Student name:\_\_\_\_\_\_\_\_\_\_

**TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.  
1)** Efficiency means doing the right things to create the most value for the company.

⊚ true  
 ⊚ false

**2)** Effectiveness means doing the right things to create the most value for the company.

⊚ true  
 ⊚ false

**3)** A doctor completes a surgical procedure on a patient without error. The patient dies anyway. In operations management terms, we could refer to this doctor as being efficient but not effective.

⊚ true  
 ⊚ false

**4)** A worker can be efficient without being effective.

⊚ true  
 ⊚ false

**5)** A process can be effective without being efficient.

⊚ true  
 ⊚ false

**6)** Operations and supply chain management is defined as the design, operation, and improvement of the systems that create and deliver the firm's primary products and services.

⊚ true  
 ⊚ false

**7)** The term "value" refers to the relationship between quality and the price paid by the consumer.

⊚ true  
 ⊚ false

**8)** Attempting to balance the desire to efficiently use resources while providing a highly effective service may create conflict between the two goals.

⊚ true  
 ⊚ false

**9)** Central to the concept of operations strategy are the notions of operations focus and trade-offs.

⊚ true  
 ⊚ false

**10)** OSCM is concerned with management of the trickiest parts of the system that produces a good or delivers a service.

⊚ true  
 ⊚ false

**11)** OSCM is a functional field of business with clear line management responsibilities.

⊚ true  
 ⊚ false

**12)** The supply network can be thought of as a pipeline through which cash, material, and information flow.

⊚ true  
 ⊚ false

**13)** Supply networks cannot be constructed for every product or service.

⊚ true  
 ⊚ false

**14)** "Operations" refers to manufacturing and service processes used to transform resources employed by a firm into products desired by customers.

⊚ true  
 ⊚ false

**15)** "Supply chain" refers to processes that move information and material to and from the manufacturing and service processes of the firm.

⊚ true  
 ⊚ false

**16)** "Supply chain" includes only inbound freight and inventory.

⊚ true  
 ⊚ false

**17)** It is critical that a sustainable strategy meet the needs of shareholders and employees first, and then focus on preserving the environment.

⊚ true  
 ⊚ false

**18)** Planning is where a firm must determine how anticipated demand will be met with available resources.

⊚ true  
 ⊚ false

**19)** Although planning involves determining how the various supply chain processes (sourcing, making, delivering, and returning) will be met, planning itself is not considered a supply chain process.

⊚ true  
 ⊚ false

**20)** The supply chain processes mentioned in the textbook are planning, sourcing, delivering, and returning.

⊚ true  
 ⊚ false

**21)** All managers should understand the basic principles that guide the design of transformation processes.

⊚ true  
 ⊚ false

**22)** Operations and supply management changes constantly because of the dynamic nature of competing in global business and the constant evolution of information technology.

⊚ true  
 ⊚ false

**23)** Internet technology has made the sharing of reliable real-time information expensive.

⊚ true  
 ⊚ false

**24)** Capturing information directly from the source through such systems as point-of-sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has had little impact on operations and supply chain management.

⊚ true  
 ⊚ false

**25)** Use of systems like point-of-sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has made it more difficult to understand what all the information is saying.

⊚ true  
 ⊚ false

**26)** Operations and supply chain processes can be conveniently categorized as planning, sourcing, making, and delivering.

⊚ true  
 ⊚ false

**27)** A major aspect of planning involves developing a set of metrics to monitor the supply chain.

⊚ true  
 ⊚ false

**28)** Returning involves processes for receiving worn-out, defective, and excess products back from customers but does not involve support for customers who have problems with the product.

⊚ true  
 ⊚ false

**29)** Delivering is not considered in supply chain analysis when outside carriers are contracted to move products to customers.

⊚ true  
 ⊚ false

**30)** Services are intangible processes that cannot be weighed or measured.

⊚ true  
 ⊚ false

**31)** Service innovations can be patented.

⊚ true  
 ⊚ false

**32)** Services are homogeneous.

⊚ true  
 ⊚ false

**33)** Services are defined and evaluated as a package of features that affect the five senses.

⊚ true  
 ⊚ false

**34)** Automobiles and appliances are classified as "pure goods."

⊚ true  
 ⊚ false

**35)** Core service providers integrate tangible goods into their product.

⊚ true  
 ⊚ false

**36)** "Product-service bundling" refers to a company building service activities into its product offerings for its customers.

⊚ true  
 ⊚ false

**37)** In contrast to careers in finance and marketing, careers in OSCM involve hands-on involvement with people and processes.

⊚ true  
 ⊚ false

**38)** A supply chain manager is an OSCM job while a purchasing manager is not.

⊚ true  
 ⊚ false

**39)** Just-in-time (JIT) production was a major breakthrough in manufacturing philosophy pioneered by the Japanese.

⊚ true  
 ⊚ false

**40)** Lean manufacturing refers to just-in-time production coupled with total quality control.

⊚ true  
 ⊚ false

**41)** The Baldrige National Quality Award was started under the direction of the National Institute of Standards and Technology.

⊚ true  
 ⊚ false

**42)** The approach that advocates making revolutionary changes as opposed to evolutionary changes is called "creation theory."

⊚ true  
 ⊚ false

**43)** The approach that advocates making revolutionary changes as opposed to evolutionary changes is called "business process reengineering."

⊚ true  
 ⊚ false

**44)** Business process reengineering, which seeks revolutionary change, is contrasted with total quality management which commonly advocates incremental change.

⊚ true  
 ⊚ false

**45)** The "triple bottom line" relates to the economic, employee, and environmental impact of a firm's strategy.

⊚ true  
 ⊚ false

**46)** Sustainability is the ability to maintain profits in a system.

⊚ true  
 ⊚ false

**47)** "Green belt" programs are coordinated public works projects aimed a placing an environmentally friendly zone around major cities.

⊚ true  
 ⊚ false

**48)** Green and black belt programs teach six-sigma quality tools to managers at many corporations.

⊚ true  
 ⊚ false

**49)** The central idea of supply chain management is to apply a total system approach to managing the flow of information, materials, and services from raw material suppliers through factories and warehouses to the end customer.

⊚ true  
 ⊚ false

**50)** The term "electronic commerce" refers to the buying and selling of electronic products and devices.

⊚ true  
 ⊚ false

**51)** The term "electronic commerce" refers to the use of the Internet as an essential element of business activity.

⊚ true  
 ⊚ false

**52)** "Business analytics" involves the analysis of data through a unique combination of linear programming, game theory, and queuing theory to better solve business problems.

⊚ true  
 ⊚ false

**53)** The mathematical results of Business Analytics are used to automate decision making and eliminate the decision maker.

⊚ true  
 ⊚ false

**54)** Services cannot be stored.

⊚ true  
 ⊚ false

**55)** Service does not require interaction with the customer.

⊚ true  
 ⊚ false

**MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.  
56)** One reason for studying operations and supply chain management (OSCM) is which of the following?

A) OSCM is essential for understanding organizational behavior.   
 B) Most business graduates do OSCM work regardless of their job title.  
 C) All managers should understand the basic principles that guide the design of transformation processes.  
 D) OSCM is a required course in all business degree programs.  
 E) OSCM is the most rigorous business discipline.

**57)** The goods-services continuum consists of which set of the following categories?

A) No goods, some goods, even mix, some service, no service   
 B) Pure goods, core goods, core services, pure services  
 C) No service, some service, good service, excellent service  
 D) Self-service, help desk service, face-to-face service, service-with-a-smile  
 E) None of these choices are correct

**58)** Which of the following are defined as core goods?

A) Chemicals   
 B) Airlines  
 C) Data storage systems  
 D) Hotels  
 E) None of these choices are correct

**59)** Which of the following are not listed in the text as jobs in OSCM?

A) Department store manager   
 B) Project manager  
 C) Hospital administrator  
 D) Data center manager  
 E) Call center manager

**60)** Which of the following is not a characteristic that distinguishes services from goods?

A) Service jobs are unskilled.   
 B) A service is intangible.  
 C) Services are perishable.  
 D) Services are heterogeneous.  
 E) None of these choices are correct

**61)** Which of the following is not a way that operations and supply processes are categorized?

A) Planning   
 B) Return  
 C) Delivery  
 D) Selecting  
 E) Making

**62)** One of the "package of features" that make up a service is:

A) appearance   
 B) facilitating goods  
 C) packaging  
 D) cost  
 E) implied use

**63)** Which of the following is not a measure of operations and supply chain management efficiency used by Wall Street?

A) Inventory turnover   
 B) Revenue per employee  
 C) Receivable turnover  
 D) Earnings per share  
 E) Asset turnover

**64)** Which of the following is a measure of operations and supply management efficiency used by Wall Street?

A) Dividend payout ratio   
 B) Current ratio  
 C) Receivable turnover  
 D) Earnings per share growth  
 E) Financial leverage

**65)** All other things remaining the same, if the sales revenue increases, asset turnover ratio will

A) increase.   
 B) decrease.  
 C) stay the same.  
 D) may increase or decrease.  
 E) there is no way to tell for sure.

**66)** Inventory turnover measures:

A) the efficiency in turning inventory into sales.   
 B) liquidity.  
 C) the speed of receivables collection.  
 D) liquidity and the efficiency in turning inventory into sales.  
 E) none of the these.

**67)** The correct order in the good-services continuum is

A) pure services - core Services - core goods - pure goods.   
 B) pure goods - pure services - core services - core goods.  
 C) pure goods - pure services - core goods - core services.  
 D) pure goods - core goods - core services - pure services.  
 E) core goods - core services - pure goods - pure services.

**68)** The goods-services continuum consists of which set of the following categories?

A) No goods, some goods, even mix, some service, no service   
 B) Pure goods, core goods, core services, pure services  
 C) No service, some service, good service, excellent service  
 D) Self-service, help desk service, face-to-face service, service-with-a-smile  
 E) None of these choices are correct

**69)** \_\_\_\_\_ consists of the processes needed to operate an existing supply chain strategically.

A) Planning   
 B) Sourcing  
 C) Making  
 D) Delivering  
 E) Returning

**70)** \_\_\_\_\_ involves the selection of suppliers that will deliver the goods and services needed to create the firm’s product.

A) Planning   
 B) Sourcing  
 C) Making  
 D) Delivering  
 E) Returning

**71)** \_\_\_\_\_ is where the major product is produced or the service provided.

A) Planning   
 B) Sourcing  
 C) Making  
 D) Delivering  
 E) Returning

**72)** \_\_\_\_\_ is where carriers are picked to move products to warehouses and customers, coordinate and schedule the movement of goods and information through the supply network, develop and operate a network of warehouses, and run the information systems.

A) Planning   
 B) Sourcing  
 C) Making  
 D) Delivering  
 E) Returning

**73)** \_\_\_\_\_ involves processes for receiving worn-out, defective, and excess products back from customers and support for customers who have problems with delivered products.

A) Planning   
 B) Sourcing  
 C) Making  
 D) Delivering  
 E) Returning

**74)** Which of the following is not a “Core Service”?

A) Hotels   
 B) Airlines  
 C) Internet service providers  
 D) Universities

**75)** What is the term that emphasizes how a factory’s capabilities could be used strategically to gain advantage over a competing company?

A) Manufacturing strategy   
 B) Just-in-time  
 C) Total quality control  
 D) Lean manufacturing  
 E) Total quality management

**76)** This philosophy is an integrated set of activities designed to achieve high-volume production using minimal inventories of parts that arrive exactly when they are needed.

A) Manufacturing strategy   
 B) Just-in-time  
 C) Total quality control  
 D) Lean manufacturing  
 E) Total quality management

**77)** This concept aggressively seeks to eliminate causes of production defects.

A) Manufacturing strategy   
 B) Just-in-time  
 C) Total quality control  
 D) Lean manufacturing  
 E) Total quality management

**78)** This philosophy seeks to achieve high customer service with minimum levels of inventory investment.

A) Manufacturing strategy   
 B) Just-in-time  
 C) Total quality control  
 D) Lean manufacturing  
 E) Total quality management

**79)** What is known as managing the entire organization so it excels in all dimensions of products and services important to the customer?

A) Manufacturing strategy   
 B) Just-in-time  
 C) Total quality control  
 D) Lean manufacturing  
 E) Total quality management

**Answer Key**Test name: chapter 1

1) FALSE

2) TRUE

3) TRUE

4) TRUE

5) TRUE

6) TRUE

7) TRUE

8) TRUE

9) TRUE

10) FALSE

11) TRUE

12) FALSE

13) FALSE

14) TRUE

15) TRUE

16) FALSE

17) FALSE

18) TRUE

19) FALSE

20) FALSE

21) TRUE

22) TRUE

23) FALSE

24) FALSE

25) FALSE

26) FALSE

27) TRUE

28) FALSE

29) FALSE

30) TRUE

31) FALSE

32) FALSE

33) TRUE

34) FALSE

35) TRUE

36) TRUE

37) TRUE

38) FALSE

39) TRUE

40) TRUE

41) TRUE

42) FALSE

43) TRUE

44) TRUE

45) TRUE

46) FALSE

47) FALSE

48) TRUE

49) TRUE

50) FALSE

51) TRUE

52) FALSE

53) FALSE

54) TRUE

55) FALSE

56) C

57) B

58) C

59) D

60) A

61) D

62) B

63) D

64) C

65) A

66) D

67) D

68) B

69) A

70) B

71) C

72) D

73) E

74) D

75) A

76) B

77) C

78) D

79) E