

Six sigma question paper

[Business](#), [Management](#)



MGT 561 - Operations Management Exam B Student Name:

_____ Date: _____ Operations and Productivity (each

question is worth 1 point) 1) Manufacturing and service organizations differ chiefly because manufacturing is goods-oriented and service is act-oriented.

TrueFalse 2) Operations, marketing, andfinanceneed to function

independently of each other in most organizations if they are to be truly

effective as an organization. TrueFalse 3) “ How much inventory of this item should we have? ” is within the critical decision area of quality management?

TrueFalse 4) Customer interaction is often high for manufacturing processes,

but low for services. TrueFalse 5) Productivity is the total value of outputs

produced divided by the total value of all inputs to the transformation

process. TrueFalse The operations function includes which of the following

activities. a) forecasting b) capacity planning c) scheduling d) managing

inventories e) all of the above Manufacturing-related jobs are decreasing in

America for which of the following reasons. a) global competition

b)technologyadvances) because manufacturing workers in California earn

\$25K/yr less than service workers d) a and b e) b and c Which of the

following is not a typical service attribute? a) easy to store b) intangible

product c) customer interaction is high d) simultaneous production and

consumption e) difficult to resell Operations Strategy in a

GlobalEnvironment(each question is worth 1 point) One reason to globalize is

to learn to improve operations. TrueFalse 10) Decisions that involve what is

to be made and what is to be purchased fall under the heading of supply

chain management.

TrueFalse The use of a SWOT analysis is only applicable to manufacturing organizations? TrueFalse The product life cycle phases include introduction, growth, maturity, and decline. TrueFalse Which of the following is true about business strategies? a) an organization should maintain its strategy for the life of the business b) all firms within an industry will adopt the same strategy c) well defined missions make strategy development much easier d) strategies are formulated independently of SWOT analysis e) organizational strategies depend on operations strategies

The ability of an organization to produce services that, by utilizing the consumer's five senses, have some uniqueness in their characteristics is a) mass production b) time-based competition c) differentiation d) flexible response e) experience differentiation Which of the following is the best example of competing on low-cost leadership? a) a firm produces its product with less raw material waste than its competitors b) a firm offers more reliable products than its competitors c) a firm's products are introduced into the market faster than its competitors d) a firm advertises less than its competitors

Which of these is not one of the characteristics of high return on investment organizations? a) high product quality b) high capacity utilization c) low investment intensity d) low direct cost per unit e) global location Design of Goods and Services (each question is worth 1 point) Studies confirm that firms considered to be industry leaders typically generate 15-20 percent of their overall sales from new products released over the last 5 years. True

False 18) QFD stands for quality for development. True False Value analysis focuses on design improvement during production.

True False 20) The analysis tool that helps determine what products to develop, and by what strategy, by listing products in descending order of their individual dollar contribution to the firm is a) decision tree analysis b) pareto analysis c) breakeven analysis d) product-by-value analysis e) product life cycle analysis 21) Quality function deployment a) determines what will satisfy the customer b) translates customer desires into the target design c) is used early in the design process d) is used to determine where to deploy quality efforts e) all of the above 2) Which of the following is true concerning CAD? a) accurate information flows to other departments b) most product costs are determined at the design stage c) design options are easier to review before final commitments are made d) virtually all products have their development cycle shortened e) all of the above are true The dimensions, tolerances, materials, and finishes of a component are typically shown on a (an) a) engineering drawing b) bill of material c) statement of work d) work order e) none of the above Managing Quality (each question is worth 1 point) 4) An international quality standard developed to establish commonly accepted procedures to manage product quality is ISO 9000. True False 25) Statistical process control, one of the tools of total quality management, uses statistics and control charts to evaluate processes. True False 26) The concept of selecting best practices to use as a standard for performance is referred to as a quality circle. True False 27) Generally speaking, the cost of quality represents the cost of doing things wrong, that is, the price of nonconformance. True False 8) Which of the following is not

one of the major categories of costs associated with quality? a) prevention costs b) appraisal costs c) internal failures d) external failures e) none of the above, they are all major categories of costs 29) A successful total quality management (TQM) program incorporates all of the following except: a) continuous improvement b) employee involvement c) benchmarking d) centralized decision-making authority e) none of the above 30) The “ four M’s” of cause-and-effect diagrams are a) material/machinery/manpower/methods b) material/methods/men/mental attitude) material/management/manpower/motivationd) none of the above Supply Chain Management (each question is worth 1 point) 31) The objective of the make-or-buy decision is to help identify the products and services that should be purchased externally or made internally. TrueFalse Because service firms do not acquire goods and services externally, their supply chain management issues are insignificant. TrueFalse Blanket orders are a long-term purchase commitment to a supplier for items that are to be delivered against short-term releases to ship.

TrueFalse 34) One of the keys to effective supply chain management includes developing “ long-term partnerships” with key suppliers. TrueFalse 35) Standardization is the process of increasing the number of variations in materials and components to assist in supply chain’s efforts to enlarge their supplier base. TrueFalse In supply chain management, ethical issues a) are particularly important because of the enormous opportunities for abuse b) may be guided by company rules and codes of conduct) become more complex with the increasing trend toward global suppliers d) may be guided by the standards of the Institute for Supply Management e) all of the above

are true An approach that seeks efficiency of operations through the integration of all material acquisitions, movement, and storage activities is a) integration b) logistics management c) line balancing d) product design e) none of the above Inventory Management (each question is worth 1 point)

38) One function of inventory is take advantage of quantity discounts TrueFalse 9) ABC analysis is based on the presumption that carefully controlling all items is necessary to produce important inventory savings. TrueFalse 40) In cycle counting, the frequency of item counting and stock verification usually varies from item to item depending upon the item's ABC classification. TrueFalse 41) Insurance and taxes on inventory are part of the costs known as setup or ordering costs. TrueFalse 42) Most inventory models attempt to minimize a) total inventory based costs b) the number of orders placed c) the safety stock) the likelihood of a stockout e) the number of items ordered 43) The major purpose of safety stock is to a) replace failed units with good ones b) eliminate the possibility of a stockout c) eliminate the likelihood of a stockout due to erroneous inventory tally d) control the likelihood of a stockout due to the variability of demand during lead time e) protect the firm from a sudden decrease in demand 44) The following are inventory models for independent demand a) basic economic order quantity (EOQ) b) production order quantity c) quantity discount model) a and b only e) a, b, and c JIT and Lean Production Systems (each question is worth 1 point) 45) In a JIT system, product inspection adds value by identifying defective items. True False 46) Because most services cannot be inventoried, there is little place for JIT to help service organizations achieve competitive advantage. True False Kanban is the Japanese word for card that

has come to mean “ signal” in JIT terminology. TrueFalse Setup time reductions are not a key aspect of an effective lean production system. True False 9) If the goals of JIT partnerships are met, which of the following is a result? a) for incoming goods, receiving activity and inspection are outsourced b) in-transit inventory falls as suppliers are located closer to facilities c) the number of suppliers increases d) in-plant inventory replaces in-transit inventory e) all of the above are consequences of meeting the JIT partnership goals 50) Which of the following is not a layout tactic in a JIT environment? a) work cells for families of products b) fixed equipment c) minimizing distance d) little space for inventory e) poka-yoke devices