Chapter 01 Introduction to Operations Management

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| 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 |

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| 2. | Operations managers are responsible for managing activities and resources that produce goods and/or provide services.  True    False |

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

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

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

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

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

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| 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 |

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

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

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| 11. | Operations management involves both system design and planning/control decisions.  True    False |

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| 12. | System design decisions have very little impact on planning/control decisions.  True    False |

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| 13. | An example of an operations control decision is the choice of location.  True    False |

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| 14. | Scheduling jobs is a system design decision and not a planning decision.  True    False |

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| 15. | Design decisions are usually strategic and long term, while planning decisions are tactical and medium term.  True    False |

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| 16. | Managing inventory levels is considered a planning/control operations decision area.  True    False |

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| 17. | A basic difference between manufacturing and service organizations is that services are action-oriented and manufacturing is goods-oriented.  True    False |

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| 18. | Service involves a much higher degree of customer contact than the production of goods.  True    False |

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| 19. | Service often requires a higher labour content, whereas the production of goods is more capital intensive.  True    False |

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| 20. | Measurement of productivity in service is more straightforward than in goods production due to the high degree of uniformity of inputs.  True    False |

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

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

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| 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 |

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

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

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

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

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

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

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

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

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| 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 |

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| 33. | The moving assembly line introduced by Henry Ford is an example of the development of mass production based on large volumes of standardized goods produced using low or semi-skilled workers and highly specialized equipment.  True    False |

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| 34. | The impact of globalization for manufacturing companies has been reduced reliance on long international supply chains because of the increasing cost to ship components and finished goods to foreign markets.  True    False |

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| 35. | Operations management encompasses all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | buying materials. |

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| --- | --- |
| B.  | capacity planning. |

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| --- | --- |
| C.  | scheduling. |

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| --- | --- |
| D.  | motivating employees and training. |

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| --- | --- |
| E.  | preparing financial statements. |

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

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| A.  | A large percentage of a company's expenses occur in the operations management activities that are at the core of all business organizations. |

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| B.  | Activities in all of the other areas of business organizations, such as accounting and marketing are interrelated with operations management activities. |

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| C.  | Many management jobs are in operations management-related areas, such as production planning, inventory management, and more. |

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| D.  | All of the choices are reasons. |

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| E.  | None of the choices are correct. |

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

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| A.  | manufacturing, production, and operations. |

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| --- | --- |
| B.  | operations, marketing, and finance. |

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| --- | --- |
| C.  | operations, accounting, and marketing. |

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| --- | --- |
| D.  | operations, production, and finance. |

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| E.  | none of the choices are correct. |

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| 38. | The three major functions of business organizations:

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| A.  | perform different but related activities. |

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| B.  | are related indirectly only. |

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| C.  | must work together, but not very closely. |

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| D.  | function independently of each other. |

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| E.  | perform similar and related activities. |

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

|  |  |
| --- | --- |
| A.  | Retail trade |

|  |  |
| --- | --- |
| B.  | Transportation and warehousing |

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| --- | --- |
| C.  | Fabrication of metals |

|  |  |
| --- | --- |
| D.  | Banking |

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| --- | --- |
| E.  | Hotels and restaurants |

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

|  |  |
| --- | --- |
| A.  | plans. |

|  |  |
| --- | --- |
| B.  | directions. |

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| --- | --- |
| C.  | controls. |

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| --- | --- |
| D.  | feedback. |

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| --- | --- |
| E.  | proposals. |

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| 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:

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| --- | --- |
| A.  | planning and directing. |

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| --- | --- |
| B.  | directing and conversion. |

|  |  |
| --- | --- |
| C.  | feedback and control. |

|  |  |
| --- | --- |
| D.  | controlling and leading. |

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| --- | --- |
| E.  | leading and transformation. |

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| 42. | Value-added refers to:

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| --- | --- |
| A.  | the cost of inputs. |

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| --- | --- |
| B.  | the price of outputs. |

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| --- | --- |
| C.  | the difference between cost of inputs and what customers are willing to pay. |

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| --- | --- |
| D.  | the extra profit obtained from increased productivity. |

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| E.  | all of the choices are correct. |

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

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| --- | --- |
| A.  | operation function. |

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| --- | --- |
| B.  | marketing function. |

|  |  |
| --- | --- |
| C.  | purchasing function. |

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| --- | --- |
| D.  | finance function. |

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| --- | --- |
| E.  | industrial engineering function. |

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

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| --- | --- |
| A.  | producing goods or providing services. |

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| --- | --- |
| B.  | assessing customer wants and needs. |

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| --- | --- |
| C.  | procuring materials, supplies, and equipment. |

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| D.  | performing economic analysis of investment proposals. |

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| E.  | securing monetary resources. |

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| 45. | Planning decisions are usually \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ term.

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| --- | --- |
| A.  | strategic; long |

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| --- | --- |
| B.  | tactical; medium |

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| --- | --- |
| C.  | forecasting; short |

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| --- | --- |
| D.  | strategic; short |

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| --- | --- |
| E.  | tactical; long |

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

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| --- | --- |
| A.  | Long term capacity |

|  |  |
| --- | --- |
| B.  | Location of facilities |

|  |  |
| --- | --- |
| C.  | Inventory management |

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| --- | --- |
| D.  | Process design |

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| --- | --- |
| E.  | Departmental layout |

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| 47. | Tactical planning and control activities involve making decisions about all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | location of facilities. |

|  |  |
| --- | --- |
| B.  | scheduling. |

|  |  |
| --- | --- |
| C.  | material requirements planning. |

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| --- | --- |
| D.  | project management. |

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| --- | --- |
| E.  | inventory management. |

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

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| --- | --- |
| A.  | financial decisions. |

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| --- | --- |
| B.  | tactical decisions. |

|  |  |
| --- | --- |
| C.  | systems design decisions. |

|  |  |
| --- | --- |
| D.  | operational planning decisions. |

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| --- | --- |
| E.  | forecasting decisions. |

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

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| --- | --- |
| A.  | inventory, production pace, quality, and costs. |

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| --- | --- |
| B.  | organizing departments, subcontracting, supplier contracts, and staffing. |

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| --- | --- |
| C.  | forecasting, planning, organizing, and directing. |

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| --- | --- |
| D.  | scheduling, job assignments, purchasing, and logistics. |

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| E.  | capacity, location, layout, and mix of products. |

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

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| --- | --- |
| A.  | selecting production equipment |

|  |  |
| --- | --- |
| B.  | product mix decisions |

|  |  |
| --- | --- |
| C.  | scheduling workers |

|  |  |
| --- | --- |
| D.  | inventory management |

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| --- | --- |
| E.  | layout of production facilities |

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

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| --- | --- |
| A.  | total quality management |

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| --- | --- |
| B.  | scientific management |

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| --- | --- |
| C.  | the human relations movement. |

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| --- | --- |
| D.  | the industrial revolution. |

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| --- | --- |
| E.  | craft production |

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

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| --- | --- |
| A.  | Cost per unit |

|  |  |
| --- | --- |
| B.  | Uniformity of output. |

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| --- | --- |
| C.  | Labour content of jobs. |

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| --- | --- |
| D.  | Amount of customer contact. |

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| E.  | Measurement of productivity. |

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

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| --- | --- |
| A.  | Intangible output. |

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| --- | --- |
| B.  | High customer contact. |

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| --- | --- |
| C.  | High labour content. |

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| --- | --- |
| D.  | Easy measurement of productivity. |

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| --- | --- |
| E.  | Low uniformity of output. |

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

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| --- | --- |
| A.  | inventory, production pace, quality, and costs. |

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| --- | --- |
| B.  | organizing departments, subcontracting, supplier contracts, and staffing. |

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| --- | --- |
| C.  | forecasting, planning, organizing, and directing. |

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| --- | --- |
| D.  | scheduling, job assignments, purchasing, and logistics. |

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| --- | --- |
| E.  | capacity, location, layout, and mix of products. |

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

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| --- | --- |
| A.  | Establishing priorities |

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| --- | --- |
| B.  | Subjective approach |

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| --- | --- |
| C.  | Analysis of trade-offs |

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| --- | --- |
| D.  | Systems approach |

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| --- | --- |
| E.  | Quantitative approaches |

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

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| A.  | They provide a simplified representation of a design problem. |

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| B.  | They ignore unimportant details, concentrating on the most important aspects of a situation. |

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| C.  | They may be based on mathematical representations or graphical schematics. |

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| D.  | They provide abstract representations of a design problem. |

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| E.  | They are limited to representations of objective quantitative factors. |

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

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| --- | --- |
| A.  | It recognizes the importance of taking into account the impact on all parts of the system. |

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| --- | --- |
| B.  | It emphasizes interrelationships among subsystems. |

|  |  |
| --- | --- |
| C.  | It concentrates on efficiency within subsystems. |

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| --- | --- |
| D.  | It becomes essential whenever something is being redesigned or improved. |

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| E.  | The objectives of the whole take precedence over those of any one part. |

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| 58. | Which is not a quantitative technique to problem solving?

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| --- | --- |
| A.  | Linear programming |

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| --- | --- |
| B.  | Queuing techniques |

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| --- | --- |
| C.  | Statistical techniques |

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| --- | --- |
| D.  | Heuristic approach |

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| E.  | All of the choices are quantitative approaches. |

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

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| A.  | analysis of trade-offs. |

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| --- | --- |
| B.  | sensitivity analysis. |

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| --- | --- |
| C.  | establishing priorities. |

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| --- | --- |
| D.  | analysis of variance. |

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| --- | --- |
| E.  | decision analysis. |

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| 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 \_\_\_\_\_\_\_\_\_\_\_.

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| A.  | forecasting approach |

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| --- | --- |
| B.  | Pareto phenomenon |

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| --- | --- |
| C.  | productivity challenge |

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| --- | --- |
| D.  | analysis of trade-offs |

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| --- | --- |
| E.  | ethical dilemma |

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

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| --- | --- |
| A.  | The human relations movement advocated by Mayo, Maslow, and Hertzberg. |

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| B.  | The introduction of the moving assembly line by Henry Ford. |

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| --- | --- |
| C.  | Scientific management principles espoused by Frederick Taylor. |

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| D.  | The principle of division of labour documented in Adam Smith's book *The* *Wealth* *of* *Nations.* |

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| E.  | The influence of Japanese management practices. |

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| 62. | Which of the following is not properly matched?

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| A.  | Mathematical model for inventory management-Elton Mayo |

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| --- | --- |
| B.  | Division of labour-Adam Smith |

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| --- | --- |
| C.  | Scientific Management-F. W. Taylor |

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| --- | --- |
| D.  | Motion study-Frank and Lillian Gilbreth |

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| --- | --- |
| E.  | Moving assembly line-Henry Ford |

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

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| --- | --- |
| A.  | Globalization |

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| --- | --- |
| B.  | The Internet and e-commerce |

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| --- | --- |
| C.  | Introduction of mass production |

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| --- | --- |
| D.  | Supply chain management |

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| --- | --- |
| E.  | Technological advances |

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Chapter 01 Introduction to Operations Management Key

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| 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** |

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| --- |
| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-01 Define the term operations management and identify operations management jobs.Stevenson - Chapter 01 #1Topic: 01-01 Introduction* |

|  |  |
| --- | --- |
| 2. | Operations managers are responsible for managing activities and resources that produce goods and/or provide services.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-01 Define the term operations management and identify operations management jobs.Stevenson - Chapter 01 #2Topic: 01-01 Introduction* |

|  |  |
| --- | --- |
| 3. | Effectiveness refers to achieving intended goals whereas efficiency refers to minimizing cost and time.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-01 Define the term operations management and identify operations management jobs.Stevenson - Chapter 01 #3Topic: 01-01 Introduction* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #4Topic: 01-04 Functions within Organizations* |

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

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #5Topic: 01-04 Functions within Organizations* |

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

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-01 Define the term operations management and identify operations management jobs.Stevenson - Chapter 01 #6Topic: 01-01 Introduction* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #7Topic: 01-05 Operations* |

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| 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** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #8Topic: 01-05 Operations* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #9Topic: 01-05 Operations* |

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

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #10Topic: 01-08 Other Functions* |

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| 11. | Operations management involves both system design and planning/control decisions.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #11Topic: 01-09 The Scope of Operations Management* |

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| 12. | System design decisions have very little impact on planning/control decisions.  **FALSE** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #12Topic: 01-09 The Scope of Operations Management* |

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| 13. | An example of an operations control decision is the choice of location.  **FALSE** |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #13Topic: 01-09 The Scope of Operations Management* |

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| 14. | Scheduling jobs is a system design decision and not a planning decision.  **FALSE** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #14Topic: 01-09 The Scope of Operations Management* |

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| 15. | Design decisions are usually strategic and long term, while planning decisions are tactical and medium term.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #15Topic: 01-09 The Scope of Operations Management* |

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| 16. | Managing inventory levels is considered a planning/control operations decision area.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #16Topic: 01-09 The Scope of Operations Management* |

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| 17. | A basic difference between manufacturing and service organizations is that services are action-oriented and manufacturing is goods-oriented.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-04 Compare goods and services.Stevenson - Chapter 01 #17Topic: 01-10 Differentiating Production of Goods and Services* |

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| 18. | Service involves a much higher degree of customer contact than the production of goods.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-04 Compare goods and services.Stevenson - Chapter 01 #18Topic: 01-10 Differentiating Production of Goods and Services* |

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| 19. | Service often requires a higher labour content, whereas the production of goods is more capital intensive.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-04 Compare goods and services.Stevenson - Chapter 01 #19Topic: 01-10 Differentiating Production of Goods and Services* |

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| 20. | Measurement of productivity in service is more straightforward than in goods production due to the high degree of uniformity of inputs.  **FALSE** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-04 Compare goods and services.Stevenson - Chapter 01 #20Topic: 01-10 Differentiating Production of Goods and Services* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #21Topic: 01-13 Models* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #22Topic: 01-14 Quantitative Techniques* |

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| 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** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #23Topic: 01-16 The Systems Approach* |

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

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #24Topic: 01-14 Quantitative Techniques* |

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

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #25Topic: 01-16 The Systems Approach* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #26Topic: 01-16 The Systems Approach* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #27Topic: 01-15 Analysis of Trade-Offs* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #28Topic: 01-17 Establishing Priorities* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #29Topic: 01-18 Ethics* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-07 Briefly describe the historical evolution of operations management.Stevenson - Chapter 01 #30Topic: 01-19 The Historical Evolution of Operations Management* |

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

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-07 Briefly describe the historical evolution of operations management.Stevenson - Chapter 01 #31Topic: 01-21 Scientific Management* |

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| 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** |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-07 Briefly describe the historical evolution of operations management.Stevenson - Chapter 01 #32Topic: 01-22 The Human Relations Model* |

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| 33. | The moving assembly line introduced by Henry Ford is an example of the development of mass production based on large volumes of standardized goods produced using low or semi-skilled workers and highly specialized equipment.  **TRUE** |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-07 Briefly describe the historical evolution of operations management.Stevenson - Chapter 01 #33Topic: 01-21 Scientific Management* |

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| 34. | The impact of globalization for manufacturing companies has been reduced reliance on long international supply chains because of the increasing cost to ship components and finished goods to foreign markets.  **FALSE** |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-08 Identify some of the major trends that affect operations management.Stevenson - Chapter 01 #34Topic: 01-25 Major Trends* |

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| 35. | Operations management encompasses all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | buying materials. |

|  |  |
| --- | --- |
| B.  | capacity planning. |

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| --- | --- |
| C.  | scheduling. |

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| --- | --- |
| D.  | motivating employees and training. |

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| --- | --- |
| **E.**  | preparing financial statements. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-01 Define the term operations management and identify operations management jobs.Stevenson - Chapter 01 #35Topic: 01-01 Introduction* |

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

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| --- | --- |
| A.  | A large percentage of a company's expenses occur in the operations management activities that are at the core of all business organizations. |

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| --- | --- |
| B.  | Activities in all of the other areas of business organizations, such as accounting and marketing are interrelated with operations management activities. |

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| C.  | Many management jobs are in operations management-related areas, such as production planning, inventory management, and more. |

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| **D.**  | All of the choices are reasons. |

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| --- | --- |
| E.  | None of the choices are correct. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-01 Define the term operations management and identify operations management jobs.Stevenson - Chapter 01 #36Topic: 01-02 Why Study Operations Management?* |

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

|  |  |
| --- | --- |
| A.  | manufacturing, production, and operations. |

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| --- | --- |
| **B.**  | operations, marketing, and finance. |

|  |  |
| --- | --- |
| C.  | operations, accounting, and marketing. |

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| --- | --- |
| D.  | operations, production, and finance. |

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| --- | --- |
| E.  | none of the choices are correct. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #37Topic: 01-04 Functions within Organizations* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 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. |

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| --- | --- |
| E.  | perform similar and related activities. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #38Topic: 01-04 Functions within Organizations* |

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

|  |  |
| --- | --- |
| A.  | Retail trade |

|  |  |
| --- | --- |
| B.  | Transportation and warehousing |

|  |  |
| --- | --- |
| **C.**  | Fabrication of metals |

|  |  |
| --- | --- |
| D.  | Banking |

|  |  |
| --- | --- |
| E.  | Hotels and restaurants |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-04 Compare goods and services.Stevenson - Chapter 01 #39Topic: 01-10 Differentiating Production of Goods and Services* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 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. |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #40Topic: 01-04 Functions within Organizations* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 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. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #41Topic: 01-04 Functions within Organizations* |

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| 42. | Value-added refers to:

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| --- | --- |
| A.  | the cost of inputs. |

|  |  |
| --- | --- |
| B.  | the price of outputs. |

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| --- | --- |
| **C.**  | the difference between cost of inputs and what customers are willing to pay. |

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| --- | --- |
| D.  | the extra profit obtained from increased productivity. |

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| --- | --- |
| E.  | all of the choices are correct. |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #42Topic: 01-04 Functions within Organizations* |

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| 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. |

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| --- | --- |
| E.  | industrial engineering function. |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #43Topic: 01-06 Finance* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 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. |

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| --- | --- |
| E.  | securing monetary resources. |

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| *Accessibility: Keyboard NavigationDifficulty: EasyLearning Objective: 01-02 Identify the three major functional areas of organizations and describe how they interrelate.Stevenson - Chapter 01 #44Topic: 01-07 Marketing* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 45. | Planning decisions are usually \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ term.

|  |  |
| --- | --- |
| A.  | strategic; long |

|  |  |
| --- | --- |
| B.  | tactical; medium |

|  |  |
| --- | --- |
| C.  | forecasting; short |

|  |  |
| --- | --- |
| **D.**  | strategic; short |

|  |  |
| --- | --- |
| E.  | tactical; long |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #45Topic: 01-09 The Scope of Operations Management* |

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

|  |  |
| --- | --- |
| A.  | Long term capacity |

|  |  |
| --- | --- |
| B.  | Location of facilities |

|  |  |
| --- | --- |
| **C.**  | Inventory management |

|  |  |
| --- | --- |
| D.  | Process design |

|  |  |
| --- | --- |
| E.  | Departmental layout |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #46Topic: 01-09 The Scope of Operations Management* |

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| 47. | Tactical planning and control 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. |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #47Topic: 01-09 The Scope of Operations Management* |

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| 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. |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions.Stevenson - Chapter 01 #48Topic: 01-09 The Scope of Operations Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 49. | The responsibilities of operations managers classified as planning activities include:

|  |  |
| --- | --- |
| 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. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-05 Discuss the operations managers job.Stevenson - Chapter 01 #49Topic: 01-11 The Operations Managers Job* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 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 |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-05 Discuss the operations managers job.Stevenson - Chapter 01 #50Topic: 01-11 The Operations Managers Job* |

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| 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 |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-07 Briefly describe the historical evolution of operations management.Stevenson - Chapter 01 #51Topic: 01-24 The Influence of Japanese Manufacturers* |

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

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| **A.**  | Cost per unit |

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| B.  | Uniformity of output. |

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| --- | --- |
| C.  | Labour content of jobs. |

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| D.  | Amount of customer contact. |

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| E.  | Measurement of productivity. |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-04 Compare goods and services.Stevenson - Chapter 01 #52Topic: 01-10 Differentiating Production of Goods and Services* |

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

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| A.  | Intangible output. |

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| --- | --- |
| B.  | High customer contact. |

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| --- | --- |
| C.  | High labour content. |

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| **D.**  | Easy measurement of productivity. |

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| E.  | Low uniformity of output. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-04 Compare goods and services.Stevenson - Chapter 01 #53Topic: 01-10 Differentiating Production of Goods and Services* |

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

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| **A.**  | inventory, production pace, quality, and costs. |

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| B.  | organizing departments, subcontracting, supplier contracts, and staffing. |

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| --- | --- |
| C.  | forecasting, planning, organizing, and directing. |

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| D.  | scheduling, job assignments, purchasing, and logistics. |

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| E.  | capacity, location, layout, and mix of products. |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-05 Discuss the operations managers job.Stevenson - Chapter 01 #54Topic: 01-11 The Operations Managers Job* |

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

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| A.  | Establishing priorities |

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| --- | --- |
| **B.**  | Subjective approach |

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| --- | --- |
| C.  | Analysis of trade-offs |

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| --- | --- |
| D.  | Systems approach |

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| --- | --- |
| E.  | Quantitative approaches |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #55Topic: 01-12 Operations Managers and Decision Making* |

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

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| A.  | They provide a simplified representation of a design problem. |

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| B.  | They ignore unimportant details, concentrating on the most important aspects of a situation. |

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| C.  | They may be based on mathematical representations or graphical schematics. |

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| D.  | They provide abstract representations of a design problem. |

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| **E.**  | They are limited to representations of objective quantitative factors. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #56Topic: 01-12 Operations Managers and Decision Making* |

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

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| A.  | It recognizes the importance of taking into account the impact on all parts of the system. |

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| B.  | It emphasizes interrelationships among subsystems. |

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| **C.**  | It concentrates on efficiency within subsystems. |

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| D.  | It becomes essential whenever something is being redesigned or improved. |

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| E.  | The objectives of the whole take precedence over those of any one part. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #57Topic: 01-16 The Systems Approach* |

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| 58. | Which is not a quantitative technique to problem solving?

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| --- | --- |
| A.  | Linear programming |

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| --- | --- |
| B.  | Queuing techniques |

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| --- | --- |
| C.  | Statistical techniques |

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| --- | --- |
| **D.**  | Heuristic approach |

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| E.  | All of the choices are quantitative approaches. |

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| *Accessibility: Keyboard NavigationDifficulty: HardLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #58Topic: 01-14 Quantitative Techniques* |

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

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| A.  | analysis of trade-offs. |

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| B.  | sensitivity analysis. |

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| --- | --- |
| **C.**  | establishing priorities. |

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| --- | --- |
| D.  | analysis of variance. |

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| --- | --- |
| E.  | decision analysis. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #59Topic: 01-17 Establishing Priorities* |

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| 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 \_\_\_\_\_\_\_\_\_\_\_.

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| A.  | forecasting approach |

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| **B.**  | Pareto phenomenon |

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| --- | --- |
| C.  | productivity challenge |

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| --- | --- |
| D.  | analysis of trade-offs |

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| --- | --- |
| E.  | ethical dilemma |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-06 Describe the key aspects of operations management decision making.Stevenson - Chapter 01 #60Topic: 01-17 Establishing Priorities* |

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

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| A.  | The human relations movement advocated by Mayo, Maslow, and Hertzberg. |

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| B.  | The introduction of the moving assembly line by Henry Ford. |

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| C.  | Scientific management principles espoused by Frederick Taylor. |

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| **D.**  | The principle of division of labour documented in Adam Smith's book *The* *Wealth* *of* *Nations.* |

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| E.  | The influence of Japanese management practices. |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-07 Briefly describe the historical evolution of operations management.Stevenson - Chapter 01 #61Topic: 01-19 The Historical Evolution of Operations Management* |

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| 62. | Which of the following is not properly matched?

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| **A.**  | Mathematical model for inventory management-Elton Mayo |

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| B.  | Division of labour-Adam Smith |

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| C.  | Scientific Management-F. W. Taylor |

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| D.  | Motion study-Frank and Lillian Gilbreth |

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| E.  | Moving assembly line-Henry Ford |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-07 Briefly describe the historical evolution of operations management.Stevenson - Chapter 01 #62Topic: 01-19 The Historical Evolution of Operations Management* |

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

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| --- | --- |
| A.  | Globalization |

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| B.  | The Internet and e-commerce |

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| **C.**  | Introduction of mass production |

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| D.  | Supply chain management |

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| --- | --- |
| E.  | Technological advances |

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| *Accessibility: Keyboard NavigationDifficulty: MediumLearning Objective: 01-08 Identify some of the major trends that affect operations management.Stevenson - Chapter 01 #63Topic: 01-25 Major Trends* |

Chapter 01 Introduction to Operations Management Summary

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| --- | --- |
| *Category* | *# of Questions* |
| Accessibility: Keyboard Navigation | 63 |
| Difficulty: Easy | 14 |
| Difficulty: Hard | 10 |
| 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. | 13 |
| Learning Objective: 01-03 Describe the scope of operations management and provide an overview of this book including differentiating between design and planning/control decisions. | 10 |
| Learning Objective: 01-04 Compare goods and services. | 7 |
| Learning Objective: 01-05 Discuss the operations managers job. | 3 |
| 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 |
| Topic: 01-01 Introduction | 5 |
| Topic: 01-02 Why Study Operations Management? | 1 |
| Topic: 01-04 Functions within Organizations | 7 |
| Topic: 01-05 Operations | 3 |
| Topic: 01-06 Finance | 1 |
| Topic: 01-07 Marketing | 1 |
| Topic: 01-08 Other Functions | 1 |
| Topic: 01-09 The Scope of Operations Management | 10 |
| Topic: 01-10 Differentiating Production of Goods and Services | 7 |
| Topic: 01-11 The Operations Managers Job | 3 |
| Topic: 01-12 Operations Managers and Decision Making | 2 |
| Topic: 01-13 Models | 1 |
| Topic: 01-14 Quantitative Techniques | 3 |
| Topic: 01-15 Analysis of Trade-Offs | 1 |
| Topic: 01-16 The Systems Approach | 4 |
| Topic: 01-17 Establishing Priorities | 3 |
| Topic: 01-18 Ethics | 1 |
| Topic: 01-19 The Historical Evolution of Operations Management | 3 |
| Topic: 01-21 Scientific Management | 2 |
| Topic: 01-22 The Human Relations Model | 1 |
| Topic: 01-24 The Influence of Japanese Manufacturers | 1 |
| Topic: 01-25 Major Trends | 2 |