***Operations Management, 2e* (Cachon)**

**Chapter 1 Introduction to Operations Management**

1) Supply is a set of products or services a business offers to its customers.

Answer: TRUE

Explanation: Supply is a set of products or services a business offers to its customers.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

2) Consumption utility is composed of price and convenience.

Answer: FALSE

Explanation: Consumption utility is composed of performance and fit.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

3) "Firm A Pareto dominates firm B" means that firm A's product or service is inferior to that of firm B on all dimensions of the customer utility function.

Answer: FALSE

Explanation: "Firm A Pareto dominates firm B" means that firm A's product or service is superior to that of firm B on all dimensions of the customer utility function.

Difficulty: 1 Easy

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

4) A firm reduces inefficiencies by making trade-offs.

Answer: FALSE

Explanation: A firm reduces inefficiencies so that it does not have to sacrifice one performance dimension versus another.

Difficulty: 2 Medium

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

5) Reducing inefficiencies will increase a firm's profitability.

Answer: TRUE

Explanation: Reducing inefficiencies by increasing what the customer is willing to pay and/or decreasing costs will increase a firm's profitability.

Difficulty: 1 Easy

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

6) Every work requires operations.

Answer: TRUE

Explanation: All work requires operations to do the work and/or to improve the work.

Difficulty: 1 Easy

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

7) "Who are the customers?" is a key question in operations management.

Answer: TRUE

Explanation: "Who are the customers and what are their heterogeneous needs?" is a key operations management question, corresponding to the consumption utility component of the consumer utility function.

Difficulty: 1 Easy

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

8) The set of products or services a business offers to its customers is called \_\_\_\_\_\_\_\_.

A) demand

B) bundle

C) supply

D) value

Answer: C

Explanation: Supply is the set of products or services offered by a business to its customers.

Difficulty: 1 Easy

Topic: The Customers View of the World; Introduction

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

9) The set of products or services customers want is called \_\_\_\_\_\_\_\_.

A) demand

B) bundle

C) supply

D) value

Answer: A

Explanation: Demand is the set of products or services customers want.

Difficulty: 1 Easy

Topic: The Customers View of the World; Introduction

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

10) "Match supply with demand" means \_\_\_\_\_\_\_\_.

A) telling customers what they want while reducing prices

B) offering customers what they want while making a profit

C) explaining to customers what they want while lowering costs

D) investing in marketing while investing in automation

Answer: B

Explanation: "Offer customers what they want" is another way of saying "match supply with demand."

Difficulty: 1 Easy

Topic: The Customers View of the World; Introduction

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

11) Which of the following is NOT a goal of operations management?

A) Understanding the drivers of customer utility

B) Matching supply with demand

C) Making a profit while providing customers what they want

D) Providing great products at low prices to customers

Answer: A

Explanation: Understanding customer utility drivers is a goal of marketing, not operations management.

Difficulty: 1 Easy

Topic: The Customers View of the World; Introduction

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

12) Which of the following is NOT a challenge of matching supply with demand?

A) Delivering better products at low prices

B) Attempting to predict demand

C) Providing customers with what they want at a low cost

D) Reducing demand to match supply

Answer: D

Explanation: The challenge of matching supply with demand is to understand demand so that better products or services are offered to customers at low cost.

Difficulty: 2 Medium

Topic: The Customers View of the World; Introduction

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

13) A customer's desire for a product or service is measured by its \_\_\_\_\_\_\_\_.

A) popularity

B) costs

C) utility

D) advertisement

Answer: C

Explanation: According to economic theory, utility measures one's desire for a product or service.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

14) Economic theory suggests that a customer chooses a product or service to obtain the highest \_\_\_\_\_\_\_\_.

A) demand

B) supply

C) utility

D) satisfaction

Answer: C

Explanation: A customer chooses a product or service that gives him/her the highest utility.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

15) Utility is composed of the following components EXCEPT \_\_\_\_\_\_\_\_.

A) customer loyalty

B) price

C) inconvenience

D) consumption utility

Answer: A

Explanation: Utility is composed of consumption utility, price, and inconvenience.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

16) The features of a product or service that most, if not all, customers prefer are called \_\_\_\_\_\_\_\_.

A) consensus attributes

B) consumption attributes

C) fit attributes

D) performance attributes

Answer: D

Explanation: Performance attributes are features of a product or service that most, if not all, customers prefer.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

17) The many flavors of ice-cream offered by ice-cream parlors are reflective of the \_\_\_\_\_\_\_\_ of today's customers.

A) bargaining power

B) product-fit

C) heterogeneous preferences

D) knowledge base

Answer: C

Explanation: Customers' differences in taste, color, or size of the product or services they want are called heterogeneous preferences.

Difficulty: 3 Hard

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

18) The inconvenience of obtaining a product or receiving a service is called \_\_\_\_\_\_\_\_.

A) transaction cost

B) fit

C) timing

D) unavailability

Answer: A

Explanation: Transaction costs refer to the inconvenience of obtaining a product or receiving a service.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

19) A restaurant promising a meal in two minutes or less attempts to cater to which part of the customer utility function?

A) Timing

B) Preference

C) Ambience

D) Fit

Answer: A

Explanation: Promising customers quick delivery is designed to appeal to the timing dimension of customer utility.

Difficulty: 2 Medium

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

20) Price utility includes all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) cost of owning the product

B) shipping cost

C) financing costs

D) transaction costs

Answer: D

Explanation: Price utility includes the total cost of owning the product or receiving the service. Transaction costs refer to the inconvenience of obtaining the product or receiving the service.

Difficulty: 2 Medium

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

21) \_\_\_\_\_\_\_\_ is the study of how customers derive utility from products or services.

A) Marketing

B) Operations

C) Economics

D) Management

Answer: A

Explanation: Marketing is the study of how customers derive utility from products or services.

Difficulty: 1 Easy

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

22) Which dimension of the customer utility function is emphasized with a restaurant's slogan, "Eat Fresh"?

A) Timing

B) Location

C) Performance

D) Fit

Answer: C

Explanation: "Eat Fresh" is a performance attribute of Subway's sandwiches indicating that customers prefer fresh over processed ingredients in their food.

Difficulty: 3 Hard

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

23) A firm that offers tailor-made suits to its customers is appealing to the \_\_\_\_\_\_\_\_ dimension of the customers' utility function.

A) timing

B) location

C) performance

D) fit

Answer: D

Explanation: Fit captures how well the product or service matches with the unique characteristics of a given customer.

Difficulty: 3 Hard

Topic: The Customers View of the World

Learning Objective: 01-01 Identify the drivers of customer utility.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

24) Which of the following statements about a firm's capabilities is FALSE?

A) A firm has capabilities to do well on some dimensions of its customers' utility function.

B) A firm has capabilities to do well on all dimensions of its customers' utility function.

C) A firm's capabilities can be defined as the dimensions of the customer's utility function it is able to satisfy.

D) How well a firm can satisfy its customers' utility function is dependent on its capabilities.

Answer: B

Explanation: A firm has capabilities to do well on some but not all dimensions of its customers' utility function.

Difficulty: 2 Medium

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

25) You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
| H1 | $100 | 3 |
| H2 | $250 | 5 |
| H3 | $200 | 4 |
| H4 | $150 | 2 |

Which of the following is a valid conclusion?

A) H3 is Pareto dominated by H2

B) H2 is Pareto dominated by H3

C) H1 is Pareto dominated by H4

D) H4 is Pareto dominated by H1

Answer: D

Explanation: Pareto dominated means that a firm's product or service is inferior to one or multiple competitors on  all dimensions of the customer utility function.

Difficulty: 3 Hard

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Evaluate

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

26) You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
| H1 | $100 | 3 |
| H2 | $250 | 5 |
| H3 | $200 | 4 |
| H4 | $150 | 2 |

Which of these hotels is NOT on the efficient frontier?

A) H1

B) H3

C) H2

D) H4

Answer: D

Explanation: At least one competitor is better on both factors than H4. H4 is Pareto dominated and cannot be on the efficient frontier.

Difficulty: 3 Hard

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Evaluate

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

27) You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
| H1 | $100 | 3 |
| H2 | $250 | 5 |
| H3 | $200 | 4 |
| H4 | $150 | 2 |

Which of these hotels is inefficient?

A) H1

B) H2

C) H3

D) H4

Answer: D

Explanation: A firm that is not on the efficient frontier is inefficient.

Difficulty: 3 Hard

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Evaluate

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

28) Beyond just executing the current way of doing things, operations management is about \_\_\_\_\_\_\_\_.

A) eliminating inefficiencies to move the firm away from the efficient frontier

B) making strategic trade-offs to do well on all dimensions of the customers' utility function

C) managing inputs and resources to move the firm away from the efficient frontier

D) innovating its operations to shift the efficient frontier

Answer: D

Explanation: There are three ways in which operations management can match supply with demand: make trade-offs, reduce inefficiencies, and innovate.

Difficulty: 2 Medium

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

29) By making many burgers before customers ask for them, a fast-food restaurant is sacrificing the dimension of \_\_\_\_\_\_\_\_ and improving the dimension of \_\_\_\_\_\_\_\_ in the customers' utility function.

A) timing, fit

B) fit, timing

C) timing, price

D) price, timing

Answer: B

Explanation: Trade-offs among the dimensions of the customer's utility function allow a firm to sacrifice on one dimension, such as fit, while excelling on another, such as time.

Difficulty: 2 Medium

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

30) A firm that targets a market segment of budget-conscious customers is likely to sacrifice some \_\_\_\_\_\_\_\_ to get a better \_\_\_\_\_\_\_\_.

A) consumption utility, price

B) performance, fit

C) timing, location

D) location, utility

Answer: A

Explanation: Budget-conscious customers are price sensitive and they will be less willing to pay (price utility) for a perfectly fitted or optimally performed (consumption utility) product/service.

Difficulty: 3 Hard

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Evaluate

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

31) Three restaurants are compared along the dimensions of responsiveness and cost performance, as shown below:



Which of the following conclusions can be drawn about restaurant C?

A) It is on the efficient frontier.

B) It Pareto dominates A.

C) It is inefficient.

D) It is efficient.

Answer: C

Explanation: Restaurant C is not on the efficient frontier, suggesting that it is inefficient.

Difficulty: 3 Hard

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

32) Three restaurants are compared along the dimensions of responsiveness and cost performance, as shown below:



Which of the following conclusions can be drawn?

A) A is Pareto dominated by B.

B) A is on the efficient frontier.

C) C is Pareto dominating A and B.

D) C is on the efficient frontier.

Answer: B

Explanation: Both A and B are on the efficient frontier and Pareto dominate C.

Difficulty: 3 Hard

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

33) A firm invents an app that allows customers to make purchases with their smartphone. The firm hopes its new mobile payment app will \_\_\_\_\_\_\_\_ the efficient frontier through \_\_\_\_\_\_\_\_.

A) shift, innovation

B) stay on, innovation

C) stay on, imitation

D) shift, imitation

Answer: A

Explanation: Innovating is a way of shifting the efficient frontier.

Difficulty: 3 Hard

Topic: A Firms Strategic Trade-Offs

Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

34) The difference between revenue and costs is called \_\_\_\_\_\_\_\_.

A) profit

B) input

C) supply

D) demand

Answer: A

Explanation: Profit is the difference between revenue and costs.

Difficulty: 1 Easy

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

35) A firm invests in building a manufacturing plant. This investment is an example of \_\_\_\_\_\_\_\_.

A) costs for outputs

B) variable costs

C) costs for resources

D) marketing costs

Answer: C

Explanation: Resources such as production facilities are things in a business that help transform input into output.

Difficulty: 2 Medium

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

36) A firm can increase its profitability by \_\_\_\_\_\_\_\_.

A) increasing costs and reducing price

B) moving away from the efficient frontier

C) reducing efficiencies

D) reducing inefficiencies

Answer: D

Explanation: Reducing inefficiencies will increase a firm's profitability.

Difficulty: 1 Easy

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

37) Which of the following is NOT a system inhibitor?

A) Inflexibility

B) Poor brand recognition

C) Variability

D) Waste

Answer: B

Explanation: The three system inhibitors are waste, variability, and inflexibility.

Difficulty: 1 Easy

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

38) Leftover bread that is not sold at a bakery is an example of \_\_\_\_\_\_\_\_.

A) defect

B) flexibility

C) variability

D) waste

Answer: D

Explanation: Leftover bread takes up inputs and resources to make but adds no value to customers if it is not sold.

Difficulty: 2 Medium

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

39) A long waiting line at the checkout of a supermarket at some moments in the day is an example of \_\_\_\_\_\_\_\_ and a symptom of \_\_\_\_\_\_\_\_.

A) defect, waste

B) inflexibility, profit

C) variability, inflexibility

D) waste, variability

Answer: C

Explanation: Customers coming at different times of the day cause demand variability.

Difficulty: 2 Medium

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

40) A sold-out concert that turns away music fans because it is not able to increase the number of seats is an example of \_\_\_\_\_\_\_\_.

A) defect

B) inflexibility

C) variability

D) waste

Answer: B

Explanation: The inability to accommodate all music fans due to insufficient booking capacity is an example of inflexibility.

Difficulty: 2 Medium

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

41) Which of the following is NOT a source of supply variability?

A) Customers with different requests

B) Power outage

C) Time to serve a customer

D) Wrong order entered

Answer: A

Explanation: Customers having different requests causes demand variability.

Difficulty: 2 Medium

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

42) To which system inhibitor does the following customer complaint relate: "I wish they could add more cashiers in the busy hours"?

A) Defect

B) Inflexibility

C) Variability

D) Waste

Answer: B

Explanation: Inflexibility is the inability of an operation to quickly and cheaply change in response to new information.

Difficulty: 3 Hard

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

43) More guests showing up than expected at a party is an example of \_\_\_\_\_\_\_\_.

A) demand variability

B) supply variability

C) demand inflexibility

D) supply inflexibility

Answer: A

Explanation: Demand variability deals with uncertainty in knowing exactly how many guests will show up.

Difficulty: 3 Hard

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

44) Which of the following statements about system inhibitors is TRUE?

A) Reducing waste is enough to battle against system inhibitors.

B) Increasing profit is a way to overcome system inhibitors.

C) Fighting system inhibitors is a one-time process.

D) System inhibitors cause inefficiencies.

Answer: D

Explanation: Inefficiencies are the result of having system inhibitors in an operation.

Difficulty: 2 Medium

Topic: Overcoming Inefficiencies: The Three System Inhibitors

Learning Objective: 01-03 Explain the three system inhibitors.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

45) Operations management is about \_\_\_\_\_\_\_\_.

A) working harder

B) doing away with work

C) improving the way we work

D) dealing with customer feedback

Answer: C

Explanation: Operations management is about improving how work is being done.

Difficulty: 1 Easy

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

46) Which of the following statements about operations management is TRUE?

A) Every work requires operations.

B) Operations is all about manufacturing plants.

C) Operations management is in all job descriptions.

D) Operations management is not important for lawyers.

Answer: A

Explanation: Operations is about work and operations management is about improving the work.

Difficulty: 1 Easy

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

47) *Operations* comes from the Latin word "opus," which means \_\_\_\_\_\_\_\_.

A) activity

B) helping people

C) improvement

D) work

Answer: D

Explanation: *Operations* comes from the Latin word "opus," which means "work."

Difficulty: 1 Easy

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

48) Operations management improves the way work is done by means of all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) overcoming efficiencies

B) eliminating waste

C) decreasing variability

D) increasing flexibility

Answer: A

Explanation: Operations management helps people improve the way they work by overcoming the inefficiencies that they face.

Difficulty: 2 Medium

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

49) A doctor can apply his/her knowledge in operations management to \_\_\_\_\_\_\_\_.

A) find a cure for cancer

B) discover a new drug

C) improve his/her work as a doctor

D) improve his/her language skills

Answer: C

Explanation: Operations management helps to improve a doctor's work.

Difficulty: 2 Medium

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

50) Which of the following is a job of an operations manager?

A) Managing inventory levels

B) Setting up an accounting system

C) Filing lawsuits against competitors

D) Developing a new logo

Answer: A

Explanation: Operations managers are in charge of acquiring inputs and managing the resources they need to better serve their customers.

Difficulty: 2 Medium

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

51) Which of the following is NOT a job of an operations manager?

A) Acquiring inputs

B) Managing resources

C) Overcoming inefficiencies

D) Developing a new logo

Answer: D

Explanation: Operations managers are in charge of acquiring inputs and managing the resources they need to better serve their customers.

Difficulty: 2 Medium

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

52) Which of the following is NOT a job of an operations manager?

A) Acquiring inputs

B) Managing resources

C) Overcoming inefficiencies

D) Filing lawsuits against competitors

Answer: D

Explanation: Operations managers are in charge of acquiring inputs and managing the resources they need to better serve their customers.

Difficulty: 2 Medium

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

53) As an operations manager, you improve work by doing all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) eliminating waste

B) increasing flexibility

C) doing the work for others

D) reducing variability

Answer: C

Explanation: Work can be improved by overcoming the three system inhibitors.

Difficulty: 1 Easy

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Remember

AACSB: Analytical Thinking

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54) As an operations manager, you improve work by doing all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) eliminating waste

B) increasing flexibility

C) reducing variability

D) setting up a new accounting system

Answer: D

Explanation: Work can be improved by overcoming the three system inhibitors.

Difficulty: 1 Easy

Topic: Operations Management at Work

Learning Objective: 01-04 Explain what work in operations management looks like.

Bloom's: Remember

AACSB: Analytical Thinking

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55) A mismatch of supply and demand can be caused by all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) demand variability

B) supply variability

C) supply inflexibility

D) demand inflexibility

Answer: D

Explanation: Inflexibility comes from the supply side only.

Difficulty: 2 Medium

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Understand

AACSB: Analytical Thinking

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56) Which of the following is NOT an operational problem that you will learn in this text?

A) Process analysis

B) Process improvement

C) Process satisfaction

D) Process quality

Answer: C

Explanation: The term "process satisfaction" does not make sense. Our goal is to satisfy the customer.

Difficulty: 1 Easy

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

57) \_\_\_\_\_\_\_\_ addresses the question of how a firm should produce the products or services its customers want.

A) Process analysis

B) Product development

C) Process satisfaction

D) Process quality

Answer: A

Explanation: Process analysis addresses the question of how a firm should produce the products or services its customers want.

Difficulty: 1 Easy

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

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58) \_\_\_\_\_\_\_\_ is a response to the three system inhibitors and helps answer the question of how a firm improves the productivity of its processes.

A) Demand anticipation

B) Inventory management

C) Process variability

D) Lean operations

Answer: D

Explanation: Lean operations is a response to system inhibitors to improve a firm's process productivity.

Difficulty: 1 Easy

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

59) \_\_\_\_\_\_\_\_ helps a firm to answer the question of how much of a product should be made or how many customers should be served.

A) Product development

B) Inventory management

C) Process variability

D) Lean operations

Answer: B

Explanation: Inventory management helps a firm anticipate customer demand.

Difficulty: 1 Easy

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Remember

AACSB: Analytical Thinking

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60) Which key operational question corresponds to the "inconvenience" component of the customer utility function?

A) Who are the customers?

B) How efficiently will products or services be delivered?

C) What is the product or service to be delivered?

D) Where will the demand be fulfilled?

Answer: D

Explanation: The question "Where will the demand be fulfilled?" answers the location subcomponent of the inconvenience component of the customer utility function.

Difficulty: 2 Medium

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible

61) Which key operational question corresponds to the "performance attributes" subcomponent of consumption utility?

A) Who are the customers?

B) How efficiently will the products or services be delivered?

C) What is the product or service to be delivered?

D) Where will the demand be fulfilled?

Answer: C

Explanation: The question "What is the product or service to be delivered?" defines the features or performance attributes of the product or service.

Difficulty: 2 Medium

Topic: Operations Management: An Overview of the Book

Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation; Screen Reader Compatible