

# **TEST BANK FOR**

*Operations Management Processes and Supply Chains,*

*Krajewski*

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## **Chapter 1-15**

### **Chapter 1**

#### 1.1 Role of Operations in an Organization

1) Operations management refers to the direction and control of inputs that transform processes into products and services.

Answer: TRUE

Difficulty: Easy

Keywords: operations management, inputs, process, transformation

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

2) An operation is a group of resources performing all or part of one or more processes.

Answer: TRUE

Difficulty: Easy

Keywords: operations management, inputs, process, transformation

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

3) The three main line functions of any business include Operations, Finance and Marketing.

Answer: TRUE

Difficulty: Easy

Keywords: operations, finance, marketing

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

4) The scope of supply chain management is restricted to the synchronization of the process among the various business functions within the firm.

Answer: FALSE

Difficulty: Easy

Keywords: supply chain management, processes

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

5) Regardless of how departments like Accounting, Engineering, Finance, and Marketing function in an organization, they are all linked together through:

A) management.

B) processes.

C) customers.

D) stakeholders.

Answer: B

Difficulty: Moderate

Keywords: departments, functions, processes

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

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Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

6) The foundations of modern manufacturing and technological breakthroughs were inspired by the creation of the mechanical computer by:

- A) Charles Babbage.
- B) James Watt.
- C) Eli Whitney.
- D) Frederick Taylor.

Answer: A

Difficulty: Moderate

Keywords: Charles Babbage

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

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7) Which of these Great Moments in Operations and Supply Chain Management did not occur in the twentieth century?

- A) invention of the assembly line
- B) publication of the Toyota Production Systems book
- C) establishment of railroads
- D) strategic planning for achieving product variety

Answer: C

Difficulty: Moderate

Keywords: history, railroad

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

8) The three main line functions of any business include:

- A) operations.
- B) marketing.
- C) finance.
- D) information systems.
- E) all of the above
- F) only A), B) and C) above

Answer: F

Difficulty: Moderate

Keywords: operations, finance, marketing

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

9) Operations management refers to the systematic design, direction, and control of \_\_\_\_\_ that transform \_\_\_\_\_ into products and services.

Answer: processes, inputs

Difficulty: Moderate

Keywords: process, input, transform, product, service

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

10) The three mainline functions of any business are \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

Answer: operations, finance, marketing

Difficulty: Moderate

Keywords: operations, finance, marketing, functions of a firm

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

11) Supply chain management is the synchronization of a firm's processes with those of its \_\_\_\_\_ and \_\_\_\_\_ to match the flow of materials, services, and information.

Answer: suppliers, customers

Difficulty: Moderate

Keywords: supply chain management, suppliers, customers

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

12) What are the three key functions of a firm and what is each responsible for?

Answer: The three main functions of a firm are operations, finance, and marketing. The operations function transforms material and service inputs into product and service outputs. The finance function generates resources, capital and funds from investors and sales of the firm's goods and services in the marketplace. The marketing function is responsible for producing sales revenue of the outputs.

Difficulty: Moderate

Keywords: manufacturing process, service process

Learning Outcome: Discuss operations and operations management as a competitive advantage for the organization

AACSB: Application of Knowledge

Learning Objective: Describe the role of operations in an organization and its historical evolution over time.

## 1.2 A Process View

1) A process involves transforming inputs into outputs.

Answer: TRUE

Difficulty: Easy

Keywords: process, inputs, outputs

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

2) Every process has a customer.

Answer: TRUE

Difficulty: Easy

Keywords: process, customer relationship

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

3) Departments within a firm typically have a common set of objectives, and share resources among them to achieve those objectives.

Answer: FALSE

Difficulty: Moderate

Keywords: functions, departments

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

4) At the level of the firm, service providers offer just services and manufacturers offer just products.

Answer: FALSE

Difficulty: Moderate

Keywords: manufacturing, service, similarity, goods, services

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

5) The outputs of service processes typically cannot be held in a finished goods inventory.

Answer: TRUE

Difficulty: Easy

Keywords: manufacturing, service, similarity, goods, services

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

6) Manufacturing processes tend to be capital intensive.

Answer: TRUE

Difficulty: Easy

Keywords: manufacturing process, service process, capital intensive, labor intensive

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

7) Quality is more easily measured in a service process than in a manufacturing process.

Answer: FALSE

Difficulty: Moderate

Keywords: manufacturing process, service process, quality

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

8) Contact with the customer is usually higher in a manufacturing process than in a service process.

Answer: FALSE

Difficulty: Easy

Keywords: manufacturing process, service process, customer contact

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

9) The outputs from manufacturing processes can be produced, stored, and transported in anticipation of future demand.

Answer: TRUE

Difficulty: Easy

Keywords: manufacturing, service, similarity, goods, services

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

10) Which of these statements about processes is *not* true?

A) A process can have its own set of objectives.

B) A process can involve work flow that cuts across departmental boundaries.

C) A process can require resources from several departments.

D) A process can exist without customers.

Answer: D

Difficulty: Moderate

Keywords: process, customer relationship

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

11) 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) Furniture manufacturer: wood→sanding→chair

D) Telephone company: satellites→cables→communication

Answer: C

Difficulty: Moderate

Keywords: production system, input, process, output

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Reflective Thinking

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

**Figure 1.1**

You are the Production Manager for the toy manufacturing process at the ABC Company.



12) Use the information provided in Table 1.1. An example of an internal customer is:

- A) the lumber company.
- B) the Receiving Department at ABC.
- C) the Shipping Department at ABC.
- D) the toy store at the mall.

Answer: C

Difficulty: Moderate

Keywords: internal customer

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Reflective Thinking

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

13) Use the information provided in Table 1.1. An example of an internal supplier is:

- A) the lumber company.
- B) the Receiving Department at ABC.
- C) the Shipping Department at ABC.
- D) the toy store at the mall.

Answer: B

Difficulty: Moderate

Keywords: internal supplier

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Reflective Thinking

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

14) Use the information provided in Table 1.1. An example of an external customer is:

- A) the lumber company.
- B) the Customer Service Department at ABC.
- C) the Shipping Department at ABC.
- D) the toy store at the mall.

Answer: D

Difficulty: Moderate

Keywords: external customer

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Reflective Thinking

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

15) Use the information provided in Table 1.1. An example of an external supplier is:

- A) the lumber company.
- B) the Receiving Department at ABC.
- C) the Customer Service Department at ABC.
- D) the toy store at the mall.

Answer: A

Difficulty: Moderate

Keywords: external supplier

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Reflective Thinking

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

16) Which of the following is an example of a nested process?

- A) At the start of the new semester, a student first pays tuition and then goes to the bookstore.
- B) A customer service representative verifies a caller's account information.
- C) A candidate's intent to graduate is checked for financial holds by the Bursar and for degree requirements by Advising before the diploma mill prints their sheepskin.
- D) A stockbroker calls a client and advises her to sell silver short.

Answer: C

Difficulty: Easy

Keywords: nested process

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

17) 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.

Answer: B

Difficulty: Moderate

Keywords: manufacturing organization, service organization, capital intensity

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

18) Which one of the following statements is more of a general characteristic of a service organization, as compared to a manufacturing organization?

- A) Output can be inventoried.
- B) The response time is longer.
- C) There is less customer contact.
- D) Quality is not easily measured.

Answer: D

Difficulty: Moderate

Keywords: manufacturing organization, service organization, facilities

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

19) 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.

Answer: A

Difficulty: Moderate

Keywords: manufacturing organization, service organization, physical output

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

20) Service processes usually have:

- A) physical, durable output.
- B) low levels of customer contact.
- C) output that can be inventoried.
- D) shorter response times.

Answer: D

Difficulty: Moderate

Keywords: manufacturing organization, service organization, capital intensity

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.

21) A(n) \_\_\_\_\_ is any activity or group of activities that takes one or more inputs, transforms and adds value to them, and provides one or more outputs for its customers.

Answer: process

Difficulty: Moderate

Keywords: process, activity, input, value

Learning Outcome: Describe the main types of operations processes and layouts in manufacturing and in services

AACSB: Application of Knowledge

Learning Objective: Describe the process view of operations in terms of inputs, processes, outputs, information flows, suppliers, and customers.