



5.6 Production planning (HL)

# Terminology exercise



**Check that you understand the terminology used in this subtopic by dragging the correct word into each space.**

The process of making decisions to establish what, when, how and where something can be produced is known as \_\_\_\_\_ planning. It is a crucial part of operations management.

One fundamental part of a business is a \_\_\_\_\_ chain. This refers to all the stages of production through which a product passes, from the extraction of raw materials to the delivery of finished products or services to customers. When seeking a supplier, reliability and costs are two important factors to consider. If a supplier is unreliable, it could result in increased \_\_\_\_\_ times as deliveries may take longer to arrive after orders have been made.

A business may also consider reliability as a factor that would impact their decision to utilise \_\_\_\_\_ production methods, where resources arrive as and when they are needed within the production process. Supply chain issues could result in a business choosing to operate a just-in-case system, to ensure they have a \_\_\_\_\_ stock available should it be needed, such as if there is an \_\_\_\_\_ unexpected spike in demand. It is

unexpected spike in demand. It is

important for businesses to monitor their inventory. This is known as \_\_\_\_\_ control. Shortages or surpluses of stock could have serious implications on costs and profits for a business.

just-in-time

stock

production

supply

lead

buffer

✓ Check



Question: 1 of 2 questions

