Trinidad and tobago and monthly production target

Finance, Investment

Exercise: Chapter 1 Assignment 1 Application 14 Refer to figure 1. 4 on page 12 of your text. Use this figure to rate each of the following scenarios. Record beside each scenario your choice (a, b, c, d) and explain fully your choice. High in effectiveness and high in efficiency high in effectiveness and low in efficiency low in effectiveness and high in efficiency low in effectiveness and low in efficiency

Scenario #1 : The Production Manager of Mom's Cookies had a monthly production target of 100, 000 bags of cookies. His target for quality inspectors is to have the reject rate less than 2% of production. Both these targets were met for August. Labor costs are up 5% because overtime had to be incurred to complete some orders, Bothgoalswere met but unfortunately labor costs went up. Scenario #2: The reject rate for Mom's Cookies was 8% this month. The normal target is less than 2%.

The problem was traced too poorly maintained oven which burnt a number of batches before the problem was rectified. Addition costs were incurred to fix the equipment problem as well as extra costs associated with the Ingredients to make the replacement batches. The company however did make their monthly target of 100, 000 bags of cookies. B, The company wasted resources but however they did reach their monthly goals which was 100, 000 bag of cookies. Scenario #3: The month end reports for Mom's Cookies have Just been received by the Production

Manager. They show that during the month of September, the company product 101 , 050 bags of cookies. The reject rate was 1%. Labor and raw materials were within budgeted levels. No breakdown of equipment occurred. A, Goals were achieved no breakdown of the equipment, no wasted resources and high productivity. Scenario #4: to be hired. There was not enough time to train these people and projection levels suffered. Only 95, 080 bags of cookies were produced this month. The reject rate was 1. 9%.

Labor and raw materials were within budgeted levels. C, There was no wasted products but goals were not achieved. Scenario #5: Mom's cookies imports their chocolate chips from Trinidad and Tobago. Unfortunately their dollar has increased in value against the Canadian dollar which has driven up chocolate costs by 10%. In addition, gas prices have gone up and the company uses gas ovens and gas heating. This has added another 5% to the company's expenses. The reject rate was 1. 8% and the company produced 100, 200 bags of cookies.