

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

- 1) Which of the following statements is correct? 1) _____
A) The supply, production and distribution functions are part of a total system.
B) Traditionally the supply-production-distribution functions have reported to different departments.
C) Materials flow into an organization, are processed in some way and distributed to the consumer.
D) All of the above are correct.
- 2) Manufacturing is important to the economy because: 2) _____
A) it supports service industries. B) it generates wealth.
C) it adds value to products. D) all of the above
- 3) Which of the following statements is true about the operating environment in which operations management functions? 3) _____
A) Customers are more demanding.
B) Most organizations do not need to worry about competition.
C) Price is more important than quality.
D) Government regulation is not important for companies.
- 4) Which of the following statements is true regarding order winners? 4) _____
A) They are the same as order qualifiers, only better.
B) They are present in every product.
C) They are the same in every market.
D) They persuade a company's customers to choose its product.
- 5) Which of the following strategies has the shortest delivery lead time and the least customer input? 5) _____
A) configure-to-order B) make-to-stock
C) make-to-order D) assemble-to-order
- 6) Which of the following statements is true? 6) _____
A) The supply chain includes all activities and processes to provide a product or service to a customer.
B) Material in the supply chain usually flows from producer to customer.
C) The supply chain contains only one supplier.
D) All of the above are true.
E) A and B only are true.
- 7) Companies A and B supply company C, which supplies customers D and E. Which of the following statements is true? 7) _____
A) The supply chain for company A includes B, C, D, and E.
B) The supply chain for company C includes A, B, D, and E.
C) The supply chain for company B includes A, C, D and E.
D) All of the above are true.

- 8) Which of the following statements is true? 8) _____
 A) Design information generally flows from customer to supplier.
 B) The basic elements of a supply chain are supply, production, and distribution.
 C) The elements of a supply chain are interdependent.
 D) All of the above are true.
- 9) Delivery lead time for an engineer-to-order product includes which of the following? 9) _____
 A) design, purchase, manufacture, assemble, ship
 B) purchase, assemble, ship
 C) design, manufacture, assemble, ship
 D) purchase, manufacture, assemble, ship
- 10) If a firm wishes to maximize profit, which of the following objectives are in conflict? 10) _____
 I. Maximize customer service.
 II. Minimize production costs.
 III. Minimize inventory costs.
 IV. Minimize distribution costs.
 A) I and II only B) I, II and III C) I and III only D) II and III only
- 11) Which of the following statements are true? 11) _____
 I. The conflict between marketing, finance and production centers on customer service, disruption to production, and inventory levels.
 II. Marketing's objectives can be met with higher inventories.
 III. Finance's objectives can be met with higher inventories.
 IV. Production's objectives can be met with higher inventories.
 A) I, II and III only are true
 B) II, III and IV only are true
 C) I and II only are true
 D) I, II and IV only are true
 E) I, II, III and IV are true
- 12) Which of the following is normally a major activity of materials management? 12) _____
 I. Manufacturing planning and control
 II. Physical supply/distribution
 A) both I and II B) neither I nor II C) I only D) II only
- 13) The objective of materials management is to: 13) _____
 I. provide the required level of customer service.
 II. maximize the use of the firm's resources.
 A) I only B) II only C) both I and II D) neither I nor II
- 14) Which of the following are primary activities of manufacturing planning and control? 14) _____
 I. Production planning
 II. Implementation and control
 III. Inventory management
 A) II and III only B) I and III only C) I and II only D) I, II, and III

- 15) Which of the following is (are) input(s) to manufacturing planning and control? 15) _____
 A) available facilities
 B) quantities to be produced
 C) process description
 D) product description
 E) All of the above are inputs.
- 16) Which of the following is NOT an activity of physical supply/distribution? 16) _____
 A) transportation
 B) factory inventory
 C) material handling
 D) warehousing
 E) packaging
- 17) Materials management can be considered a balancing act because: 17) _____
 I. there are trade-offs between customer service and the cost of providing the service.
 II. priority and capacity must be balanced.
 A) I only B) I and II C) neither I nor II D) II only
- 18) If the cost of manufacturing (direct labor and materials) is 50% of sales and profit is 15% of sales, what would the profit percentage be if the direct costs of manufacturing was reduced from 50% to 47%? 18) _____
 A) 18% B) 6% C) 12% D) 15% E) 3%
- 19) Which of the following are generally considered overall objectives of an organization? 19) _____
 I. Providing good customer service
 II. Maintaining low levels of inventory investment
 III. Optimizing use of resources
 IV. Providing sufficient return on investment
 A) I, III and IV only B) I and II only
 C) I, II and III only D) I, II, III and IV
- 20) The purpose of the materials management concept is: 20) _____
 I. to manage materials in a production operation.
 II. to have purchasing support the needs of production.
 III. to have production support the needs of purchasing.
 A) I, II and III B) II and III only C) I and III only D) I and II only
- 21) Making a pizza at a fast-food restaurant would be considered a form of: 21) _____
 A) assemble to order. B) engineer to order.
 C) make to stock. D) make to order.
- 22) Metrics in a supply chain are: 22) _____
 A) governed by the International Metric Commission.
 B) a charge passed on to customers.
 C) measurements of performance.
 D) not used on transportation.

- 23) Performance measures in a supply chain: 23) _____
A) concentrate on cost only.
B) must be measurements of one parameter only.
C) are not used once a process is automated.
D) should be objective.
E) are viewed mostly by finance.
- 24) Which statement is true? 24) _____
A) Performance standards are set by the supplier.
B) Performance measurements show how well you did.
C) Performance standards set the goal.
D) Both B and C are correct.
- 25) Savings in the supply chain mostly are the result of: 25) _____
A) members in the chain sharing information.
B) cutting cost after the design phase.
C) members having clout with suppliers.
D) being able to ship in larger quantities.
E) sticking with local competition.
- 26) Postponement is best described as: 26) _____
A) delaying the removal of inventory until the last possible moment.
B) delaying payment to a supplier until the goods have been sold.
C) delaying the customer-specific differentiation until the last possible moment.
D) delaying the change to the BOM until the old components have been used up.
- 27) Postponement is best used with items that: 27) _____
A) are standardized and have short lead times.
B) have a long lead time and many product configurations.
C) have suppliers with poor delivery performance.
D) experience a yield that you won't know until the product is complete.
- 28) A channel master in a supply chain: 28) _____
A) is the largest member of a supply chain.
B) controls the raw material supplies in a supply chain.
C) is the final customer in a supply chain.
D) initiates integration of a supply chain.
- 29) The process of managing the recovery, recycling and reuse of material is called: 29) _____
A) Heijunka. B) reverse logistics.
C) return material authorization. D) Kaizen.
- 30) If the manufacturing lead time of an item is reduced by 50%, the work in process inventory: 30) _____
A) is reduced by approximately 50%.
B) does not change.
C) is reduced by approximately 70%.
D) More information is needed for this problem.

Answer Key

Testname: UNTITLED1

- 1) D
- 2) D
- 3) A
- 4) D
- 5) B
- 6) E
- 7) B
- 8) D
- 9) A
- 10) B
- 11) D
- 12) A
- 13) C
- 14) D
- 15) E
- 16) B
- 17) B
- 18) A
- 19) D
- 20) D
- 21) A
- 22) C
- 23) D
- 24) D
- 25) A
- 26) C
- 27) B
- 28) D
- 29) B
- 30) A