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
1. Effectiveness means doing the right things to create the most value for the company.
* true
* false
1. 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
1. A worker can be efficient without being effective.
* true
* false
1. A process can be effective without being efficient.
* true
* false
1. 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
1. The term "value" refers to the relationship between quality and the price paid by the customer.
* true
* false
1. Attempting to balance the desire to efficiently use resources while providing a highly effective service may create conflict between the two goals.
* true
* false
1. Central to the concept of operations strategy are the notions of operations focus and trade-offs.
* true
* false
1. OSCM is concerned with management of the trickiest parts of the system that produces a good or delivers a service.
* true
* false
1. OSCM is a functional field of business with clear line management responsibilities.
* true
* false
1. The supply network can be thought of as a pipeline through which cash, material, and information flow.
* true
* false
1. Supply networks cannot be constructed for every product or service.
* true
* false
1. "Operations" refers to manufacturing and service processes used to transform resources employed by a firm into products desired by customers.
* true
* false
1. "Supply chain" refers to processes that move information and material to and from the manufacturing and service processes of the firm.
* true
* false
1. "Supply chain" includes only inbound freight and inventory.
* true
* false
1. It is critical that a sustainable strategy meet the needs of shareholders and employees first, and then, second, focuses on preserving the environment.
* true
* false
1. Planning is where a firm must determine how anticipated demand will be met with available resources.
* true
* false
1. 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
1. The supply chain processes mentioned in the textbook are planning, sourcing, delivering, and returning.
* true
* false

**MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.**

1. Examples of capturing information directly from the source that has shifted the focus to understanding both what all the information is saying, and also how to make decisions using it, include all but which of the following?

Point-of-sale system

Radio frequency identification tags

Company quarterly sales reports

Bar code scanners

Automatic recognition

1. Use of systems like point-of-sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has done which of the following?

Made it more difficult to understand what the information is saying.

Added complexity to sales tracking, while providing minimal benefit.

Increased the number of errors introduced into the tracking systems.

Shifted focus to understanding what the information means.

Made it more difficult to use the data to make timely decisions.

1. Operations and supply chain processes can be conveniently categorized as all but which of the following?

Selling

Planning

Delivering

Making

Sourcing

1. Returning involves processes for which of the following?

Receiving worn-out products back from customers and support for customers who have problems with delivered products

Supporting customers who are trying to order products for which there is a current shortage and receiving worn out products back from customers

Receiving defective products back from customers and providing customer support for tracking items once in-route for delivery

Receiving excess products back from customers and discounting items in the store once they have passed the sell-by date

Supporting customers who have problems with the product and filing governmental reports on product safety

1. Carriers are picked to do all but which of the following?

Move products to warehouses and customers.

Coordinate and schedule the movement of goods and information through the supply network.

Develop sales plans for rolling out new products to different regions.

Develop and operate a network of warehouses.

Run the information systems that manage the receipt of orders from customers.

1. One reason for studying operations and supply chain management (OSCM) is which of the following?

OSCM is essential for understanding organizational behavior.

Most business graduates do OSCM work regardless of their job title.

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

OSCM is a required course in all business degree programs.

OSCM is the most rigorous business discipline.

1. The goods-services continuum consists of which set of the following categories?

No goods, some goods, even mix, some service, no service

Pure goods, core goods, core services, pure services

No service, some service, good service, excellent service

Self-service, help desk service, face-to-face service, service-with-a-smile

Mixed goods, some services, retail sales, management

1. Which of the following are defined as core goods?

Chemicals

Airlines

Data storage systems

Hotels

Nail salons

1. Which of the following are not listed in the text as jobs in OSCM?

Department store manager

Project manager

Hospital administrator

Data center manager

Call center manager

1. Which of the following is not a characteristic that distinguishes services from goods?

Service jobs are unskilled.

A service is intangible.

Services are perishable.

Services are heterogeneous.

A service cannot be weighed or measured.

1. Which of the following is not a way that operations and supply processes are categorized?

Planning

Return

Delivery

Selecting

Making

1. One of the "package of features" that make up a service is \_\_\_\_\_\_\_\_\_\_.

appearance

facilitating goods

packaging

cost

implied use

1. Which of the following is not a measure of operations and supply chain management efficiency used by Wall Street?

Inventory turnover

Days inventory

Receivable turnover

Earnings per share

Asset turnover

1. Which of the following is a measure of operations and supply management efficiency used by Wall Street?

Dividend payout ratio

Current ratio

Receivable turnover

Earnings per share growth

Financial leverage

1. All other things remaining the same, if the sales revenue increases, the asset turnover ratio will:

increase.

decrease.

stay the same.

may increase or decrease.

there is no way to tell for sure.

1. Inventory turnover measures:

the efficiency in turning inventory into sales.

liquidity.

the speed of receivables collection.

liquidity and the efficiency in turning inventory into sales.

the speed of paying employee salaries.

1. The correct order in the good-services continuum is

pure services - core services - core goods - pure goods.

pure goods - pure services - core services - core goods.

pure goods - pure services - core goods - core services.

pure goods - core goods - core services - pure services.

core goods - core services - pure goods - pure services.

1. The goods-services continuum consists of which set of the following categories?

No goods, some goods, even mix, some service, no service

Pure goods, core goods, core services, pure services

No service, some service, good service, excellent service

Self-service, help desk service, face-to-face service, service-with-a-smile

Mixed services, mixed goods, pure service, pure goods

1. \_\_\_\_\_\_\_\_\_\_ consists of the processes needed to operate an existing supply chain strategically.

Planning

Sourcing

Making

Delivering

Returning

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

Planning

Sourcing

Making

Delivering

Returning

1. \_\_\_\_\_\_\_\_\_\_ is where the major product is produced or the service provided.

Planning

Sourcing

Making

Delivering

Returning

1. \_\_\_\_\_\_\_\_\_\_ 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.

Planning

Sourcing

Making

Delivering

Returning

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

Planning

Sourcing

Making

Delivering

Returning

1. Which of the following is not a “core service”?

Hotels

Airlines

Internet service providers

Universities

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

Manufacturing strategy

Just-in-time

Total quality control

Lean manufacturing

Total quality management

1. 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.

Manufacturing strategy

Just-in-time

Total quality control

Lean manufacturing

Total quality management

1. This concept aggressively seeks to eliminate causes of production defects.

Manufacturing strategy

Just-in-time

Total quality control

Lean manufacturing

Total quality management

1. This philosophy seeks to achieve high customer service with minimum levels of inventory investment.

Manufacturing strategy

Just-in-time

Total quality control

Lean manufacturing

Total quality management

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

Manufacturing strategy

Just-in-time

Total quality control

Lean manufacturing

Total quality management

1. All other things remaining the same, if sales revenue decreases, the asset turnover ratio will:

increase.

decrease.

stay the same.

may increase or decrease.

there is no way to tell for sure.

1. Central to the concept of operations strategy are the notions of:

operations development and delivery planning.

operations focus and trade-offs.

trade-offs and cost accounting.

supply chain logistics and financial theory.

globalization and analytical thinking.

1. The\_\_\_\_\_\_\_\_\_\_ relates to the economic, employee, and environmental impact of a firm’s strategy.

triple bottom line

triangular analytics theory

net zero planning option

triple line structuring process

production management system

1. \_\_\_\_\_\_\_\_\_\_ is defined as the ability to maintain balance in a system.

Management

Sustainability

Economics

Delivery

Strategy

1. In contrast to careers in finance and marketing, careers in OSCM:

are easier to secure in most areas.

require relatively less skill and training.

involve hands-on involvement with people and processes.

typically do not benefit from advanced degrees.

involve little interaction with others, with more emphasis on computer processes.

1. Which of the following is not a typically job in OSCM?

Purchasing manager

Supply chain manager

Logistics manager

Finance manager

Hospital administrator

1. The central idea of\_\_\_\_\_\_\_\_\_\_ 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.

supply chain management

warehouse design

logistics routing

in-store sales

financial forecasting

1. The term "electronic\_\_\_\_\_\_\_\_\_\_" refers to the buying and selling of electronic products and devices.

design

commerce

production

marketing

development

1. The term "electronic commerce" refers to the use of\_\_\_\_\_\_\_\_\_\_ as an essential element of business activity.

marketing plans

financial modeling

bartering

the Internet

social media

1. \_\_\_\_\_\_\_\_\_\_ involves the analysis of data through a unique combination of linear programming, game theory, and queuing theory to better solve business problems.

Production management

Quantum design

Logistical data mining

Blockchain

Business analytics

1. The mathematical results of business analytics are used to\_\_\_\_\_\_\_\_\_\_ decision making or\_\_\_\_\_\_\_\_\_\_ the decision maker.

automate; support

automate; eliminate

minimize; eliminate

maximize; eliminate

minimize; support

**Answer Key**Test name: chapter 1

FALSE

Efficiency means doing something at the lowest possible cost.

TRUE

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

TRUE

Efficiency means doing something at the lowest possible cost. Effectiveness means doing the right things to create the most value. The doctor performed the surgery without error. Because the patient died, no value was created.

TRUE

Efficiency means doing something at the lowest possible cost. Effectiveness means doing the right things to create the most value. These are different things.

TRUE

Often, maximizing effectiveness and efficiency at the same time creates conflict between the two goals. "Being efficient" at the customer service counter at a local store or bank means using the fewest number of clerks possible at the counter. Being effective, though, means minimizing the amount of time customers need to wait in line.

TRUE

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

Related to efficiency and effectiveness is the concept of value, which can be metaphorically defined as quality divided by price.

TRUE

Often maximizing effectiveness and efficiency at the same time creates conflict between the two goals.

TRUE

Central to this thinking was the notion of factory focus and manufacturing trade-offs. Because a factory cannot excel on all performance measures, its management must devise a focused strategy, to perform a limited set of tasks extremely well. This requires trade-offs.

FALSE

OSCM is concerned with the management of the entire system that produces a good or delivers a service.

TRUE

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

FALSE

The supply network as a pipeline through which material and information flow.

FALSE

Networks such as this can be constructed for any product or service.

TRUE

Operations refers to manufacturing, service, and health care processes that are used to transform the resources employed by a firm into products desired by customers.

TRUE

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

FALSE

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

FALSE

A sustainable strategy that meets the needs of shareholders and employees while preserving the environment is critical.

TRUE

Planning consists of the processes needed to operate an existing supply chain strategically. Here a firm must determine how anticipated demand will be met with available resources.

FALSE

Operations and supply chain processes can be categorized as planning, sourcing, making, delivering, and returning.

FALSE

Operations and supply chain processes can be categorized as planning, sourcing, making, delivering, and returning.

C

Capturing information directly from the source through such systems as point-of-sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has shifted the focus to understanding both what all the information is saying and also how good are the decisions that can be made using it. Company quarterly reports do not capture information directly from the source.

D

Capturing information directly from the source through such systems as point-of-sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has shifted the focus to understanding both what all the information is saying and also how good are the decisions that can be made using it.

A

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

A

Returning involves the processes for receiving worn-out, defective, and excess products back from customers and support for customers who have problems with delivered products.

C

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 that manage the receipt of orders from customers and invoicing systems to collect payments from customers.

C

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

B

Refer to the Goods-Services Continuum Exhibit in the text.

C

Refer to the Exhibit 1.4 on goods and services in the text.

D

Typical management and staff jobs in operations and supply chain management do not list data center manager.

A

There are five essential differences between services and goods. The first is that a service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions. The second is that a service requires some degree of interaction with the customer for it to be a service. The third difference is that services, with the big exception of hard technologies and information technologies are inherently heterogeneous. The fourth difference is that services as a process are perishable and time dependent, and unlike goods, they can’t be stored. And fifth, the specifications of a service are defined and evaluated as a package of features that affect the five senses.

D

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

B

The package of features that make up a service is listed in the text and includes facilitating goods.

D

Earnings per share is not a measure of operations and supply chain efficiency. See Exhibit 1.6 Management Efficiency Ratios Used by Wall Street.

C

Receivables turnover, the correct answer, is listed in Exhibit 1.6 Relationship of Business Management Efficiency Ratios Measures Used by Wall Street.

A

Since sales revenue is in the numerator of equation [1.3], and no other variable on the right-hand side of equation [1.3] is affected, asset turnover will increase.

D

See discussion under equation [1.2].

D

See Exhibit 1.4 discussing the goods-services continuum.

B

Refer to the Goods-Services Continuum Exhibit in the text.

A

See list in the “Categorizing Operations and Supply Chain Processes” section.

B

See list in the “Categorizing Operations and Supply Chain Processes” section.

C

See list in the “Categorizing Operations and Supply Chain Processes” section.

D

See list in the “Categorizing Operations and Supply Chain Processes” section.

E

See list in the “Categorizing Operations and Supply Chain Processes” section.

D

See Exhibit 1.4.

A

See the list of terms in the “The Major Concepts that Define the OSCM Field” section.

B

See the list of terms in the “The Major Concepts that Define the OSCM Field” section.

C

See the list of terms in the “The Major Concepts that Define the OSCM Field” section.

D

See the list of terms in the “The Major Concepts that Define the OSCM Field” section.

E

See the list of terms in the “The Major Concepts that Define the OSCM Field” section.

B

Since sales revenue is in the numerator of equation [1.4], and no other variable on the right-hand side of equation [1.4] is affected, asset turnover will decrease.

B

Central to this thinking was the notion of factory focus and manufacturing trade-offs. Because a factory cannot excel on all performance measures, its management must devise a focused strategy, to perform a limited set of tasks extremely well. This requires trade-offs.

A

Management must now consider the mandates related to the ongoing economic, employee, and environmental viability of the firm (the triple bottom line).

B

Sustainability is the ability to maintain balance in a system.

C

OSCM jobs are hands-on, working with people and figuring out the best way to do things.

D

Both supply chain manager and purchasing manager are listed as typical management and staff jobs in operations and supply chain management.

A

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.

B

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

D

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

E

Business analytics is the use of current business data to solve business problems using mathematical analysis.

A

These mathematical results can either be used to support the decision maker or to automate decision making.