

Checklist

What you should know

By the end of this subtopic, you should be able to:

- define the following terms: (AO1)
 - just-in-time (JIT)
 - just-in-case (JIC)
 - stock control chart
 - lead time
 - buffer stock
 - reorder level
 - reorder quantity
 - capacity utilisation rate
 - defect rate
 - productivity rate
 - labour productivity
 - capital productivity
 - operating leverage
 - cost to buy (CTB)
 - cost to make (CTM)
- explain the local and global supply chain process (AO2)
- distinguish between and evaluate ‘just-in-time’ and ‘just-in-case’ production (AO3)
- draw and analyse a stock control chart, including the following parts: (AO2, AO4)
 - lead time
 - buffer stock
 - reorder level
 - reorder quantity
- calculate and comment on the following operations management calculations: (AO2, AO4)
 - capacity utilisation rate
 - defect rate
 - labour productivity

- capital productivity
- operating leverage
- calculate cost to make (CTM) and cost to buy (CTM) and discuss make or buy decisions (AO3, AO4)