

CHAPTER TWO QUESTIONS – LOGISTICS

- 2-1 A unique feature of integrated logistics is:
A – The newness of the concept
B – It is fundamental similar to military operations
C – Complexity and scope of operations**
D – The fact that it employs many people.
- 2-2 Basic logistics service is a concept that:
A – Describes the level of service provided all established customers**
B – Is involved in designing a network
C – Only involves availability
D – None of the above
- 2-3 A logistics performance cycle is:
A – A format for improved measurement of cost and service.
B – The basic unit of supply chain design and operational control**
C – Is an important form of transportation measurement
D – Is typically echeloned
- 2-4 The term “Mother Facility” is often used to describe:
A – The oldest or original facility in a network
B – A facility that is dedicated to servicing a manufacturing facility
C – The source of money for college students
D – An inventory replenishment source for smaller facilities**
- 2-5 A flow through facility is:
A – Typically found in the beverage industry
B – Is also often called a cross-dock facility**
C – Is a specialized warehouse that performs value-added services
D – Dedicated to the support of an integrated service provider.
- 2-6 The “Pareto Principle” is:
A – Unique to logistical performance measurement
B – A concept developed in manufacturing to integrate logistics and procurement
C – Used in logistics to develop fine line inventory classification**
D – Seldom the result of logistics system design
- 2-7 Service reliability is best described as:
A – The measure of availability that is most critical in system design
B – Deals with speed and consistency of order cycle performance.
C – The quality dimension of logistics performance**
D – The key attribute of transportation integration

- 2-8 The primary reason that total logistics cost has reduced as a percentage of GDP is:
A – Inventory has increased as a percent of total cost
B – Inventory has decreased as a percent of total cost**
C – Transportation has decreased as a percent of total cost
D – Nominal GDP has increased
- 2-9 The work of logistics involves:
A – Order processing, inventory, and manufacturing
B – Inventory, transportation, manufacturing and procurement
C – Manufacturing, customer accommodation, and purchasing
D – Transportation, inventory, order processing, warehousing, and facility network design**
- 2-10 The logistics performance cycle:
A – Is the basic unit of supply chain design and control**
B – Relates to transportation control
C – Is an important concept in inventory control
D – None of the above.
- 2-11 Logistics cost has declined as a percent of GDP over the past 25 years (True)
- 2-12 Service reliability involves logistical quality. (True)
- 2-13 Total cost was not typically the way managers viewed logistics prior to the 1960's (True)
- 2-14 The logistics value proposition is based solely on cost minimization (False)
- 2-15 The work of logistics is all about transportation planning and execution (False)
- 2-16 Logistical system design is driven by careful integration of all operational components to minimize total cost (False)
- 2-17 Transportation cost drives a firm's focus on speed and consistency (False)
- 2-18 Facility network design is the function of total cost minimization (False)
- 2-19 Procurement and manufacturing are an integral part of integrated logistics. (False)
- 2-20 Echelon distribution structure facilitates direct delivery (False)
- 2-21 Logistics cost is greater than healthcare cost in the US (False)
- 2-22 Efficiency as contrasted to effectiveness is the primary goal of logistics (False)
- 2-23 Performance cycle uncertainty is a key concern in logistical operations (True)

- 2-24 The goal of cycle synchronization is achievement of planned time performance(True)
- 2-25 Performance Cycle variance is a prime determinate of safety stock(True)