

## c1

*Student:* \_\_\_\_\_

1. As a service business, the operations management activities of an airline company have nothing in common with the operations management activities within a bicycle manufacturing company.

True False

2. Operations managers are responsible for managing systems that produce goods and/or provide services.

True False

3. Effectiveness refers to achieving intended goals whereas efficiency refers to minimizing cost and time.

True False

4. Operations, marketing, and finance function independently of each other in most organizations.

True False

5. The operations function exists only in firms that are goods-oriented.

True False

6. Operations management pertains almost exclusively to the management of manufacturing operations.

True False

7. Value-added refers to the cost of the inputs required to produce goods and services.

True False

8. As long as a product is ready in advance of when customers demand it, the timing of when a product is manufactured does not influence the value-added.

True False

9. Storing an item earlier than the scheduled delivery date is an example of a value adding activity.

True False

10. Management information systems (MIS) are concerned with providing management with the information it needs to effectively manage.

True False

11. Operations management involves both system design and system operations.

True False

12. System design decisions have very little impact on operations decisions.

True False

13. An example of a system operations decision is choice of location.

True False

14. The operations manager has primary responsibility for making operations system design decisions, such as system capacity and location of facilities.

True False

15. Design decisions are usually strategic and long term, while planning decisions are tactical and medium term, and execution and control are operational and short term.

True False

16. Managing inventory levels is considered an organizing operations management process.

True False

17. A basic difference between manufacturing and service organizations is that service is act-oriented and manufacturing is goods-oriented.

True False

18. Service involves a much higher degree of customer contact than manufacturing.

True False

19. Service often requires a higher labour content, whereas manufacturing is more capital intensive.

True False

20. Measurement of productivity in service is more straightforward than in manufacturing due to the high degree of uniformity of inputs.

True False

21. Models are simplified representations of something and thus ignore important aspects of a situation.

True False

22. Quantitative techniques are often quick and practical techniques for many decisions.

True False

23. A systems approach emphasizes interrelationships among subsystems, but its main theme is that the whole is greater than the sum of its individual parts.

True False

24. Queuing techniques are useful for analyzing situations in which waiting lines form.

True False

25. It is essential to use the systems approach when something is being designed, redesigned, implemented, improved, or otherwise changed.

True False

26. A systems approach is to concentrate on efficiency within a subsystem and thereby achieve overall efficiency.

True False

27. Many operations management decisions can be described as trade-offs.

True False

28. The Pareto phenomenon is one of the most important and pervasive concepts that can be applied at all levels of management.

True False

29. Operations managers, who usually use quantitative approaches, have no responsibility to make ethical decisions.

True False

30. Prior to the Industrial Revolution, goods were produced primarily by craftsmen or their apprentices using custom made parts.

True False

31. Frederick Taylor is often referred to as the "father of scientific management".

True False

32. The Human Relations Movement, which emphasized the importance of the human element in job design, was replaced by the more technical aspects of Scientific Management.

True False

33. Among Ford's many contributions was the introduction of mass production, using the concept of interchangeable parts and division of labour.

True False

34. The impact of globalization for manufacturing companies has reduced in recent years because of the increasing cost to ship goods to foreign markets.

True False

35. Operations management encompasses all of the following EXCEPT:

- A. process design
- B. capacity planning
- C. scheduling
- D. motivating employees
- E. preparing financial statements

36. Which of the following is a reason for studying operations management?

- A. Operations management activities are at the core of all business organizations.
- B. Activities in all of the other areas of business organizations, such as accounting and marketing are interrelated with operations management activities.
- C. Most of all jobs are in operations management-related areas, such areas as customer service, inventory management, and more.
- D. All of the choices (A, B, and C) are reasons.
- E. Only the first 2 choices (A and B) are reasons.

37. The three primary functions that exist in most business organizations are:

- A. manufacturing, production, and operations
- B. operations, marketing, and finance
- C. operations, accounting, and marketing
- D. operations, production, and finance
- E. none of the choices are correct

38. The three major functions of business organizations:

- A. perform different but related activities
- B. are related indirectly only
- C. must work together, but not very closely
- D. function independently of each other
- E. perform similar and related activities

39. Which of the following is not a type of service operations?

- A. retail trade
- B. transportation and warehousing
- C. fabricated metals
- D. banking
- E. hotels and restaurants

40. Measurements taken at various points in the transformation process for control purposes are called:

- A. plans
- B. directions
- C. controls
- D. feedback
- E. proposals

41. Measuring process outputs at various points in order to compare outputs to previously established standards to determine if corrective action is needed is called:

- A. planning and directing
- B. directing and conversion
- C. feedback and control
- D. controlling and leading
- E. leading and transformation

42. Value-added refers to:

- A. the cost of inputs
- B. the price of outputs
- C. the difference between cost of inputs and what customers are willing to pay
- D. the extra profit obtained from increased productivity
- E. all of the choices are correct

43. Economic analysis of investment proposals, and provision of funds are activities associated with the:

- A. operation function
- B. marketing function
- C. purchasing function
- D. finance function
- E. industrial engineering function

44. The marketing function's main concern is with:

- A. producing goods or providing services
- B. assessing customer wants and needs
- C. procuring materials, supplies, and equipment
- D. performing economic analysis of investment proposals
- E. securing monetary resources

45. Scheduling, execution and control decision are usually \_\_\_\_\_ and \_\_\_\_\_ term.

- A. strategic; long
- B. system design; medium
- C. forecasting; short
- D. operational; short
- E. operational; long

46. Which of the following does not relate to system design?

- A. system capacity
- B. location of facilities
- C. inventory management
- D. process design
- E. arrangement of departmental work flow

47. Tactical operational activities involve making decisions about all of the following EXCEPT:

- A. location of facilities
- B. scheduling
- C. material requirements planning
- D. project management
- E. inventory management

48. System capacity and location of facilities are examples of:

- A. financial decisions
- B. tactical decisions
- C. systems design decisions
- D. operational planning decisions
- E. forecasting decisions

49. The responsibilities of operations managers classified as planning activities are:

- A. inventory, production pace, quality and costs
- B. organizing departments, subcontracting, supplier contracts, and staffing
- C. forecasting, planning, organizing, and directing
- D. scheduling, job assignments, purchasing and logistics
- E. capacity, location, layout and mix of products

50. Which of the following responsibilities of operations managers is considered a directing activity rather than a planning or control activity?
- A. selecting production equipment
  - B. product mix decisions
  - C. scheduling workers
  - D. inventory management
  - E. layout of production facilities
51. Of the following, which aspect of the evolution of operations management is affiliated with Japanese manufacturing companies?
- A. Total quality management
  - B. Scientific management
  - C. The human relations movement
  - D. The Industrial Revolution
  - E. Craft production
52. Which is not a significant difference between manufacturing and service operations?
- A. cost per unit
  - B. uniformity of output
  - C. labour content of jobs
  - D. amount of customer contact
  - E. measurement of productivity
53. Which of the following is not a characteristic of service operations?
- A. intangible output
  - B. high customer contact
  - C. high labour content
  - D. easy measurement of productivity
  - E. low uniformity of output
54. The responsibilities of operations managers classified as controlling activities are:
- A. inventory, production pace, quality and costs
  - B. organizing departments, subcontracting, supplier contracts, and staffing
  - C. forecasting, planning, organizing, and directing
  - D. scheduling, job assignments, purchasing and logistics
  - E. capacity, location, layout and mix of products



55. Which of the following is not a general approach to decision-making?

- A. establishing priorities
- B. subjective approach
- C. analysis of trade-offs
- D. systems approach
- E. quantitative approaches

56. Which of the following is not a characteristic of models used to support decision making?

- A. They provide a simplified representation of real life.
- B. They ignore unimportant details, concentrating on the most important aspects of a situation.
- C. They may be based on mathematical representations or graphical schematics.
- D. They provide abstract representations of reality.
- E. They are limited to representations of objective quantitative factors.

57. Which of the following is not true about the systems approach?

- A. It is almost always beneficial in decision making.
- B. It emphasizes interrelationships among subsystems.
- C. It concentrates on efficiency within subsystems.
- D. It becomes essential whenever something is being redesigned or improved.
- E. The objectives of the whole take precedence over those of any one part.

58. Which is not a quantitative approach to problem solving?

- A. linear programming
- B. queuing techniques
- C. statistical techniques
- D. heuristics
- E. all of the choices are quantitative approaches.

59. Dealing with the fact that certain aspects of any management situation are more important than others is called:

- A. analysis of trade-offs
- B. sensitivity analysis
- C. establishing priorities
- D. analysis of variance
- E. decision analysis

60. The fact that improvements in a few key areas of operations will have more impact than many improvements in less significant areas is referred to as the \_\_\_\_\_.

- A. forecasting approach
- B. Pareto phenomenon
- C. productivity challenge
- D. analysis of trade-offs
- E. ethical dilemma

61. Which of the following developments related to the historical evolution of operations management is the oldest?

- A. The human relations movement advocated by Mayo, Maslow and Hertzberg
- B. The introduction of the moving assembly line by Henry Ford
- C. Scientific management principles espoused by Frederick Taylor
- D. The principle of division of labour documented in Adam Smith's book *The Wealth of Nations*
- E. The influence of Japanese management practices

62. Which of the following is not properly matched?

- A. Mathematical model for inventory management - Elton Mayo.
- B. Division of labour - Adam Smith
- C. Scientific Management - F. W. Taylor
- D. Motion study - Frank and Lillian Gilbreth
- E. Moving assembly line - Henry Ford

63. Which of the following is not a major trend influencing the strategies of manufacturing organizations?

- A. globalization
- B. the Internet and e-commerce
- C. introduction of mass production
- D. supply chain management
- E. technological advances

## c1 Key

1. As a service business, the operations management activities of an airline company have nothing in common with the operations management activities within a bicycle manufacturing company.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-01 Define the term operations management and identify operations management jobs.*

*Stevenson - Chapter 01 #1*

2. Operations managers are responsible for managing systems that produce goods and/or provide services.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-01 Define the term operations management and identify operations management jobs.*

*Stevenson - Chapter 01 #2*

3. Effectiveness refers to achieving intended goals whereas efficiency refers to minimizing cost and time.

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-01 Define the term operations management and identify operations management jobs.*

*Stevenson - Chapter 01 #3*

4. Operations, marketing, and finance function independently of each other in most organizations.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #4*

5. The operations function exists only in firms that are goods-oriented.

**FALSE**

*Difficulty: Easy*

*Learning Objective: 01-01 Define the term operations management and identify operations management jobs.*

*Stevenson - Chapter 01 #5*

6. Operations management pertains almost exclusively to the management of manufacturing operations.

**FALSE**

*Difficulty: Easy*

*Learning Objective: 01-01 Define the term operations management and identify operations management jobs.*

*Stevenson - Chapter 01 #6*

7. Value-added refers to the cost of the inputs required to produce goods and services.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-01 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #7*

8. As long as a product is ready in advance of when customers demand it, the timing of when a product is manufactured does not influence the value-added.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-01 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #8*

9. Storing an item earlier than the scheduled delivery date is an example of a value adding activity.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #9*

10. Management information systems (MIS) are concerned with providing management with the information it needs to effectively manage.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #10*

11. Operations management involves both system design and system operations.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #11*

12. System design decisions have very little impact on operations decisions.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #12*

13. An example of a system operations decision is choice of location.

**FALSE**

*Difficulty: Hard*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #13*

14. The operations manager has primary responsibility for making operations system design decisions, such as system capacity and location of facilities.

**FALSE**

*Difficulty: Hard*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #14*

15. Design decisions are usually strategic and long term, while planning decisions are tactical and medium term, and execution and control are operational and short term.

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #15*

16. Managing inventory levels is considered an organizing operations management process.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-05 Discuss the operations manager's job.*

*Stevenson - Chapter 01 #16*

17. A basic difference between manufacturing and service organizations is that service is act-oriented and manufacturing is goods-oriented.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-04 Compare goods versus services.*

*Stevenson - Chapter 01 #17*

18. Service involves a much higher degree of customer contact than manufacturing.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-04 Compare goods versus services.*

*Stevenson - Chapter 01 #18*

19. Service often requires a higher labour content, whereas manufacturing is more capital intensive.

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-04 Compare goods versus services.*

*Stevenson - Chapter 01 #19*

20. Measurement of productivity in service is more straightforward than in manufacturing due to the high degree of uniformity of inputs.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-04 Compare goods versus services.*

*Stevenson - Chapter 01 #20*

21. Models are simplified representations of something and thus ignore important aspects of a situation.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #21*

22. Quantitative techniques are often quick and practical techniques for many decisions.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #22*

23. A systems approach emphasizes interrelationships among subsystems, but its main theme is that the whole is greater than the sum of its individual parts.

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #23*

24. Queuing techniques are useful for analyzing situations in which waiting lines form.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #24*

25. It is essential to use the systems approach when something is being designed, redesigned, implemented, improved, or otherwise changed.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #25*

26. A systems approach is to concentrate on efficiency within a subsystem and thereby achieve overall efficiency.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #26*

27. Many operations management decisions can be described as trade-offs.

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #27*

28. The Pareto phenomenon is one of the most important and pervasive concepts that can be applied at all levels of management.

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #28*

29. Operations managers, who usually use quantitative approaches, have no responsibility to make ethical decisions.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #29*

30. Prior to the Industrial Revolution, goods were produced primarily by craftsmen or their apprentices using custom made parts.

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-07 Briefly describe the historical evolution of operations management.*

*Stevenson - Chapter 01 #30*

31. Frederick Taylor is often referred to as the "father of scientific management".

**TRUE**

*Difficulty: Medium*

*Learning Objective: 01-07 Briefly describe the historical evolution of operations management.*

*Stevenson - Chapter 01 #31*



32. The Human Relations Movement, which emphasized the importance of the human element in job design, was replaced by the more technical aspects of Scientific Management.

**FALSE**

*Difficulty: Medium*

*Learning Objective: 01-07 Briefly describe the historical evolution of operations management.*

*Stevenson - Chapter 01 #32*

33. Among Ford's many contributions was the introduction of mass production, using the concept of interchangeable parts and division of labour.

**TRUE**

*Difficulty: Easy*

*Learning Objective: 01-07 Briefly describe the historical evolution of operations management.*

*Stevenson - Chapter 01 #33*

34. The impact of globalization for manufacturing companies has reduced in recent years because of the increasing cost to ship goods to foreign markets.

**FALSE**

*Difficulty: Easy*

*Learning Objective: 01-08 Identify some of the major trends that affect operations management.*

*Stevenson - Chapter 01 #34*

35. Operations management encompasses all of the following EXCEPT:

- A. process design
- B. capacity planning
- C. scheduling
- D. motivating employees
- E. preparing financial statements**

*Difficulty: Medium*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #35*

36. Which of the following is a reason for studying operations management?

- A. Operations management activities are at the core of all business organizations.
- B. Activities in all of the other areas of business organizations, such as accounting and marketing are interrelated with operations management activities.
- C. Most of all jobs are in operations management-related areas, such areas as customer service, inventory management, and more.
- D. All of the choices (A, B, and C) are reasons.**
- E. Only the first 2 choices (A and B) are reasons.

*Difficulty: Medium*

*Learning Objective: 01-01 Define the term operations management and identify operations management jobs.*

*Stevenson - Chapter 01 #36*

37. The three primary functions that exist in most business organizations are:

- A. manufacturing, production, and operations
- B. operations, marketing, and finance**
- C. operations, accounting, and marketing
- D. operations, production, and finance
- E. none of the choices are correct

*Difficulty: Medium*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #37*

38. The three major functions of business organizations:

- A. perform different but related activities**
- B. are related indirectly only
- C. must work together, but not very closely
- D. function independently of each other
- E. perform similar and related activities

*Difficulty: Medium*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #38*

39. Which of the following is not a type of service operations?

- A. retail trade
- B. transportation and warehousing
- C. fabricated metals**
- D. banking
- E. hotels and restaurants

*Difficulty: Medium*

*Learning Objective: 01-04 Compare goods versus services.*

*Stevenson - Chapter 01 #39*

40. Measurements taken at various points in the transformation process for control purposes are called:

- A. plans
- B. directions
- C. controls
- D.** feedback
- E. proposals

*Difficulty: Hard*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #40*

41. Measuring process outputs at various points in order to compare outputs to previously established standards to determine if corrective action is needed is called:

- A. planning and directing
- B. directing and conversion
- C.** feedback and control
- D. controlling and leading
- E. leading and transformation

*Difficulty: Medium*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #41*

42. Value-added refers to:

- A. the cost of inputs
- B. the price of outputs
- C.** the difference between cost of inputs and what customers are willing to pay
- D. the extra profit obtained from increased productivity
- E. all of the choices are correct

*Difficulty: Hard*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #42*

43. Economic analysis of investment proposals, and provision of funds are activities associated with the:

- A. operation function
- B. marketing function
- C. purchasing function
- D.** finance function
- E. industrial engineering function

*Difficulty: Easy*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #43*

44. The marketing function's main concern is with:
- A. producing goods or providing services
  - B. assessing customer wants and needs**
  - C. procuring materials, supplies, and equipment
  - D. performing economic analysis of investment proposals
  - E. securing monetary resources

*Difficulty: Easy*

*Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.*

*Stevenson - Chapter 01 #44*

45. Scheduling, execution and control decision are usually \_\_\_\_\_ and \_\_\_\_\_ term.
- A. strategic; long
  - B. system design; medium
  - C. forecasting; short
  - D. operational; short**
  - E. operational; long

*Difficulty: Medium*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #45*

46. Which of the following does not relate to system design?
- A. system capacity
  - B. location of facilities
  - C. inventory management**
  - D. process design
  - E. arrangement of departmental work flow

*Difficulty: Hard*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #46*

47. Tactical operational activities involve making decisions about all of the following EXCEPT:
- A. location of facilities**
  - B. scheduling
  - C. material requirements planning
  - D. project management
  - E. inventory management

*Difficulty: Hard*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #47*

48. System capacity and location of facilities are examples of:

- A. financial decisions
- B. tactical decisions
- C. systems design decisions**
- D. operational planning decisions
- E. forecasting decisions

*Difficulty: Hard*

*Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.*

*Stevenson - Chapter 01 #48*

49. The responsibilities of operations managers classified as planning activities are:

- A. inventory, production pace, quality and costs
- B. organizing departments, subcontracting, supplier contracts, and staffing
- C. forecasting, planning, organizing, and directing
- D. scheduling, job assignments, purchasing and logistics
- E. capacity, location, layout and mix of products**

*Difficulty: Medium*

*Learning Objective: 01-05 Discuss the operations manager's job.*

*Stevenson - Chapter 01 #49*

50. Which of the following responsibilities of operations managers is considered a directing activity rather than a planning or control activity?

- A. selecting production equipment
- B. product mix decisions
- C. scheduling workers**
- D. inventory management
- E. layout of production facilities

*Difficulty: Medium*

*Learning Objective: 01-05 Discuss the operations manager's job.*

*Stevenson - Chapter 01 #50*

51. Of the following, which aspect of the evolution of operations management is affiliated with Japanese manufacturing companies?

- A. Total quality management**
- B. Scientific management
- C. The human relations movement
- D. The Industrial Revolution
- E. Craft production

*Difficulty: Hard*

*Learning Objective: 01-07 Briefly describe the historical evolution of operations management.*

*Stevenson - Chapter 01 #51*

52. Which is not a significant difference between manufacturing and service operations?

- A.** cost per unit
- B. uniformity of output
- C. labour content of jobs
- D. amount of customer contact
- E. measurement of productivity

*Difficulty: Hard*

*Learning Objective: 01-04 Compare goods versus services.*

*Stevenson - Chapter 01 #52*

53. Which of the following is not a characteristic of service operations?

- A. intangible output
- B. high customer contact
- C. high labour content
- D.** easy measurement of productivity
- E. low uniformity of output

*Difficulty: Medium*

*Learning Objective: 01-04 Compare goods versus services.*

*Stevenson - Chapter 01 #53*

54. The responsibilities of operations managers classified as controlling activities are:

- A.** inventory, production pace, quality and costs
- B. organizing departments, subcontracting, supplier contracts, and staffing
- C. forecasting, planning, organizing, and directing
- D. scheduling, job assignments, purchasing and logistics
- E. capacity, location, layout and mix of products

*Difficulty: Hard*

*Learning Objective: 01-05 Discuss the operations manager's job.*

*Stevenson - Chapter 01 #54*

55. Which of the following is not a general approach to decision-making?

- A. establishing priorities
- B.** subjective approach
- C. analysis of trade-offs
- D. systems approach
- E. quantitative approaches

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #55*

56. Which of the following is not a characteristic of models used to support decision making?
- A. They provide a simplified representation of real life.
  - B. They ignore unimportant details, concentrating on the most important aspects of a situation.
  - C. They may be based on mathematical representations or graphical schematics.
  - D. They provide abstract representations of reality.
  - E. They are limited to representations of objective quantitative factors.**

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #56*

57. Which of the following is not true about the systems approach?
- A. It is almost always beneficial in decision making.
  - B. It emphasizes interrelationships among subsystems.
  - C. It concentrates on efficiency within subsystems.**
  - D. It becomes essential whenever something is being redesigned or improved.
  - E. The objectives of the whole take precedence over those of any one part.

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #57*

58. Which is not a quantitative approach to problem solving?
- A. linear programming
  - B. queuing techniques
  - C. statistical techniques
  - D. heuristics**
  - E. all of the choices are quantitative approaches.

*Difficulty: Hard*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #58*

59. Dealing with the fact that certain aspects of any management situation are more important than others is called:
- A. analysis of trade-offs
  - B. sensitivity analysis
  - C. establishing priorities**
  - D. analysis of variance
  - E. decision analysis

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #59*

60. The fact that improvements in a few key areas of operations will have more impact than many improvements in less significant areas is referred to as the \_\_\_\_\_.

- A. forecasting approach
- B. Pareto phenomenon**
- C. productivity challenge
- D. analysis of trade-offs
- E. ethical dilemma

*Difficulty: Medium*

*Learning Objective: 01-06 Describe the key aspects of operations management decision making.*

*Stevenson - Chapter 01 #60*

61. Which of the following developments related to the historical evolution of operations management is the oldest?

- A. The human relations movement advocated by Mayo, Maslow and Hertzberg
- B. The introduction of the moving assembly line by Henry Ford
- C. Scientific management principles espoused by Frederick Taylor
- D. The principle of division of labour documented in Adam Smith's book *The Wealth of Nations***
- E. The influence of Japanese management practices

*Difficulty: Medium*

*Learning Objective: 01-07 Briefly describe the historical evolution of operations management.*

*Stevenson - Chapter 01 #61*

62. Which of the following is not properly matched?

- A. Mathematical model for inventory management - Elton Mayo.**
- B. Division of labour - Adam Smith
- C. Scientific Management - F. W. Taylor
- D. Motion study - Frank and Lillian Gilbreth
- E. Moving assembly line - Henry Ford

*Difficulty: Medium*

*Learning Objective: 01-07 Briefly describe the historical evolution of operations management.*

*Stevenson - Chapter 01 #62*

63. Which of the following is not a major trend influencing the strategies of manufacturing organizations?

- A. globalization
- B. the Internet and e-commerce
- C. introduction of mass production**
- D. supply chain management
- E. technological advances

*Difficulty: Medium*

*Learning Objective: 01-08 Identify some of the major trends that affect operations management.*

*Stevenson - Chapter 01 #63*



## c1 Summary

<u>Category</u>	<u># of Questions</u>
Difficulty: Easy	13
Difficulty: Hard	11
Difficulty: Medium	39
Learning Objective: 01-01 Define the term operations management and identify operations management jobs.	6
Learning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.	12
Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and operation decisions.	10
Learning Objective: 01-04 Compare goods versus services.	7
Learning Objective: 01-05 Discuss the operations manager's job.	4
Learning Objective: 01-06 Describe the key aspects of operations management decision making.	15
Learning Objective: 01-07 Briefly describe the historical evolution of operations management.	7
Learning Objective: 01-08 Identify some of the major trends that affect operations management.	2
Stevenson - Chapter 01	63