

Chapter1: Multiple Choice Questions

1. Which of the following has been the main driver to the globalization of business?
 - a. The higher standards of living in the U.S. and Europe
 - b. Technology
 - c. The NAFTA trade agreement
 - d. The increasing ethnic diversity within countries
 - e. Improved political stability
2. Operations management is applicable
 - a. mostly to the service sector
 - b. to services exclusively
 - c. mostly to the manufacturing sector
 - d. to manufacturing and service sectors
 - e. to the manufacturing sector exclusively
3. Walter Shewhart is listed among the important people of operations management because of his contributions to
 - a. assembly line production
 - b. measuring the productivity in the service sector
 - c. Just-in-time inventory methods
 - d. statistical quality control
 - e. all of the above
4. Henry Ford is noted for his contributions to
 - a. standardization of parts
 - b. statistical quality control
 - c. assembly line operations
 - d. scientific management
 - e. time and motion studies
5. Taylor and Deming would have both agreed that
 - a. Whirlpool's global strategy is a good one
 - b. Eli Whitney was an important contributor to statistical theory
 - c. management must do more to improve the work environment and its processes so that quality can be improved
 - d. productivity is more important than quality
 - e. the era of Operations Management will be succeeded by the era of scientific management
6. Who among the following is associated with contributions to quality control in operations management?
 - a. Charles Babbage
 - b. Henry Ford
 - c. Frank Gilbreth
 - d. W. Edwards Deming
 - e. Henri Fayol
7. The field of operations management is shaped by advances in which of the following fields?
 - a. chemistry and physics
 - b. industrial engineering and management science
 - c. biology and anatomy
 - d. information sciences
 - e. all of the above

8. The five elements in the management process are
 - a. plan, direct, update, lead, and supervise
 - b. accounting/finance, marketing, operations, and management
 - c. organize, plan, control, staff, and manage
 - d. plan, organize, staff, lead, and control
 - e. plan, lead, organize, manage, and control
9. The responsibilities of the operations manager include
 - a. planning, organizing, staffing, procuring, and reviewing
 - b. forecasting, designing, planning, organizing, and controlling
 - c. forecasting, designing, operating, procuring, and reviewing
 - d. planning, organizing, staffing, leading, and controlling
 - e. designing and operating
10. Which of the following is not an element of the management process?
 - a. pricing
 - b. staffing
 - c. planning
 - d. controlling
 - e. leading
11. An operations manager is not likely to be involved in
 - a. the design of products and services to satisfy customers' wants and needs
 - b. the quality of products and services to satisfy customers' wants and needs
 - c. the identification of customers' wants and needs
 - d. work scheduling to meet the due dates promised to customers
 - e. forecasting sales
12. All of the following decisions fall within the scope of operations management except for
 - a. financial analysis
 - b. design of products and processes
 - c. location of facilities
 - d. quality management
 - e. all of the above fall within the scope of operations management
13. Which of the following are the primary functions of all organizations?
 - a. operations, marketing, and human resources
 - b. marketing, human resources, and finance/accounting
 - c. sales, quality control, and operations
 - d. marketing, operations, and finance/accounting
 - e. research and development, finance/accounting, and purchasing
14. Budgeting, paying the bills, and collection of funds are activities associated with the
 - a. management function
 - b. control function
 - c. finance/accounting function
 - d. production/operations function
 - e. staffing function
15. Which of the following would not be an operations function in a fast-food restaurant?
 - a. making hamburgers and fries
 - b. advertising and promotion
 - c. maintaining equipment
 - d. designing the layout of the facility
 - e. purchasing ingredients

16. The three major functions of business organizations
 - a. are mutually exclusive
 - b. exist independently of each other
 - c. overlap
 - d. function independently of each other
 - e. do not interface with each other
17. The marketing function's main concern is with
 - a. producing goods or providing services
 - b. procuring materials, supplies, and equipment
 - c. building and maintaining a positive image
 - d. securing monetary resources
 - e. generating the demand for the organization's products or services
18. Current trends in operations management include all of the following except
 - a. Just-in-time performance
 - b. rapid product development
 - c. mass customization
 - d. empowered employees
 - e. mass production
19. The service industry makes up approximately what percentage of all jobs in the United States?
 - a. 20%
 - b. 40%
 - c. 66%
 - d. 74%
 - e. 90%
20. Typical differences between goods and services do not include
 - a. cost per unit
 - b. ability to inventory items
 - c. timing of production and consumption
 - d. customer interaction
 - e. knowledge content
21. Which is not true regarding differences between goods and services?
 - a. Services are generally produced and consumed simultaneously, tangible goods are not.
 - b. Services tend to be more knowledge-based than products.
 - c. Services tend to have a more inconsistent product definition than goods.
 - d. Goods tend to have higher customer interaction than services.
 - e. None of the above are true.
22. Which of the following is not a typical attribute of goods?
 - a. output can be inventoried
 - b. often easy to automate
 - c. aspects of quality difficult to measure
 - d. output can be resold
 - e. production and consumption are separate
23. Which of the following services is not unique, i.e., customized to a particular individual's needs?
 - a. hairdressing
 - b. elementary education
 - c. legal services
 - d. dental care
 - e. computer consulting

24. Which of the following is not a typical service attribute?
- intangible product
 - easy to store
 - customer interaction is high
 - simultaneous production and consumption
 - difficult to resell
25. Gibson Valves produces cast bronze valves on an assembly line. If 1600 valves are produced in an 8-hour shift, the productivity of the line is
- 2 valves/hr
 - 40 valves/hr
 - 80 valves/hr
 - 200 valves/hr
 - 1600 valves/hr
26. Gibson Valves produces cast bronze valves on an assembly line, currently producing 1600 valves each 8-hour shift. If the productivity is increased by 10%, it would then be
- 180 valves/hr
 - 200 valves/hr
 - 220 valves/hr
 - 880 valves/hr
 - 1760 valves/hr
27. Gibson Valves produces cast bronze valves on an assembly line, currently producing 1600 valves each 8-hour shift. If the production is increased to 2400 valves each 8-hour shift, the productivity will increase by
- 10%
 - 20%
 - 25%
 - 40%
 - 50%
28. The Dulac Box plant produces 500 cypress packing boxes in two 10-hour shifts. What is the productivity of the plant?
- 25 boxes/hr
 - 50 boxes/hr
 - 5000 boxes/hr
 - none of the above
 - not enough data to determine productivity
29. The Dulac Box plant produces 500 cypress packing boxes in two 8-hour shifts. The use of new technology has enabled them to increase productivity by 30%. Productivity is now approximately
- 32.5 boxes/hr
 - 40.6 boxes/hr
 - 62.5 boxes/hr
 - 81.25 boxes/hr
 - 300 boxes/hr

30. The Dulac Box plant produces 500 cypress packing boxes in two 10-hour shifts. Due to higher demand, they have decided to operate three 8-hour shifts instead. They are now able to produce 600 boxes per day. What has happened to production?
- it has increased by 50 sets/shift
 - it has increased by 37.5 sets/hr
 - it has increased by 20%
 - it has decreased by 8.3%
 - it has increased by 9.1%
31. Productivity measurement is complicated by
- the competition's output
 - the fact that precise units of measure are often unavailable
 - stable quality
 - the workforce size
 - the type of equipment used
32. The total of all outputs produced by the transformation process divided by the total of the inputs is
- utilization
 - greater in manufacturing than in services
 - defined only for manufacturing firms
 - multi-factor productivity
 - none of the above
33. Which of the following inputs has the greatest potential to increase productivity?
- labor
 - globalization
 - management
 - capital
 - none of the above
34. Productivity can be improved by
- increasing inputs while holding outputs steady
 - decreasing outputs while holding inputs steady
 - increasing inputs and outputs in the same proportion
 - decreasing inputs while holding outputs steady
 - none of the above
35. The largest contributor to productivity increases is _____, estimated to be responsible for _____ of the annual increase.
- management; one-half
 - Mr. Deming; one-half
 - labor; two-thirds
 - capital; 90%
 - technology; over one-half
36. Which of the following is not true when explaining why productivity tends to be lower in the service sector than in the manufacturing sector?
- Services are typically labor intensive.
 - Services are often difficult to evaluate for quality.
 - Services are often an intellectual task performed by professionals.
 - Services are difficult to automate.
 - Service operations are typically capital intensive.

37. Three commonly used productivity variables are
- quality, external elements, and precise units of measure
 - labor, capital, and management
 - technology, raw materials, and labor
 - education, diet, and social overhead
 - quality, efficiency, and low cost
38. The service sector has lower productivity improvements than the manufacturing sector because
- the service sector uses less skilled labor than manufacturing
 - the quality of output is lower in services than manufacturing
 - services usually are labor intensive
 - service sector productivity is hard to measure
 - none of the above
39. Productivity tends to be more difficult to improve in the service sector because the work is
- often difficult to automate
 - typically labor intensive
 - frequently individually processed
 - often an intellectual task performed by professionals
 - all of the above

Chapter1: Multiple Choice Answers

1. b
2. d
3. d
4. c
5. c
6. d
7. e
8. e
9. d
10. a
11. c
12. a
13. d
14. c
15. b
16. c
17. e
18. e
19. d
20. a

21. d
22. c
23. b
24. b
25. d
26. c
27. e
28. a
29. b
30. c
31. b
32. d
33. c
34. d
35. a
36. e
37. b
38. c
39. e