Services are perishable.
- D. Services are heterogeneous.
- E. None of the above.

31. Operations and supply chain processes are not categorized as \_\_\_\_\_

- A. Planning
- B. Return
- C. Delivery
- D. Selecting
- E. Making

32. Pure goods industries, in order to differentiate, are adding some services to their operation. What is this process called?

- A. Process differentiation
- B. Value-added services
- C. Broadening
- D. Process expansion
- E. Service adoption
- 33. Which of the following best describes the concept of "value-added services"?
- A. An auto manufacturer offering more options in their vehicles
- B. A phone company offering lower rates during evening hours
- C. A hospital offering to pick-up patients at their homes
- D. A cab company guaranteeing they will take the fastest route to a destination
- E. A restaurant offering healthy choice menu options

- 34. Which of the following is not a Pure Good?
- A. Food products
- B. Teaching
- C. Chemicals
- D. Book publishing
- E. Steel production
- 35. Which of the following is not a Pure Service?
- A. Financial consulting
- B. Teaching
- C. Legal services
- D. Medical advice
- E. Food products

36. As a nation's economy develops, it will shift from an agricultural base to which type of economic base?

- A. Food production based
- B. Service based
- C. Goods producing
- D. Automotive
- E. Tangible
- 37. Business in Canada evolved from \_\_\_\_\_.
- A. an agricultural base
- B. commodity-based colony
- C. oil discoveries
- D. its technological base
- E. a manufacturing base

38. The concept of 'Service quality and productivity' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?A. Late 1970'sB. Early 1980's

- C. Mid 1980's
- D. Early 1990's
- D. Earry 1990; E. Lota 1000/a
- E. Late 1990's

39. Who developed the use of standardization in large-scale mass production using a moving assembly line?

- A. Frederick Winslow Taylor
- B. Frank Gilbreth
- C. Adam Smith
- D. Charles Babbage
- E. Henry Ford
- 40. Frederick W. Taylor believed that \_\_\_\_\_.
- A. the scientific laws governed how much work a person could do each day
- B. the worker should have more control over his job
- C. for a worker to be efficient he (she) should always be busy
- D. each person should dictate how much work they could do in a day
- E. management should rely on worker input when designing a process

41. The concept of 'Manufacturing strategy developed' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

A. Late 1970's

B. Early 1980's

- C. Mid 1980's
- D. Early 1990's
- E. Late 1990's

42. The concept of 'JIT production pioneered by the Japanese' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

- A. Late 1970's
- B. Early 1980's
- C. Mid 1980's
- D. Early 1990's
- E. Late 1990's

43. The concept of 'TQM and Quality Certification programs' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

- A. Late 1970's
- B. Early 1980's
- C. Mid 1980's
- D. Early 1990's
- E. Late 1990's

44. The concept of 'Six-Sigma Quality' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

A. Late 1970's

B. Early 1980's

- C. Mid 1980's
- D. Early 1990's
- E. Late 1990's

45. The concept of 'Supply Chain Management' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

- A. Late 1970's
- B. Early 1980's
- C. Mid 1980's
- D. Early 1990's
- E. Late 1990's

46. The concept of 'Business Process Reengineering (BPR)' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

- A. Late 1970's
- B. Early 1980's
- C. Mid 1980's
- D. Early 1990's
- E. Late 1990's

47. The concept of 'Electronic Commerce' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

- A. Late 1970's
- B. Early 1980's
- C. Mid 1980's
- D. Early 1990's
- E. Early 2000's

48. Which of the following aspects of Ford's moving assembly line were critical to its success?

- A. Processes
- B. Quality
- C. On-time delivery
- D. People
- E. All of the above were critical aspects of success

49. What was the primary reason for Canada's and the U.S's. manufacturing prosperity following World War II?

- A. Availability of materials
- B. Availability of workers
- C. Proximity to markets
- D. Lack of international competition
- E. Technology

50. Today, companies view operations and supply management as \_\_\_\_\_.

- A. a non-functional area of business
- B. a function that is primarily driven by marketing
- C. a function that is primarily driven by seeking the lowest price
- D. a competitive weapon
- E. a non-competitive factor of business

51. Today, many experts emphasize that Canada should focus on what aspects of operations and supply chain management?

- A. Mass production and high volume
- B. Innovation and value-added goods and services
- C. Mass customization and low volume
- D. Importing high tech items
- E. Importing more than they are exporting
- 52. Which of the following is <u>not</u> a current issue in global operations and supply chain management?
- A. Outsourcing of parts and services
- B. Optimizing supplier networks
- C. Decreasing the value-added component of goods and services
- D. Increased coproduction of goods and services
- E. Managing customer service points
- 53. Which of the following is <u>not</u> a current issue in global operations and supply chain management?
- A. Corporate responsibility in supply chains
- B. Taking more environmental responsibility
- C. Increasing the value-added component of goods and services
- D. Decreased coproduction of goods and services
- E. Raising senior management awareness of operations as a competitive weapon

- 54. Which of the following factors aligns with the concept of sustainability in business?
- A. Use of more recycled material
- B. Environmentally friendly production
- C. Redesigning products
- D. ISO14000 certification
- E. All of the above align with the environmental concept

55. Efficiency means doing the right things to create the most value for the company. True False

56. Effectiveness means doing the right things to create the most value for the company. True False

57. A doctor completes a surgical procedure on a patient without error. The patient dies anyway. In operations management terms, we could refer to this doctor as being efficient but not effective. True False

58. A worker can be efficient without being effective. True False

59. A process can be effective without being efficient.

True False

60. Operations and supply chain management is defined as the design, operation, and improvement of the systems that create and deliver the firm's primary products and services. True False

61. The term "value" refers to the relationship between quality and the price paid by the consumer. True False 62. Operations and supply chain management is a functional area of business with clear line-management responsibilities.

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True False
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63. Because the text states that "At the most fundamental level, operations and supply chain management is about getting the day-to-day work done quickly, efficiently, without errors, and at low cost." there is little in the field of operations and supply management that relates to overall corporate strategy. True False

64. Producing a product such as a cell phone is an operations function, whereas providing a service such as cellular phone account is not. True False

65. Operations and supply chain management is concerned with managing the internal transformation process but is not concerned with dealer or distribution networks. True False

66. There is a growing recognition that OSCM functions aren't limited to the production line, but are applicable to other areas in a variety of firms. True False

67. If an individual is interested in becoming an effective manager they need to have an understanding of the operations and supply chain management function. True False

68. Central to the concept of operations and supply chain management is that knowledge of OSCM functions are useful in areas such as medicine or accounting. True False

69. At the most fundamental level operations and supply chain management is about getting work done quickly and efficiently. True False 70. The term "Operations" refers to the processes that are used to transform resources into goods and services. True False

71. The term "Supply" refers to how materials and services are moved to and from the transformation process. True False

72. The term operations and supply chain management refers to an integrated system that extends from the purchase of material from suppliers, through to the supply of products and services where they can be purchased by the customer. True False

73. All managers should understand the basic principles that guide the design of the transformation process. True False

74. Operations and supply chain management is not critical to the success of a firm. True False

75. Although planning involves determining how the various supply chain processes (sourcing, making, delivering, and returning) will be met, planning itself is not considered as a supply chain process. True False

76. Innovations in the field of operations are relatively reliable and low cost. True False

77. A business education is incomplete without an understanding of modern approaches to managing operations.

True False

78. Operations and supply chain management provides a systematic way at looking at organizational processes. True False 79. The field of operations and supply chain management presents a very limited range of interesting career opportunities. True False

80. The concepts and tools of operations and supply chain management are not widely used in managing other functions of business.

True False

81. Today the operations function is seen as essential to firm competitiveness. True False

82. Operations management as a discipline has yet to address the problems of services companies. True False

83. Transformation processes are used in all types of businesses. True False

84. Transformation processes are used primarily in manufacturing businesses. True False

85. A transformation process uses resources to convert outputs into some desired input. True False

86. Manufacturing OSCM transformations are referred to as physical transformations. True False

87. Transportation OSCM transformations are referred to as physical transformations. True False

88. Transportation OSCM transformations are referred to as locational transformations. True False 89. Manufacturing OSCM transformations are referred to as physiological transformations. True False

90. Retailing OSCM transformations are referred to as physiological transformations. True False

91. Retailing OSCM transformations are referred to as exchange transformations. True False

92. Warehousing OSCM transformations are referred to as storage transformations. True False

93. Warehousing OSCM transformations are referred to as exchange transformations. True False

94. Health care OSCM transformations are referred to as storage transformations. True False

95. Health care OSCM transformations are referred to as physiological transformations. True False

96. Telecommunications OSCM transformations are referred to as exchange transformations. True False

97. Telecommunications OSCM transformations are referred to as informational transformations. True False

98. Best practices/best processes depend on such factors as volume, cost, and speed of delivery. True False 99. Logistics process identifies the various ways that material can be moved. True False

100. Distribution processes relate to warehouse functions. True False

101. Manufacturing and service processes are involved with the actual production of the goods and services desired by customers. True False

102. Logistics processes are related to warehouse functions. True False

103. Distribution processes are involved with the actual production of the goods and services desired by customers.

True False

104. Manufacturing and service processes are involved with moving material. True False

105. The transformation process is the actual conversion of inputs into outputs. True False

106. A service is an intangible process that cannot be weighed or measured. True False

107. A good is an intangible process that cannot be weighed or measured. True False

108. A good is a tangible output of a process that has physical dimensions. True False

109. A good is an intangible output of a process that has physical dimensions. True False

110. Service requires some degree of interaction with the customer for it to be a service. True False

111. Services are usually produced in one location and consumed by the customer in a different location. True False

112. Goods are usually produced in a facility separate from the customer. True False

113. Services vary from day to day and even hour to hour as a function of the attitudes of the customer and the servers.

True False

114. Services tend to be consistent and do not vary from day to day and even hour to hour as a function of the attitudes of the customer and the servers. True False

115. Goods can be produced to meet tight specifications from day to day and even hour to hour with essentially zero variability. True False

116. Services as a process are perishable and time dependant. True False

117. Other issues that managers will have to address when dealing with global operations include the issue of ethics. True False 118. Most product offerings are a combination of goods and services. True False

119. Pure goods industries have value-added services to improve their competitiveness and increase margins. True False

120. Core goods producers are adding services as a significant component of their business. True False

121. The Goods-Services continuum extends from Pure Goods through to Pure Services. True False

122. The Goods-Services continuum extends from Pure Goods through to Core Goods. True False

123. The Goods-Services continuum extends from Core Services through to Pure Services. True False

124. An example of a core service provider integrating tangible goods into their business would be a cable television company offering high-definition cable boxes. True False

125. An example of a core goods provider integrating a service component into their business would be an automobile manufacturer providing spare parts distribution to support their dealers. True False

126. In Canada the majority of the work force is employed in service as opposed to being employed in manufacturing. True False 127. In Canada the majority of the work force is employed in manufacturing as opposed to being employed in service.

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True False
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128. In Canada there has been a shift in the workforce profile, whereas now there are more people employed in services than there were one hundred years ago. True False

129. In developing countries, there is a smaller proportion of people employed in services. True False

130. Business in Canada began from a commodity-based economic system. True False

131. Business in Canada began from an agricultural-based economic system. True False

132. Frederick W. Taylor developed principles of scientific management that applied scientific analysis to eliminating wasted effort from manual labour. True False

133. The idea of supply chain management is to apply an individual approach to independently manage the flow of information, materials, and services. True False

134. The term electronic commerce refers to the use of the Internet as an essential element of business activity. True False

135. Business Analytics involves similar industries working together to better solve business problems. True False 136. The era of the late 1970's and early 1980's saw the concept of quality control begin to be widely adopted. True False

137. The era of the early 1970's saw the concept of Six-Sigma Quality begin to be adopted. True False

138. The era of the early 1980's shows that JIT production was pioneered by the Japanese. True False

139. Unlike the United States, which evolved from an agricultural base, business in Canada began with commodity-based trading. True False

140. Business Process Reengineering began in the late 1990's. True False

141. The flavour of business process re-engineering (BPR) is conveyed in the title "Reengineering Work: Automate, then Obliterate." True False

142. Business process re-engineering (BPR) seeks to make evolutionary changes as opposed to revolutionary changes.

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True False
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143. Six-sigma quality tools have been taught to managers as part of "Green and Black Belt Programs." True False

144. Six-sigma quality tools are applied to manufacturing applications, but not to nonmanufacturing processes such as accounts receivable, sales, and research and development. True False 145. Just-In-Time (JIT) coupled with total quality control (TQC) is now a cornerstone in many manufacturers' production practices. True False

146. JIT is an integrated set of activities designed to achieve high-volume production using minimal inventories of parts that arrive at the workstation exactly when they are needed. True False

147. Just-in-time (JIT) production was the major breakthrough in manufacturing philosophy in the 1980's. True False

148. Central to the manufacturing strategy paradigm was the notion of factory focus and manufacturing trade-offs. True False

149. Because a factory cannot excel on all performance measures, management must devise a focused strategy, creating a focused factory that performs a limited set of tasks extremely well.True False

150. JIT is a set of activities designed to achieve low-volume production using minimal inventories of parts that arrive at the workstation as soon as they are ordered. True False

151. On-time delivery was not critical for Ford in the early days. True False

152. Quality was not a critical prerequisite for Ford in the early days. True False

153. As far back as the 1960's it was suggested that companies should place strategic emphasis on operations. True False

154. Companies also recognize the importance of corporate responsibility, not only within their own organizations, but also in their supply chains. True False

155. The triple bottom line evaluates organizational performance on economic, environmental, and social criteria.

True False

156. Many experts agree that Canada, specifically Canadian business operations, should focus on innovation and value-added goods and services. True False

157. Many experts agree that Canada, specifically Canadian business operations, should focus on commodities and mass production as their niche in the global marketplace. True False

158. A recent trend in operations and supply management is the dramatic surge in the outsourcing of parts and services. True False

159. Current trends in the field of operations and supply management are optimizing global supplier, production, and distribution networks.True False

160. The use of information sharing has seen an increase in the co-production of goods and services. True False

161. Resource utilization decisions must include customer support personnel as a key component of operations and supply management.True False

162. Raising senior management awareness of operations is not considered a significant competitive weapon. True False 163. It is clear that consumers expect companies to significantly reduce their environmental footprint. True False

164. Sustainability is the ability to meet current resource needs by compromising the ability of future generations to meet their needs. True False

165. The triple bottom line evaluates organizational performance on economic, environmental, and service capability criteria. True False

166. Discuss why knowledge of the operations and supply chain management function is critical to every manager.

167. Discuss the concepts of efficiency, effectiveness and value.

168. Discuss the transformation process and provide two different examples of transformation processes.

169. Discuss the differences between goods and services.

170. Discuss any two of the current issues in operations and supply management as listed in the text.

## c1 Key

- 1. Which of the following is a reason for studying operations management (OSCM)?
- A. OSM is essential for understanding organizational behavior.
- B. Most business graduates do OSM work regardless of their job title.
- <u>C.</u> Concepts and tools of OSM are useful in other functions of business.
- D. OSM is a required course in all business degree programs.
- E. OSM is the most rigorous business discipline.

Chapter concept.

Chapter - Chapter 01 #1 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

- 2. Operations and supply chain management does not involve which of the following?
- A. Using operations research/management science decision-making tools
- B. Industrial engineering issues
- C. Line management responsibilities
- D. Improving operating systems
- **<u>E.</u>** Portfolio management

Chapter concept.

Chapter - Chapter 01 #2 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management.

- 3. Operations management is applicable \_\_\_\_\_.
- A. mostly in the service sector
- B. to services exclusively
- C. mostly in the manufacturing sector
- **D.** to both manufacturing and service sectors
- E. to the manufacturing sector exclusively

Operations refers to manufacturing and service processes that are used to transform the resources employed by a firm into products desired by customers.

Chapter - Chapter 01 #3 Difficulty: Medium Learning Objective: 01-01 Define operations and supply chain management.

- 4. Which of the following is not typically a component of the supply chain?
- A. Procuring raw materials
- B. Transformation
- C. Delivery
- <u>**D.**</u> Cost accounting
- E. Warehousing

The supply chain refers to this integrated system that starts and ends at the customer, but in between coordinates the purchase of material from suppliers, performs the transformation process, and executes the distribution to the customers.

Chapter - Chapter 01 #4 Difficulty: Medium Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

5. The concept of operations and supply chain management should be important to which of the following management areas?

- A. Production
- B. Marketing
- C. Finance
- D. Engineering

E. All of the above areas should understand the importance of the OSCM function

Chapter concept.

- 6. At the most fundamental level, operations and supply chain management is concerned about what?
- A. Getting work done quickly
- B. Getting work done efficiently
- C. Getting work done without error
- D. Getting work done at a low cost
- **<u>E.</u>** OSCM is concerned about all of the above

At the most fundamental level, operations and supply chain management is about getting work done quickly, efficiently, and without error.

Chapter - Chapter 01 #6 Difficulty: Medium Learning Objective: 01-01 Define operations and supply chain management.

- 7. Which of the following refers to the processes that are used to transform resources into goods and services?
- A. Processing
- **<u>B.</u>** Operations
- C. Transforming
- D. Supply
- E. Servicing

Operations refers to the processes that are used to transform the resources employed by a firm into goods and services desired by customers.

Chapter - Chapter 01 #7 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

8. Which of the following refers to how materials and services are moved to and from the transformation processes?

- A. Processing
- B. Operations
- C. Transforming
- **D.** Supply
- E. Servicing

Supply refers to how materials and services are moved to (inbound) and from (outbound) the transformation processes.

Chapter - Chapter 01 #8 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

- 9. All managers should understand which of the following transformation processes?
- A. How processes are organized
- B. How capacity is determined
- C. Process time
- D. How quality is monitored
- E. Managers should understand all of the above processes

All managers should understand the basic principles that guide the design of transformation processes. These include understanding how different types of processes are organized, how to determine the capacity of a process, how long it should take a process to make a unit, and how the quality of a process is monitored.

Chapter - Chapter 01 #9 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

- 10. A reduction of 5% in the cost of raw materials results directly in what?
- A. An increase of 5% of cost
- **B.** A significant increase in profit
- C. An extra 5% of profit
- D. No impact on profit or cost
- E. A significant decrease in ROI

The cost of raw materials affects the values throughout the supply chain, including the cost of goods sold, inventory value, and total value of assets; therefore, reducing raw material costs by 5% leads to a significant increase in profit margins and a significant increase in the company's ROI.

Chapter - Chapter 01 #10 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

- 11. Which of the following means doing something at the lowest possible cost?
- A. Effectiveness
- **B.** Efficiency
- C. Cost effectiveness
- D. Value
- E. Break even

Efficiency means doing something at the lowest possible cost.

Chapter - Chapter 01 #11 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-03 Discuss the meaning of efficient and effective operations. 12. Which of the following means doing the right things to create the most value?

<u>A.</u> Effectiveness

B. Efficiency

C. Cost effectiveness

D. Value

E. Break even

Effectiveness means doing the right things to create the most value for the company.

Chapter - Chapter 01 #12 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

13. Which of the following can be defined as quality divided by price?

- A. Effectiveness
- B. Efficiency
- C. Cost effectiveness
- **D.** Value
- E. Break even

Value can be defined as quality divided by price.

Chapter - Chapter 01 #13 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

14. Current issues in OSCM do not include:

- A. Coordinating relationships between organizations.
- B. Making senior management aware that OSCM can be a competitive weapon.
- C. The triple bottom line.
- D. Managing customer touch points.
- **<u>E.</u>** Increasing global supply chain employment.

The "current issues" in OSCM include:

- 1. Coordinating the relationships between mutually supportive but separate organizations.
- 2. Optimizing global supplier, production, and distribution networks.
- 3. Increased co-production of goods and services.
- 4. Managing customer service points.
- 5. Raising senior management awareness of OSCM as a significant competitive weapon.
- 6. Sustainability and the triple bottom line.

- 15. Which of the following are the reasons for studying operations and supply chain management?
- A. To understand modern approaches to management
- B. Systematic way of looking at processes
- C. Career opportunities
- D. Concepts are transferable to other functions of business
- E. All of the above are reasons to study OSCM

The following are reasons for studying operations and supply chain management: To understand modern approaches to management; Systematic way of looking at processes; Career opportunities; & Concepts are transferable to other functions of business.

Chapter - Chapter 01 #15 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

- 16. The operations and supply chain management transformation process consists of which of the following?
- A. Feedback, external factors, and transformations
- B. Inputs, outputs, and customers
- C. Customers, inputs, and resources
- **D.** Inputs, transformation, and outputs
- E. Resources, customers, and internal factors

A transformation process uses resources to convert inputs into some desired output.

Chapter - Chapter 01 #16 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

17. The operations management transformation process in a hospital is primarily which of the following?

- A. Physical
- B. Locational
- C. Exchange
- **D.** Physiological
- E. Storage

Transformation processes can be categorized as follows: Physical (as in manufacturing); Location (as in transportation); Exchange (as in retailing); Storage (as in warehousing); Physiological (as in health care).

Chapter - Chapter 01 #17 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes. 18. The operations management transformation process in a manufacturing firm is <u>primarily</u> which of the following?

A. Physical

- B. Locational
- C. Exchange
- D. Storage
- E. Physiological

Transformation processes can be categorized as follows: Physical (as in manufacturing); Location (as in transportation); Exchange (as in retailing); Storage (as in warehousing); Physiological (as in health care).

Chapter - Chapter 01 #18 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

19. The operations management transformation process in retailing is <u>primarily</u> which of the following?
A. Physical
B. Locational
C. Exchange
D. Storage
E. Physiological

Transformation processes can be categorized as follows: Physical (as in manufacturing); Location (as in transportation); Exchange (as in retailing); Storage (as in warehousing); Physiological (as in health care).

Chapter - Chapter 01 #19 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

20. The operations management transformation process in the trucking industry is <u>primarily</u> which of the following?

- A. Physical
- **<u>B.</u>** Locational
- C. Exchange
- D. Physiological
- E. Storage

Transformation processes can be categorized as follows: Physical (as in manufacturing); Location (as in transportation); Exchange (as in retailing); Storage (as in warehousing); Physiological (as in health care).

Chapter - Chapter 01 #20 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes. 21. Match the transformations of 1) exchange, 2) physical, 3) physiological, and 4) storage with their respective examples given below (remember the order is given by the above sequence).

(1) Exchange
 (2) Physical
 (3) Physiological
 (4) Storage
 (A) Manufacturing
 (B) Making a sick person well
 (C) Retailing
 (D) Warehousing
 A. 1)-C, 2)-A, 3)-D, 4)-B
 B. 1)-D, 2)-A, 3)-C, 4)-B
 C. 1)-A, 2)-B, 3)-D, 4)-C
 D. 1)-B, 2)-C, 3)-D, 4)-A
 E. 1)-C, 2)-A, 3)-B, 4)-D

Transformation processes can be categorized as follows: Physical (as in manufacturing); Location (as in transportation); Exchange (as in retailing); Storage (as in warehousing); Physiological (as in health care).

Chapter - Chapter 01 #21 Difficulty: Hard Learning Objective: 01-04 Describe transformation processes.

22. Which of the following process refers to the various ways that material can be moved?

- A. Manufacturing and service
- B. Intangible
- **<u>C.</u>** Logistics
- D. Distribution
- E. Tangible

Logistics processes are the various ways that material can he moved.

Chapter - Chapter 01 #22 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

- 23. Which of the following processes relates to warehouse functions?
- A. Manufacturing and service
- B. Intangible
- C. Logistics
- **D.** Distribution
- E. Tangible

Distribution processes relate to warehouse functions. These involve the storage of material, how material is picked and packed for delivery, and methods for moving material around in the warehouse.

Chapter - Chapter 01 #23 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

- 24. Which of the following are involved with the actual production of goods and services?
- A. Manufacturing and service
- B. Intangible
- C. Logistics
- D. Distribution
- E. Tangible

The manufacturing and service processes are involved with the actual production of the goods and services desired by different types of customers.

Chapter - Chapter 01 #24 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

- 25. Which is not true regarding the differences between goods and services?
- A. Services are generally produced and consumed simultaneously, tangible goods are not.
- B. Services tend to be more knowledge based than products.
- C. Services tend to have a more inconsistent product definition than goods.
- **D.** Goods tend to have higher customer interaction than services.

E. None of the choices are correct.

Service requires some degree of interaction with the customer for it to be a service. Goods are generally produced in a facility separate from the customer.

26. What type of process are services typically associated with?

- A. Tangible
- **B.** Intangible
- C. Direct
- D. Indirect
- E. Bundles

A service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions.

Chapter - Chapter 01 #26 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

- 27. Service process is typically referred to as \_\_\_\_\_\_ whereas a good is typically referred to as \_\_\_\_\_\_.
- A. intangible, direct
- B. high customer interaction, low customer interaction
- C. Intangible, Tangible
- D. high variability, low variability
- E. Tangible, Intangible

A service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions.

Chapter - Chapter 01 #27 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

- 28. Which of the following distinguishes services from goods?
- A. Level of tangibility
- B. Level of intangibility
- C. Production and consumption
- **D.** Customer interaction
- E. Inventory level

Service requires some degree of interaction with the customer for it to be a service. Goods are generally produced in a facility separate from the customer.

Chapter - Chapter 01 #28 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes. 29. One of the primary differences between services and goods is that goods can be \_\_\_\_\_.

- A. designed
- B. transformed
- C. specific
- D. measured for productivity
- **<u>E.</u>** inventoried

Services as a process are perishable and time dependent and, unlike goods, they can't be stored (inventoried).

Chapter - Chapter 01 #29 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

30. Which of the following is <u>not</u> a characteristic that distinguishes services from goods?

- <u>A.</u> Service jobs are unskilled.
- B. A service is intangible.
- C. Services are perishable.
- D. Services are heterogeneous.
- E. None of the above.

Many service jobs are highly skilled such as physician, attorney, airline pilot, OSCM instructor, etc. The characteristics that distinguish goods from services are:

- 1. Tangibility,
- 2. Interaction with the customer,
- 3. Services are heterogeneous,
- 4. Services are perishable and time dependent, and,

5. Service Quality Measurement is subjective as it is based on the customer's opinion, whereas goods can be measured for quality against objective criteria.

Chapter - Chapter 01 #30 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

- 31. Operations and supply chain processes are not categorized as
- A. Planning
- B. Return
- C. Delivery
- **D.** Selecting
- E. Making

Operations and supply chain processes can be conveniently categorized as planning, sourcing, making, delivering, and returning.
32. Pure goods industries, in order to differentiate, are adding some services to their operation. What is this process called?

- A. Process differentiation
- **<u>B.</u>** Value-added services
- C. Broadening
- D. Process expansion
- E. Service adoption

Pure goods industries, such as those producing common chemicals, have become low margin commodity businesses, and in order to differentiate, they are often adding some services (called value-added services).

Chapter - Chapter 01 #32 Difficulty: Hard Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

33. Which of the following best describes the concept of "value-added services"?

- A. An auto manufacturer offering more options in their vehicles
- B. A phone company offering lower rates during evening hours
- C. A hospital offering to pick-up patients at their homes

D. A cab company guaranteeing they will take the fastest route to a destination

E. A restaurant offering healthy choice menu options

A hospital offering to pick-up patients at their homes is a good example of 'value-added services', offering additional services to differentiate themselves from their competition.

Chapter - Chapter 01 #33 Difficulty: Hard Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

- 34. Which of the following is not a Pure Good?
- A. Food products
- **<u>B.</u>** Teaching
- C. Chemicals
- D. Book publishing
- E. Steel production

Pure goods industries include food products, chemicals, and book publishing, whereas pure services include teaching, medical advice, and financial consulting.

Chapter - Chapter 01 #34 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

- 35. Which of the following is <u>not</u> a Pure Service?
- A. Financial consulting
- B. Teaching
- C. Legal services
- D. Medical advice
- $\underline{\mathbf{E.}}$  Food products

Pure goods industries include food products, chemicals, and book publishing, whereas pure services include teaching, medical advice, **Error! Hyperlink reference not valid.**and financial consulting.

Chapter - Chapter 01 #35 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

36. As a nation's economy develops, it will shift from an agricultural base to which type of economic base?

- A. Food production based
- **<u>B.</u>** Service based
- C. Goods producing
- D. Automotive
- E. Tangible

As a nation's economy develops, it will shift from an agricultural base to a service based economy!

Chapter - Chapter 01 #36 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

37. Business in Canada evolved from \_\_\_\_\_.
A. an agricultural base **B.** commodity-based colony
C. oil discoveries
D. its technological base
E. a manufacturing base

Unlike the United States, which evolved from an agricultural base, business in Canada began as a commodity-based colony.

Chapter - Chapter 01 #37 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time. 38. The concept of 'Service quality and productivity' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

A. Late 1970's
B. Early 1980's
<u>C.</u> Mid 1980's
D. Early 1990's

E. Late 1990's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #38 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

39. Who developed the use of standardization in large-scale mass production using a moving assembly line?

- A. Frederick Winslow Taylor
- B. Frank Gilbreth
- C. Adam Smith
- D. Charles Babbage
- E. Henry Ford

Henry Ford developed the use of standardization in large-scale mass production using a moving assembly line.

Chapter - Chapter 01 #39 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

40. Frederick W. Taylor believed that \_\_\_\_\_.

- A. the scientific laws governed how much work a person could do each day
- B. the worker should have more control over his job
- C. for a worker to be efficient he (she) should always be busy
- D. each person should dictate how much work they could do in a day
- E. management should rely on worker input when designing a process

In the early 1900s, Frederick W. Taylor developed principles of scientific management that applied scientific analysis to eliminating wasted effort from manual labour.

Chapter - Chapter 01 #40 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time. 41. The concept of 'Manufacturing strategy developed' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

<u>A.</u> Late 1970's

B. Early 1980's

C. Mid 1980's

D. Early 1990's

E. Late 1990's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #41 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

42. The concept of 'JIT production pioneered by the Japanese' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?
A. Late 1970's
B. Early 1980's
C. Mid 1980's
D. Early 1990's
E. Late 1990's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #42 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

43. The concept of 'TQM and Quality Certification programs' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?
A. Late 1970's
B. Early 1980's
C. Mid 1980's
D. Early 1990's
E. Late 1990's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #43 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time. 44. The concept of 'Six-Sigma Quality' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

A. Late 1970's
B. Early 1980's
C. Mid 1980's
D. Early 1990's
E. Late 1990's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #44 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

45. The concept of 'Supply Chain Management' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?
A. Late 1970's
B. Early 1980's
C. Mid 1980's
D. Early 1990's

**E.** Late 1990's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #45 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

46. The concept of 'Business Process Reengineering (BPR)' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?
A. Late 1970's
B. Early 1980's
C. Mid 1980's
D. Early 1990's
E. Late 1990's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #46 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time. 47. The concept of 'Electronic Commerce' aligns with which of the following eras in the Timeline Depicting When Major OSCM Concepts became Popular?

A. Late 1970's
B. Early 1980's
C. Mid 1980's
D. Early 1990's
E. Early 2000's

See "Timeline Depicting When Major OSCM Concepts became Popular" exhibit.

Chapter - Chapter 01 #47 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

48. Which of the following aspects of Ford's moving assembly line were critical to its success?

- A. Processes
- B. Quality
- C. On-time delivery
- D. People
- E. All of the above were critical aspects of success

See article on Lean Manufacturing, JIT & TQC for article on Henry Ford developing an assembly line to make the Model-T that hi-lights the critical nature of quality, on-time delivery, consistently good components, processes, and the best people.

Chapter - Chapter 01 #48 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

49. What was the primary reason for Canada's and the U.S's. manufacturing prosperity following World War II?

- A. Availability of materials
- B. Availability of workers
- C. Proximity to markets
- **D.** Lack of international competition
- E. Technology

After World War II, Canada and the U.S. prospered because they were among the few industrialized countries whose infrastructure had not been destroyed. However, this had some negative consequences for operations. The high demand and the lack of international competition meant that companies did not think about operations strategically or as a competitive weapon.

- 50. Today, companies view operations and supply management as \_\_\_\_\_.
- A. a non-functional area of business
- B. a function that is primarily driven by marketing
- C. a function that is primarily driven by seeking the lowest price
- **<u>D.</u>** a competitive weapon
- E. a non-competitive factor of business

Today, companies view operations and supply management as a competitive weapon.

Chapter - Chapter 01 #50 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

51. Today, many experts emphasize that Canada should focus on what aspects of operations and supply chain management?

- A. Mass production and high volume
- **<u>B.</u>** Innovation and value-added goods and services
- C. Mass customization and low volume
- D. Importing high tech items
- E. Importing more than they are exporting

Many experts emphasize that Canada should focus on innovative and value-added goods and services to alleviate concerns about Canadians' apparent reliance on raw materials, improving productivity, quality in manufacturing, and government protectionist policy.

Chapter - Chapter 01 #51 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

52. Which of the following is not a current issue in global operations and supply chain management?

- A. Outsourcing of parts and services
- B. Optimizing supplier networks
- C. Decreasing the value-added component of goods and services
- D. Increased coproduction of goods and services
- E. Managing customer service points

Decreasing the value-added component of goods and services is not a current issue in OSCM, but increasing the value-added component would be.

- 53. Which of the following is not a current issue in global operations and supply chain management?
- A. Corporate responsibility in supply chains
- B. Taking more environmental responsibility
- C. Increasing the value-added component of goods and services
- **D.** Decreased coproduction of goods and services
- E. Raising senior management awareness of operations as a competitive weapon

The following are current issues in global operations and supply chain management? Outsourcing of parts and services; Optimizing supplier networks; Corporate responsibility in supply chains; Taking more environmental responsibility (Triple Bottom Line); Increasing the value-added component of goods and services; Increased co-production of goods and services; Raising senior management awareness of operations as a competitive weapon.

Chapter - Chapter 01 #53 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

54. Which of the following factors aligns with the concept of sustainability in business?

- A. Use of more recycled material
- B. Environmentally friendly production
- C. Redesigning products
- D. ISO14000 certification
- E. All of the above align with the environmental concept

Sustainability is the ability to meet current resource needs without compromising the ability of future generations to meet their needs. It is clear consumers expect companies to significantly reduce their environmental footprint. This could involve using more recycled material, more environmentally friendly production and service processes, redesigning products, and processes to use less, or even eliminate, toxic processes. Many companies in so-called "dirty" industries such as oil, mining, and power generation are in the process of becoming more environmentally friendly, including attaining ISO 14000 environmental standards certification.

Chapter - Chapter 01 #54 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

55. Efficiency means doing the right things to create the most value for the company. **FALSE** 

Efficiency means doing something at the lowest possible cost.

### 56. Effectiveness means doing the right things to create the most value for the company. **TRUE**

Effectiveness means doing the right things to create the most value for the company.

Chapter - Chapter 01 #56 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

57. A doctor completes a surgical procedure on a patient without error. The patient dies anyway. In operations management terms, we could refer to this doctor as being efficient but not effective. **TRUE** 

Efficiency means doing something at the lowest possible cost. Effectiveness means doing the right things to create the most value. The doctor performed the surgery without error. Because the patient died, no value was created.

Chapter - Chapter 01 #57 Difficulty: Medium Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

58. A worker can be efficient without being effective. **TRUE** 

Efficiency means doing something at the lowest possible cost. Effectiveness means doing the right things to create the most value. These are different things.

Chapter - Chapter 01 #58 Difficulty: Medium Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

59. A process can be effective without being efficient.

#### <u>TRUE</u>

Often, maximizing effectiveness and efficiency at the same time creates conflict between the two goals. "Being efficient" at the customer service counter at a local store or bank means using the smallest number of clerks possible at the counter. Being effective, though, means minimizing the amount of time customers need to wait in line.

60. Operations and supply chain management is defined as the design, operation, and improvement of the systems that create and deliver the firm's primary products and services. **TRUE** 

Operations and supply chain management is defined as the design, operation, and improvement of the systems that create and deliver the firm's primary products and services.

Chapter - Chapter 01 #60 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management.

61. The term "value" refers to the relationship between quality and the price paid by the consumer. **TRUE** 

Related to efficiency and effectiveness is the concept of value, which can be metaphorically defined as quality divided by price.

Chapter - Chapter 01 #61 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

62. Operations and supply chain management is a functional area of business with clear line-management responsibilities. **TRUE** 

Operations and supply chain management is a functional area of business with clear line-management responsibilities.

Chapter - Chapter 01 #62 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management. 63. Because the text states that "At the most fundamental level, operations and supply chain management is about getting the day-to-day work done quickly, efficiently, without errors, and at low cost." there is little in the field of operations and supply management that relates to overall corporate strategy. FALSE

At the most fundamental level, operations and supply chain management is about getting the day-to-day work done quickly, efficiently, without errors, and at low cost. When we use the term "operations and supply chain management," we are referring to this integrated system that starts and ends at the customer, but in between coordinates the purchase of material from suppliers, performs the transformation process, and executes the distribution to the customers. It has everything to do with corporate strategy.

Chapter - Chapter 01 #63 Difficulty: Medium Learning Objective: 01-01 Define operations and supply chain management.

64. Producing a product such as a cell phone is an operations function, whereas providing a service such as cellular phone account is not.

#### FALSE

Operations refers to manufacturing and service processes that are used to transform the resources employed by a firm into products desired by customers.

Chapter - Chapter 01 #64 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management.

65. Operations and supply chain management is concerned with managing the internal transformation process but is not concerned with dealer or distribution networks. FALSE

Operations refers to manufacturing and service processes that are used to transform the resources employed by a firm into products desired by customers. Supply chain management refers to processes that move information and material to and from the manufacturing and service processes of the firm. Supply chain management refers to providing products and service to plants and warehouses at the input end and also to the supply of products and service to the customer on the output end of the supply chain.

Chapter - Chapter 01 #65 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management. 66. There is a growing recognition that OSCM functions aren't limited to the production line, but are applicable to other areas in a variety of firms. <u>TRUE</u>

Operations in OSCM refers to manufacturing and service processes that are used to transform the resources employed by a firm into products desired by customers.

Chapter - Chapter 01 #66 Difficulty: Medium Learning Objective: 01-01 Define operations and supply chain management.

67. If an individual is interested in becoming an effective manager they need to have an understanding of the operations and supply chain management function. **TRUE** 

If you are interested in becoming a great manager, the topics in this book are important for achieving this goal. Whether the economy is booming or in a recession, delivering a firm's goods and services in the most effective manner is critical to its survival.

Chapter - Chapter 01 #67 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

68. Central to the concept of operations and supply chain management is that knowledge of OSCM functions are useful in areas such as medicine or accounting. **TRUE** 

Operations in OSCM refers to manufacturing and service processes that are used to transform the resources employed by a firm into products desired by customers.

Chapter - Chapter 01 #68 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management. 69. At the most fundamental level operations and supply chain management is about getting work done quickly and efficiently. **TRUE** 

#### At the most fundamental level, operations and supply chain management is about getting the day-to-day work done quickly, efficiently, without errors, and at low cost.

Chapter - Chapter 01 #69 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management.

70. The term "Operations" refers to the processes that are used to transform resources into goods and services. **TRUE** 

Operations refers to manufacturing and service processes that are used to transform the resources employed by a firm into products desired by customers.

Chapter - Chapter 01 #70 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management.

71. The term "Supply" refers to how materials and services are moved to and from the transformation process. **TRUE** 

"Supply" refers to how materials and services are moved to (inbound) and from (outbound) those transformation processes.

Chapter - Chapter 01 #71 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management.

72. The term operations and supply chain management refers to an integrated system that extends from the purchase of material from suppliers, through to the supply of products and services where they can be purchased by the customer.

#### **TRUE**

When we use the term "operations and supply chain management," we are referring to this integrated system that starts and ends at the customer, but in between coordinates the purchase of material from suppliers, performs the transformation process, and executes the distribution to the customers.

### 73. All managers should understand the basic principles that guide the design of the transformation process. **TRUE**

All managers should understand the basic principles that guide the design of the transformation process.

Chapter - Chapter 01 #73 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

74. Operations and supply chain management is not critical to the success of a firm. **FALSE** 

Companies today have recognized how essential operations and supply chain management is to the success of the firm.

Chapter - Chapter 01 #74 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

75. Although planning involves determining how the various supply chain processes (sourcing, making, delivering, and returning) will be met, planning itself is not considered as a supply chain process. **FALSE** 

Operations and supply chain processes can be conveniently categorized as planning, sourcing, making, delivering, and returning.

Chapter - Chapter 01 #75 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-01 Define operations and supply chain management.

76. Innovations in the field of operations are relatively reliable and low cost. **TRUE** 

Compared with most of the other ways managers try to stimulate growth—technology investments, acquisitions, and major market campaigns, for example—innovations in operations are relatively reliable and low cost.

77. A business education is incomplete without an understanding of modern approaches to managing operations. **TRUE** 

A business education is incomplete without an understanding of modern approaches to managing operations.

Chapter - Chapter 01 #77 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

78. Operations and supply chain management provides a systematic way at looking at organizational processes. **TRUE** 

Operations and supply chain management provides a systematic way of looking at organizational processes. OSCM uses analytical thinking to deal with real-world problems.

Chapter - Chapter 01 #78 Difficulty: Medium Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.

79. The field of operations and supply chain management presents a very limited range of interesting career opportunities.

#### FALSE

On the contrary, operations and supply chain management presents interesting career opportunities. These can be in direct supervision of operations or in staff positions in OSCM specialties, such as supply chain management, purchasing, and quality assurance. In addition, consulting firms regularly recruit individuals with strong OSCM capabilities to work in such areas as process reengineering and enterprise resource planning systems.

Chapter - Chapter 01 #79 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

80. The concepts and tools of operations and supply chain management are not widely used in managing other functions of business. **FALSE** 

The concepts and tools of OSCM are widely used in managing other functions of a business. Employees must know how operations work to effectively perform their jobs.

### 81. Today the operations function is seen as essential to firm competitiveness. **TRUE**

Chapter details numerous areas where OSCM improves a firm's competitiveness, by increasing efficiency and effectiveness, improving value, to name a few.

Chapter - Chapter 01 #81 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

82. Operations management as a discipline has yet to address the problems of services companies. **FALSE** 

The text reveals that managing a service is actually more challenging in many cases, emphasizing the importance of operations management for services.

Chapter - Chapter 01 #82 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

83. Transformation processes are used in all types of businesses. **TRUE** 

Transformation processes are used in all types of businesses. A transformation process uses resources to convert inputs into some desired output. Inputs may be raw material, a customer, or a finished product from another system.

Chapter - Chapter 01 #83 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

84. Transformation processes are used primarily in manufacturing businesses. **FALSE** 

Transformation processes are used in all types of businesses. A transformation process uses resources to convert inputs into some desired output. Inputs may be raw material, a customer, or a finished product from another system.

Chapter - Chapter 01 #84 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes. 85. A transformation process uses resources to convert outputs into some desired input. **FALSE** 

Transformation processes are used in all types of businesses. A transformation process uses resources to convert inputs into some desired output. Inputs may be raw material, a customer, or a finished product from another system.

Chapter - Chapter 01 #85 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

86. Manufacturing OSCM transformations are referred to as physical transformations. **TRUE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #86 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

87. Transportation OSCM transformations are referred to as physical transformations. **FALSE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #87 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

88. Transportation OSCM transformations are referred to as locational transformations. **TRUE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #88 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes. 89. Manufacturing OSCM transformations are referred to as physiological transformations. **FALSE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #89 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

90. Retailing OSCM transformations are referred to as physiological transformations. **FALSE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #90 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

91. Retailing OSCM transformations are referred to as exchange transformations. **TRUE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #91 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

92. Warehousing OSCM transformations are referred to as storage transformations. **TRUE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #92 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes. 93. Warehousing OSCM transformations are referred to as exchange transformations. **FALSE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #93 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

94. Health care OSCM transformations are referred to as storage transformations. **FALSE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #94 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

95. Health care OSCM transformations are referred to as physiological transformations. **TRUE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #95 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

96. Telecommunications OSCM transformations are referred to as exchange transformations. **FALSE** 

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #96 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

## 97. Telecommunications OSCM transformations are referred to as informational transformations. **TRUE**

OSCM transformation processes can be categorized as Physical (as in manufacturing), Location (as in transportation), Exchange (as in retailing), Storage (as in warehousing), and Physiological (as in health care).

Chapter - Chapter 01 #97 Difficulty: Medium Learning Objective: 01-04 Describe transformation processes.

98. Best practices/best processes depend on such factors as volume, cost, and speed of delivery. **TRUE** 

Companies strive to learn the "best way" to perform each task, and these are often referred to as best practices. The best process will depend on such factors as volume, cost, and speed of delivery.

Chapter - Chapter 01 #98 Difficulty: Medium Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

99. Logistics process identifies the various ways that material can be moved. **TRUE** 

Logistics processes are the various ways that material can be moved. A variety of approaches is available, from the use of ships, trucks, and airplanes to the hand delivery of goods. Often combinations are used.

Chapter - Chapter 01 #99 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.

100. Distribution processes relate to warehouse functions. **TRUE** 

Distribution processes relate to warehouse functions. These involve the storage of material, how material is picked and packed for delivery, and methods for moving material around in the warehouse.

Chapter - Chapter 01 #100 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes. 101. Manufacturing and service processes are involved with the actual production of the goods and services desired by customers. **TRUE** 

The manufacturing and service processes are involved with the actual production of the goods and services desired by different types of customers.

Chapter - Chapter 01 #101 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

102. Logistics processes are related to warehouse functions. **FALSE** 

Logistics processes are the various ways that material can be moved and distribution processes relate to warehouse functions.

Chapter - Chapter 01 #102 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

103. Distribution processes are involved with the actual production of the goods and services desired by customers.

#### FALSE

The manufacturing and service processes are involved with the actual production of the goods and services desired by different types of customers and distribution processes relate to warehouse functions.

Chapter - Chapter 01 #103 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

104. Manufacturing and service processes are involved with moving material. **FALSE** 

The manufacturing and service processes are involved with the actual production of the goods and services desired by different types of customers.

Chapter - Chapter 01 #104 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

### 105. The transformation process is the actual conversion of inputs into outputs. **TRUE**

A transformation process uses resources to convert inputs into some desired output.

Chapter - Chapter 01 #105 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-04 Describe transformation processes.

106. A service is an intangible process that cannot be weighed or measured. **TRUE** 

A service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions.

Chapter - Chapter 01 #106 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

107. A good is an intangible process that cannot be weighed or measured. **FALSE** 

A service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions.

Chapter - Chapter 01 #107 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

108. A good is a tangible output of a process that has physical dimensions.  $\underline{\text{TRUE}}$ 

A service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions.

Chapter - Chapter 01 #108 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes. 109. A good is an intangible output of a process that has physical dimensions. **FALSE** 

A service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions.

Chapter - Chapter 01 #109 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

110. Service requires some degree of interaction with the customer for it to be a service. **TRUE** 

Service requires some degree of interaction with the customer for it to be a service. The interaction may be brief, but often it must exist for the service to be complete.

Chapter - Chapter 01 #110 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

111. Services are usually produced in one location and consumed by the customer in a different location. **FALSE** 

Service requires some degree of interaction with the customer for it to be a service. Where face-to-face service is required, the service facility must be designed to handle the customer's presence, and the staff should have a technical understanding combined with strong interpersonal skills.

Chapter - Chapter 01 #111 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

112. Goods are usually produced in a facility separate from the customer.  $\underline{\text{TRUE}}$ 

Goods are generally produced in a facility separate from the customer. They can be produced to meet very tight specifications day in and day out, with essentially zero variability. In cases where a defective good is produced, it can be reworked or scrapped before the customer receives it.

113. Services vary from day to day and even hour to hour as a function of the attitudes of the customer and the servers.

#### <u>TRUE</u>

Services are inherently heterogeneous—they vary from day to day and even hour to hour as a function of the attitudes of the customer and the servers.

Chapter - Chapter 01 #113 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

114. Services tend to be consistent and do not vary from day to day and even hour to hour as a function of the attitudes of the customer and the servers. **FALSE** 

Services are inherently heterogeneous—they vary from day to day and even hour to hour as a function of the attitudes of the customer and the servers.

Chapter - Chapter 01 #114 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

115. Goods can be produced to meet tight specifications from day to day and even hour to hour with essentially zero variability. **TRUE** 

Goods can be produced to meet very tight specifications day in and day out, with essentially zero variability.

Chapter - Chapter 01 #115 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

116. Services as a process are perishable and time dependant. **TRUE** 

Services as a process are perishable and time dependent and, unlike goods, they can't be stored (inventoried).

117. Other issues that managers will have to address when dealing with global operations include the issue of ethics.

#### <u>TRUE</u>

Other issues that managers will have to address when dealing with global operations includes the issue of ethics. For example, do we locate a facility in one country as opposed to another because the former has less stringent product labelling laws, leading to lower product cost? Or do we maintain high ethical standards, globally?

Chapter - Chapter 01 #117 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

118. Most product offerings are a combination of goods and services. **TRUE** 

Almost any product offering is a combination of goods and services.

Chapter - Chapter 01 #118 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

119. Pure goods industries have value-added services to improve their competitiveness and increase margins. **TRUE** 

Pure goods industries, such as those producing common chemicals, have become low margin commodity businesses, and in order to differentiate, they are often adding some services (called value-added services).

Chapter - Chapter 01 #119 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

120. Core goods producers are adding services as a significant component of their business. **TRUE** 

Core goods providers already provide a significant service component as part of their businesses.

Chapter - Chapter 01 #120 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

## 121. The Goods-Services continuum extends from Pure Goods through to Pure Services. **TRUE**

The Goods-Services continuum extends from "pure goods" to "pure services." It captures the main focus of the business and runs from firms that just produce goods to those that only provide services.

Chapter - Chapter 01 #121 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

122. The Goods-Services continuum extends from Pure Goods through to Core Goods. **FALSE** 

The Goods-Services continuum extends from "pure goods" to "pure services." It captures the main focus of the business and runs from firms that just produce goods to those that only provide services.

Chapter - Chapter 01 #122 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

123. The Goods-Services continuum extends from Core Services through to Pure Services. **FALSE** 

The Goods-Services continuum extends from "pure goods" to "pure services." It captures the main focus of the business and runs from firms that just produce goods to those that only provide services.

Chapter - Chapter 01 #123 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

124. An example of a core service provider integrating tangible goods into their business would be a cable television company offering high-definition cable boxes. <u>TRUE</u>

Core service providers must integrate tangible goods. For example, your cable television company must provide cable hookup and repair services and also high-definition cable boxes.

125. An example of a core goods provider integrating a service component into their business would be an automobile manufacturer providing spare parts distribution to support their dealers. **TRUE** 

Core goods providers already provide a significant service component as part of their businesses. For example, automobile manufacturers provide extensive spare parts distribution services to support repair centres at dealers.

Chapter - Chapter 01 #125 Difficulty: Medium Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

126. In Canada the majority of the work force is employed in service as opposed to being employed in manufacturing. **TRUE** 

As of 2011, about 78% of the Canadian workforce is employed in services with approximately 10% employed in manufacturing, 7% in construction, and less than 2% in each of agriculture and natural resources.

Chapter - Chapter 01 #126 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

127. In Canada the majority of the work force is employed in manufacturing as opposed to being employed in service.

#### FALSE

As of 2011, about 78% of the Canadian workforce is employed in services with approximately 10% employed in manufacturing, 7% in construction, and less than 2% in each of agriculture and natural resources.

Chapter - Chapter 01 #127 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes. 128. In Canada there has been a shift in the workforce profile, whereas now there are more people employed in services than there were one hundred years ago. <u>TRUE</u>

As of 2011, about 78% of the Canadian workforce is employed in services with approximately 10% employed in manufacturing, 7% in construction, and less than 2% in each of agriculture and natural resources. This is a vast change from one hundred years ago when manufacturing and agriculture dominated our economy.

Chapter - Chapter 01 #128 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

129. In developing countries, there is a smaller proportion of people employed in services. **TRUE** 

As of 2011, about 78% of the Canadian workforce is employed in services with approximately 10% employed in manufacturing, 7% in construction, and less than 2% in each of agriculture and natural resources. However, in a developing nation such as China, only about 35 percent of the workforce is employed in services. Fifty percent of the workforce is still employed in agriculture.

Chapter - Chapter 01 #129 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.

130. Business in Canada began from a commodity-based economic system. **TRUE** 

Unlike the United States, which evolved from an agricultural base, business in Canada began as a commodity-based colony.

Chapter - Chapter 01 #130 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

131. Business in Canada began from an agricultural-based economic system. **FALSE** 

Unlike the United States, which evolved from an agricultural base, business in Canada began as a commodity-based colony.

132. Frederick W. Taylor developed principles of scientific management that applied scientific analysis to eliminating wasted effort from manual labour. <u>TRUE</u>

In the early 1900s, Frederick W. Taylor developed principles of scientific management that applied scientific analysis to eliminating wasted effort from manual labour.

Chapter - Chapter 01 #132 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

133. The idea of supply chain management is to apply an individual approach to independently manage the flow of information, materials, and services. **FALSE** 

The central idea of supply chain management is to apply a total system approach to managing the flow of information, materials, and services from raw material suppliers through factories and warehouses to the end customer.

Chapter - Chapter 01 #133 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

134. The term electronic commerce refers to the use of the Internet as an essential element of business activity. **TRUE** 

The term electronic commerce refers to the use of the Internet as an essential element of business activity.

Chapter - Chapter 01 #134 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

135. Business Analytics involves similar industries working together to better solve business problems. **FALSE** 

Business Analytics involves the analysis of data to better solve business problems. What is new is the reality that so much more data is now captured and available for decision making analysis than was available in the past.

## 136. The era of the late 1970's and early 1980's saw the concept of quality control begin to be widely adopted. **FALSE**

The exhibit shows that manufacturing strategy paradigm was developed in the late 1970's and early 1980's. Central to this thinking was the notion of factory focus and manufacturing trade-offs.

Chapter - Chapter 01 #136 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

137. The era of the early 1970's saw the concept of Six-Sigma Quality begin to be adopted. **FALSE** 

Originally developed in the 1980s as part of total quality management, six-sigma quality in the 1990s saw a dramatic expansion as an extensive set of diagnostic tools was developed.

Chapter - Chapter 01 #137 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

138. The era of the early 1980's shows that JIT production was pioneered by the Japanese. **TRUE** 

The 1980s saw a revolution in the management philosophies and technologies by which production is carried out. Just-in-time (JIT) production, pioneered by the Japanese, was the major breakthrough in manufacturing philosophy.

Chapter - Chapter 01 #138 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

139. Unlike the United States, which evolved from an agricultural base, business in Canada began with commodity-based trading. **TRUE** 

Unlike the United States, which evolved from an agricultural base, business in Canada began as a commodity-based colony. Fish, fur, and forests were harvested, then shipped back to France or the U.K. Manufacturing as we know it today did not exist.

## 140. Business Process Reengineering began in the late 1990's. **TRUE**

Supply Chain Management and Business Process Reengineering began in the late 1990's.

Chapter - Chapter 01 #140 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

141. The flavour of business process re-engineering (BPR) is conveyed in the title "Reengineering Work: Automate, then Obliterate." FALSE

The flavour of business process re-engineering (BPR) is conveyed in the title of Michael Hammer's influential article in Harvard Business Review: "Reengineering Work: Don't Automate, Obliterate."

Chapter - Chapter 01 #141 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

142. Business process re-engineering (BPR) seeks to make evolutionary changes as opposed to revolutionary changes.

#### **FALSE**

BPR seeks to make revolutionary changes as opposed to evolutionary changes (which are commonly advocated in TQM).

Chapter - Chapter 01 #142 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

143. Six-sigma quality tools have been taught to managers as part of "Green and Black Belt Programs." **TRUE** 

Six-sigma quality in the 1990s saw a dramatic expansion as an extensive set of diagnostic tools was developed. These tools have been taught to managers as part of "Green and Black Belt Programs" at many corporations.

Chapter - Chapter 01 #143 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time. 144. Six-sigma quality tools are applied to manufacturing applications, but not to nonmanufacturing processes such as accounts receivable, sales, and research and development. **FALSE** 

Six-sigma quality tools are now applied not only to the well-known manufacturing applications, but also to nonmanufacturing processes such as accounts receivable, sales, and research and development.

Chapter - Chapter 01 #144 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

145. Just-In-Time (JIT) coupled with total quality control (TQC) is now a cornerstone in many manufacturers' production practices. **TRUE** 

JIT is an integrated set of activities designed to achieve high-volume production using minimal inventories of parts that arrive at the workstation exactly when they are needed. The philosophy—coupled with total quality control (TQC), which aggressively seeks to eliminate causes of production defects—is now a cornerstone in many manufacturers' production practices.

Chapter - Chapter 01 #145 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

146. JIT is an integrated set of activities designed to achieve high-volume production using minimal inventories of parts that arrive at the workstation exactly when they are needed. **TRUE** 

Pioneered by the Japanese, JIT is an integrated set of activities designed to achieve high-volume production using minimal inventories of parts that arrive at the workstation exactly when they are needed.

Chapter - Chapter 01 #146 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

147. Just-in-time (JIT) production was the major breakthrough in manufacturing philosophy in the 1980's. **TRUE** 

The 1980s saw a revolution in the management philosophies and technologies by which production is carried out. Just-in-time (JIT) production was the major breakthrough in manufacturing philosophy.

# 148. Central to the manufacturing strategy paradigm was the notion of factory focus and manufacturing trade-offs. **TRUE**

# The late 1970s and early 1980s saw the development of the manufacturing strategy paradigm, emphasizing how manufacturing executives could use their factories' capabilities as strategic competitive weapons. Central to this was the notion of factory focus and manufacturing trade-offs.

Chapter - Chapter 01 #148 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

149. Because a factory cannot excel on all performance measures, management must devise a focused strategy, creating a focused factory that performs a limited set of tasks extremely well. **TRUE** 

The late 1970s and early 1980s saw the development of the manufacturing strategy paradigm, emphasizing how manufacturing executives could use their factories' capabilities as strategic competitive weapons. Central to this was the notion of factory focus and manufacturing trade-offs.

Chapter - Chapter 01 #149 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

150. JIT is a set of activities designed to achieve low-volume production using minimal inventories of parts that arrive at the workstation as soon as they are ordered. **FALSE** 

Pioneered by the Japanese, JIT is an integrated set of activities designed to achieve high-volume production using minimal inventories of parts that arrive at the workstation exactly when they are needed.

Chapter - Chapter 01 #150 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

151. On-time delivery was not critical for Ford in the early days. **FALSE** 

On-time delivery was critical for Ford in the early days; the desire to keep workers and machines busy with materials flowing constantly made scheduling critical.

152. Quality was not a critical prerequisite for Ford in the early days. **FALSE** 

Quality was a critical prerequisite for Ford: The line could not run steadily at speed without consistently good components.

Chapter - Chapter 01 #152 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

153. As far back as the 1960's it was suggested that companies should place strategic emphasis on operations. **TRUE** 

Wickham Skinner of the Harvard Business School suggested in the late 1960s that companies should place strategic emphasis on operations.

Chapter - Chapter 01 #153 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

154. Companies also recognize the importance of corporate responsibility, not only within their own organizations, but also in their supply chains. **TRUE** 

Companies are also recognizing the importance of corporate responsibility, not only within their own organizations, but also in their supply chains. This helps ensure that companies that the organization deals with in the supply chain, especially in developing countries, follow environmentally conscious practices, offer acceptable working conditions, and respect human rights in issues such as child labour.

Chapter - Chapter 01 #154 Copy of Level: Easy Difficulty: Easy Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

155. The triple bottom line evaluates organizational performance on economic, environmental, and social criteria. **TRUE** 

The triple bottom line evaluates organizational performance on economic, environmental, and social criteria.

156. Many experts agree that Canada, specifically Canadian business operations, should focus on innovation and value-added goods and services. **TRUE** 

Many experts emphasize that Canada should focus on innovative and value-added goods and services to alleviate concerns about Canadians' apparent reliance on raw materials, improving productivity, quality in manufacturing, and government protectionist policy.

Chapter - Chapter 01 #156 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

157. Many experts agree that Canada, specifically Canadian business operations, should focus on commodities and mass production as their niche in the global marketplace. **FALSE** 

Many experts emphasize that Canada should focus on innovative and value-added goods and services to alleviate concerns about Canadians' apparent reliance on raw materials, improving productivity, quality in manufacturing, and government protectionist policy.

Chapter - Chapter 01 #157 Difficulty: Medium Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.

158. A recent trend in operations and supply management is the dramatic surge in the outsourcing of parts and services.

#### **TRUE**

Recently there has been a dramatic surge in the outsourcing of parts and services that had previously been produced internally. This has been encouraged by the availability of fast, inexpensive communications.

Chapter - Chapter 01 #158 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

159. Current trends in the field of operations and supply management are optimizing global supplier, production, and distribution networks. <u>TRUE</u>

Current trends in the field of operations and supply management are optimizing global supplier, production, and distribution networks.

### 160. The use of information sharing has seen an increase in the co-production of goods and services. **TRUE**

The Internet has opened new ways for the customer to interact directly with a firm, increasing the co-production of goods and services.

Chapter - Chapter 01 #160 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

161. Resource utilization decisions must include customer support personnel as a key component of operations and supply management. **TRUE** 

#### As companies strive to become super-efficient, they often scrimp on customer support personnel (and training) required to effectively staff service departments, help lines, and checkout counters.

Chapter - Chapter 01 #161 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

162. Raising senior management awareness of operations is not considered a significant competitive weapon. **FALSE** 

Raising senior management awareness of operations is a significant competitive weapon. Many senior executives entered the organization through finance, strategy, or marketing, and built their reputations on work in these areas. As a result, they often take operations for granted.

Chapter - Chapter 01 #162 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

## 163. It is clear that consumers expect companies to significantly reduce their environmental footprint. **TRUE**

Sustainability is the ability to meet current resource needs without compromising the ability of future generations to meet their needs. It is clear consumers expect companies to significantly reduce their environmental footprint.
164. Sustainability is the ability to meet current resource needs by compromising the ability of future generations to meet their needs. **FALSE** 

Sustainability is the ability to meet current resource needs without compromising the ability of future generations to meet their needs. It is clear consumers expect companies to significantly reduce their environmental footprint.

Chapter - Chapter 01 #164 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

165. The triple bottom line evaluates organizational performance on economic, environmental, and service capability criteria. **FALSE** 

The triple bottom line evaluates organizational performance on economic, environmental, and social criteria.

Chapter - Chapter 01 #165 Difficulty: Medium Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.

166. Discuss why knowledge of the operations and supply chain management function is critical to every manager.

Delivery of goods and services is critical to the survival of any business. Operations and supply chain management is about getting work done quickly, efficiently without error and at a low cost. It is through the timely, accurate and correct delivery of these products and services that determines a firm's success. The creation of products and services are core to any business. The higher level of understanding a manager has of the process, the better prepared they will be to manage and control. Regardless of the functional area of responsibility, a manager who understands the operations and supply function will be better prepared to make decisions that benefit of the entire organization.

Chapter - Chapter 01 #166

167. Discuss the concepts of efficiency, effectiveness and value.

Efficiency means doing something at the lowest possible cost. Effectiveness means doing the right things to create the most value for the company. Value is defined in the text as quality divided by price. Value is often more difficult to define. Value, and the perceived value of a product or service, is quite often different for each customer. What is deemed as value to one customer might not be of any value to the next customer. When we speak of value in operations and supply chain management quite often we are aiming at a moving target. This holds true in services more so than manufacturing.

Chapter - Chapter 01 #167

168. Discuss the transformation process and provide two different examples of transformation processes.

A transformation process uses resource inputs and converts them into some desired output. The output can be tangible as in goods, or intangible as in services. The transformation process is at the heart of all business operations. Examples of transformation processes are found in the text.

Chapter - Chapter 01 #168

169. Discuss the differences between goods and services.

Both goods and services use resource inputs in the creation of a desired output. Goods are primarily tangible, whereas services are intangible. With goods, they are primarily produced and consumed separate from each other. Services, on the other hand, are often produced and consumed at the same time. Quite often the customer is part of the transformation process in services. The text lists the essential differences between services and goods.

Chapter - Chapter 01 #169

170. Discuss any two of the current issues in operations and supply management as listed in the text.

- 1. Coordination of business relationships.
- 2. Optimizing global supplier, production and distribution networks.
- 3. Increased co-production of goods and services.
- 4. Managing customer service points.
- 5. Raising senior management awareness of operations as a competitive weapon.
- 6. Sustainability and the Triple Bottom Line.

Chapter - Chapter 01 #170

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## c1 Summary

<u>Category</u>	# of Questions
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Copy of Level: Easy	86
Difficulty: Easy	86
Difficulty: Hard	4
Difficulty: Medium	75
Learning Objective: 01-01 Define operations and supply chain management.	16
Learning Objective: 01-02 Evaluate why understanding operations and supply chain management is important to any manager.	14
Learning Objective: 01-03 Discuss the meaning of efficient and effective operations.	13
Learning Objective: 01-04 Describe transformation processes.	29
Learning Objective: 01-05 Contrast the differences between services and goods-producing processes.	38
Learning Objective: 01-06 Evaluate how operations and supply chain management developed over time.	40
Learning Objective: 01-07 Discuss important current challenges facing operations and supply chain management.	15