



Module 2 Exam – Cover Sheet

Instructions

- This is an exam. Do not talk.
- Your books, notes, and electronic devices must be put completely away, out of sight.
- **Do not open the exam** until you are told to begin.
- Once you leave the exam room, you may not return. No bathroom or other breaks during the exam
- Turn in your Scantron in the folder for your Discussion Section number.
- Keep the questions when you leave.
- If you do not have a Scantron form/pencil, take your seat, raise your hand and wait with your \$1
- Any contravention of these instructions will lead to your ejection from the exam with zero points
- While you are waiting to begin, enter the following information on your Scantron:

LINE:	INFO TO ENTER:	EXPLANATION:
Name:	LAST, First, Middle	Make sure your family name comes first
Subject:	1234-5678	Your Student ID Number
Test No.:	A, B, C, or D	This is your test version – you won't know this until you open the test
Date:	1	This is the module number for this exam
Hour (Period):	101, 102, 103, etc.	This is your Discussion Section number – see below

Section	Day / Time	GSI Name
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UGBA 10 – Principles of Business
MODULE 2 EXAM – Fall 2014 11/14/2014
BUSINESS OPERATIONS AND SUSTAINABILITY
Instructor: Professor Omar Romero-Hernandez

- 1) Manufacturing processes usually have:
 - A) physical, durable output.
 - B) high levels of customer contact.
 - C) output that cannot be inventoried.
 - D) low levels of capital intensity.
- 2) Budgeting, recruiting, and scheduling are examples of these types of processes.
 - A) development
 - B) core process
 - C) support process
 - D) system
- 3) The process that includes the activities required to produce and deliver the service or product to the customer is called the:
 - A) customer relationship process.
 - B) new service development process.
 - C) order fulfillment process.
 - D) supplier relationship process.
- 4) The first three cars I bought all fell apart around 50,000 miles. It was called planned obsolescence and no one seemed to care until companies entered the market that promised 70,000, then 80,000, and finally 100,000 warranties. What sets a great car apart from a good one now is not the quality, which is assumed, but performance, safety and fuel economy. A car that can achieve all three is highly sought after. In the automotive market, performance, safety and fuel economy are sterling examples of:
 - A) order winners.
 - B) the voice of the engineer.
 - C) order qualifiers.
 - D) the voice of the customer.
- 5) Using an airline example for competitive priorities, the process capability of handling service needs of all market segments and promotional programs would be best described by:
 - A) top quality.
 - B) variety.
 - C) consistent quality.
 - D) delivery speed.

- 6) A business focusing on increasing the efficiency of its operations is more directly addressing:
- A) volume flexibility.
 - B) variety.
 - C) consistent quality.
 - D) low-cost.
- 7) A manufacturing process requires 12 minutes of labor to make 10 units of production. Which of the following actions will increase productivity?
- 1. Increase labor per 10 units of production
 - 2. Decrease labor per 10 units of production
 - 3. Increase number of units per 10 minutes of labor
 - 4. Decrease number of units per 12 minutes of labor
- A) 1. and 3. only
 - B) 2. and 4. only
 - C) 1. and 4. only
 - D) 2. and 3. only
- 8) The process structure that best describes a waiter's position at a restaurant would be classified as:
- A) front office.
 - B) back office.
 - C) hybrid office.
 - D) inner office.
- 9) A job process should be preferred when:
- A) workforce and equipment are specialized.
 - B) products are made to stock type.
 - C) customization is high and volume is low.
 - D) customization is low and volume is high.
- 10) Which of the following statements about process choice is best?
- A) A batch process typically has a standard sequence of operations through the whole facility.
 - B) Automobiles and appliances are examples of products created using a continuous flow process.
 - C) Continuous flow processes are very capital intensive.
 - D) A custom cake operation is an example of a batch process.

- 11) The product-process matrix used to analyze manufacturing operations brings together the elements of:
- A) volume, process, and intensity.
 - B) process, intensity, and product design.
 - C) intensity, volume, and process.
 - D) customization, volume, and process.
- 12) A manufacturer that produces standard products in large volumes is likely to be using a(n):
- A) make-to-stock strategy.
 - B) make-to-order strategy.
 - C) assemble-to-order strategy.
 - D) engineer-to-order strategy.
- 13) Which of the following statements about customer involvement is best?
- A) In service industries, customer contact is of minor importance.
 - B) High task divergence and flexible process flows require more flexibility of the process's employees, facilities and equipment.
 - C) A firm that produces standardized products often seeks customer specifications.
 - D) When customer involvement is highly customized, a process is more likely to use a standardized-services process rather than a customized-services process.
- 14) Which of the following statements regarding capital intensity is NOT true?
- A) Capital intensity can be a prohibitive investment for low-volume operations.
 - B) Decreased amounts of automation increase capital intensity.
 - C) Automation refers to a system or piece of equipment that is self-regulating and self-acting.
 - D) Leasing is a method to acquire equipment while defraying financial risk.
- 15) Which one of the following statements about flexible automation is best?
- A) Investment cost is lower when a transfer machine handles many operations.
 - B) Chemical processing plants and oil refineries mainly utilize programmable automation.
 - C) It is an automatic process that can be reprogrammed to handle various products.
 - D) It achieves top efficiency; accommodating new products is difficult and costly.
- 16) As it relates to process management, the concept of a flexible workforce is defined as:
- A) a labor force that often changes in size because of hirings and firings.
 - B) workers who are willing to work large amounts of overtime when necessary.
 - C) workers who are capable of performing many different tasks.
 - D) a labor force with a high turnover rate.

- 17) Suppose that competitive priorities call for offering a wide variety of customized services. Which of the following process decisions would be more likely?
- A) more capital intensity
 - B) more resource flexibility
 - C) more process automation
 - D) less customer involvement
- 18) Which statement about economies of scope is *not* true?
- A) Economies of scope are often attained through programmable automation.
 - B) Economies of scope bring together two competitive priorities—customization and low price.
 - C) Economies of scope reflect the ability to produce multiple products more cheaply in combination than separately.
 - D) Economies of scope reflect low capital intensity and high resource flexibility.
- 19) Which one of the following statements on the concept of focused factories is best?
- A) emphasizes economies of scale, rather than diseconomies of scale
 - B) prefers larger facilities producing all of the products or services the company offers
 - C) reduces the range of demands placed on an operation so management can concentrate on fewer tasks
 - D) emphasizes flexibility rather than cost
- 20) Weeks of inventory and inventory turns are reflected in:
- A) working capital.
 - B) operating expenses.
 - C) cost of goods sold.
 - D) cash flow.
- 21) Which location shift would qualify as forward placement?
- A) from the manufacturer to a distribution center
 - B) from the retailer to the wholesaler
 - C) from the wholesaler to the manufacturer
 - D) from the retailer to the manufacturer

- 22) Which one of the following statements about the relation between financial and supply-chain performance measures is TRUE?
- A) Longer delivery times require higher levels of working capital.
 - B) Shorter new product development time decreases revenue.
 - C) Higher inventory turns call for higher working capital requirements.
 - D) Lower aggregate inventory value means higher current assets.
- 23) A U.S. company faced with spiraling costs in their customer care center recreated that service in Luxembourg at a fraction of the cost. This is an example of:
- A) offshoring.
 - B) forward integration.
 - C) backward integration.
 - D) postponement.
- 24) According to the article, What is the Right Supply Chain for your Product?, on the efficient supply of functional products, the following is NOT true:
- A) Most companies have been focused on cost reduction for years
 - B) As companies have aggressively pursued cost cutting over the years, they have begun to reach the point of diminishing returns
 - C) The aggressive adoption of new technologies rises as the key differentiator for competitive advantage
 - D) Companies now believe that better coordination across corporate boundaries presents the greatest opportunities
- 25) The type of goods for which a responsive supply chain is appropriate are:
- A) fashion goods.
 - B) products with a long shelf life.
 - C) everyday products.
 - D) those with infrequent design changes.
- 26) _____ is an inventory measure obtained by dividing the average aggregate inventory value by sales per week at cost.
- A) Inventory turns.
 - B) shelf life.
 - C) weeks of supply.
 - D) return of assets.
- 27) According to the article, Strategy and Society, the following is NOT a prevailing justification for CSR
- A) Moral obligation.
 - B) License to operate
 - C) Reputation
 - D) Active competition

SAMPLE

- 28) According to the article, Strategy and Society, the following is NOT a prevailing justification for CSR
- A) Moral obligation.
 - B) License to operate
 - C) Reputation
 - D) Active competition
- 29) The following is NOT a principle of sustainable innovation
- A) Design Holistically
 - B) Match customers concerns
 - C) Be playful
 - D) Create collaboratively
- 30) According to the article, Strategy and Society, on choosing which social issue to address, the following is NOT true:
- A) No business can solve all of society's problems or bear the cost of doing so
 - B) Companies must select issues that intersect with their business
 - C) Other social agendas are best left to those companies or NGOs that are better positioned
 - D) The one essential guiding test and criteria is to focus only on socially worthy causes
- 31) In the article "Disrupt and Delight" by BBMG, which of the following statements is NOT part of the fundamental questions that emerge:
- A) How might we design new business models driven by more than just consumption?
 - B) How does sustainable innovation fulfill consumer expectations?
 - C) How might we re-invent whole systems in ways that make the limits of the status quo obsolete?
 - D) How might we create more happiness and a better quality of life for more people even as our economy shifts to meet nature's limits?
- 32) The framework for carrying out all of an organization's functions is:
- A) the competitive priority.
 - B) the corporate strategy.
 - C) the market analysis.
 - D) the organizational design.

- 33) All of the following are core competencies except:
- A) workforce.
 - B) competitive priorities.
 - C) facilities.
 - D) market and financial know-how.
- 34) Competitive priorities define the dimensions on which companies should excel in producing their products or services. Which one of the following statements is TRUE?
- A) A firm that competes on the dimension of volume flexibility is more likely to manufacture products that experience a seasonal demand variation.
 - B) It is impossible for a firm to improve cost and quality simultaneously.
 - C) A firm offering little customization cannot compete simultaneously on the dimension of consistent quality.
 - D) A firm that competes on the dimension of customization tends to have operating systems that are inflexible.
- 35) Operations management is part of a production system that can be described in the following manner: Organization: inputs→processes→outputs. Which one of the following correctly describes a production system?
- A) airline: pilots→planes→transportation
 - B) bank: tellers→computer equipment→deposits
 - C) solar panel manufacturer: sand→glass forming→panel
 - D) telephone company: satellites→cables→communication
- 36) Which of the following statements is more of a general characteristic of a manufacturing organization, as compared to a service organization?
- A) Short-term demand tends to be highly variable.
 - B) Operations are more capital intensive.
 - C) Outputs are more intangible.
 - D) Quality is more difficult to measure.

37. I have carefully checked my Scantron. My Section number is correctly shown and I have checked that my name is written in the Registrar's form, last name first.

- a. Yes
- b. No

38. This is version "A": fill in the "A" bubble for this question and write the letter "A" up in the identification block of your Scantron.
