

# Chapter 1

1) What is operations management?

- A) The process of satisfying the needs of internal and external customers.
- B) The activity of producing products and services.
- C) What all managers do when they deal with day-to-day activities.
- D) An organisational function which produces products and services.

Answer: B

2) Which of the following functions is not a core function of an organisation?

- A) The operations function.
- B) The product/service development function.
- C) The marketing (including sales) function.
- D) The accounting and finance function.

Answer: D

3) Most operations produce a mixture of both products and services. Which of the following businesses is closest to producing 'pure' services?

- A) A restaurant
- B) Counsellor/therapist
- C) Steel company
- D) IT company

Answer: B

4) Operations can be classified according to the degree of variation in demand and visibility of the operation as well as their volume and variety of production. Which of the following operations would be classified as high variation and high visibility?

- A) A family doctor
- B) A carpenter
- C) A fast food restaurant
- D) A front office bank

Answer: A

5) Transformation outputs can always be seen.

- A) True
- B) False

Answer: B

6) Transformation outputs can always be conveniently stored.

- A) True
- B) False

Answer: B

7) Operations typically differ in terms of volume of output, variety of output, variation in demand or the degree of 'visibility' (i.e. customer contact) that they give to customers of the production process. Please match the following element with the most appropriate of the above dimensions. Flexibility is most closely matched to:

- A) Variation
- B) Visibility
- C) Variety
- D) Volume

Answer: C

8) Operations typically differ in terms of volume of output, variety of output, variation in demand or the degree of 'visibility' (i.e. customer contact) that they give to customers of the production process. Please match the following element with the most appropriate of the above dimensions. The demand pattern is most closely matched to:

- A) Volume
- B) Variation
- C) Visibility
- D) Variety

Answer: B

9) Operations typically differ in terms of volume of output, variety of output, variation in demand or the degree of 'visibility' (i.e. customer contact) that they give to customers of the production process. Please match the following element with the most appropriate of the above dimensions. Low unit costs are most closely matched to:

- A) Variety
- B) Visibility
- C) Variation
- D) Volume

Answer: D

10) Efficient operations management is irreconcilable with environmental considerations.

- A) True
- B) False

Answer: B

11) High-volume operations do not include:

- A) Television manufacture
- B) A theme park
- C) A fast food restaurant
- D) A taxi service

Answer: D

12) High-visibility operations do not include:

- A) Coffee bar
- B) Retail banking
- C) Internet retailer
- D) Clothes shop

Answer: C

- 13) Operations can be classified according to their volume and variety of production as well as the degree of variation and visibility. Which of the following operations would be classified as high volume, low variety?
- A) A carpenter
  - B) A fast food restaurant
  - C) A bank front office
  - D) A family doctor

Answer: B

- 14) Which of the following activities is not a direct responsibility of operations management?
- A) Designing the operation's products, services and processes.
  - B) Determining the exact mix of products and services that customers will want.
  - C) Planning and controlling the operation.
  - D) Developing an operations strategy for the operation.

Answer: B

- 15) Which of the following is the least likely decision to be made by Operations Managers?
- A) Designing and improving the jobs of the workforce.
  - B) How much capacity is required to balance demand.
  - C) How to use quality techniques to reduce waste.
  - D) Deciding which market areas to manufacture products for.
  - E) Selecting the location and layout of a facility.

Answer: D

- 16) Which of the following is NOT a transformed resource input in operations?
- A) Materials
  - B) Facilities
  - C) Customers
  - D) Information

Answer: B

- 17) Which of the following is a transforming input resource?
- A) Customers
  - B) Information
  - C) Staff
  - D) None of the above

Answer: C

- 18) Which of the following is a transformed input resource?
- A) Facilities
  - B) Information
  - C) Staff
  - D) None of the above

Answer: B

- 19) Which of the following is a responsibility for an Operations Manager?
- A) All of the below
  - B) Ensuring delivery of goods or services
  - C) Day-to-day running of the process
  - D) Design the process

Answer: A

20) Operations management is important to all business and operations managers have a similar set of responsibilities in all businesses.

- A) True
- B) False

Answer: A

21) Which performance objectives do IKEA focus most on?

- A) Quality
- B) Cost
- C) Speed
- D) Flexibility

Answer: B

22) What name is given to the arrangement of resources which are devoted to the production and delivery of products and service?

- A) The Production Function
- B) The Operations Function
- C) The Delivery Function
- D) The Product & Logistics Function

Answer: B

23) What other names may be given to an operations manager?

- A) Administrative manager
- B) Fleet manager
- C) Store manager
- D) All of the above

Answer: D

24) When was IKEA founded?

- A) 1970s
- B) 1960s
- C) 1950s
- D) 1940s

Answer: C

25) Pret A Manger outlets receive deliveries of fresh sandwiches from a number of regional centres every day.

- A) True
- B) False

Answer: B

26) Which of the following is true of effective operations?

- A) It can provide the basis for future innovation.
- B) It can reduce the amount of investment necessary to produce goods and service.
- C) It can reduce costs of producing goods and services.
- D) All of the above.

Answer: D

27) Which of the following is NOT a response from operations to the changing business environment?

- A) Mass marketing
- B) Technologies replacing manual jobs
- C) Lean process design
- D) Flexible working patterns

Answer: A

28) Which of the following is NOT true of the changing business environment in which operations management work?

- A) Demand for better quality
- B) More legal regulation
- C) Less ethical sensitivity
- D) More frequent product introduction

Answer: C

29) The transforming and transformed resources that form the input to operations are called:

- A) Transformation resources
- B) Input resources
- C) Delivery resources
- D) Tangible resources

Answer: B

30) Resources within an operation that are not immediately evident, such as relationships with suppliers, are called:

- A) Transient resources
- B) Intangible resources
- C) Ethereal resources
- D) Non-discreet resources

Answer: B

31) Service processes that have a high number of transactions, often involving limited customization, are called:

- A) Low-complexity services
- B) Dual services
- C) Service runners
- D) Mass services

Answer: D

32) An operation's ability to produce a wide range of products or services is called what?

- A) Package
- B) Customization profile
- C) Commodity range
- D) Mix flexibility

Answer: D

33) All the activities involved in supplying a customer's order is called:

- A) Customer-focused process
- B) Order fulfilment
- C) Customer-driven operations
- D) Delivery

Answer: B

- 34) The people and groups of people who have an interest in the operation and who may be influenced by, or influence, the operation's activities, are called:
- A) Operation owners
  - B) Stakeholders
  - C) Pressure groups
  - D) Key accounts

Answer: B

- 35) The amount of value-added activity that takes place in the presence of the customer is called:
- A) Visibility
  - B) Variation
  - C) Value-added
  - D) Variety

Answer: A

- 36) In an international aid charity, which function is likely to be responsible for developing new appeals campaigns?
- A) Product/Service Development
  - B) Marketing
  - C) Operations
  - D) Human Resources

Answer: A

- 37) In a furniture manufacturer, which function is likely to be responsible for determining pricing policies?
- A) Marketing and sales
  - B) Operations
  - C) Finance
  - D) Product/Service Development

Answer: A

- 38) In a fast food chain, which function is likely to be responsible for serving customers?
- A) Finance
  - B) Operations
  - C) Human resources
  - D) Marketing and sales

Answer: B

- 39) The decisions taken by an operations manager are the same for commercial and not-for-profit organisations.
- A) True
  - B) False

Answer: A

- 40) Which of the following is NOT a process input?
- A) Transported passengers for a train service
  - B) Aircraft for an airline
  - C) Sales staff for a department store
  - D) Information for the police

Answer: A

41) The dominant operation for a bank is:

- A) Processing information
- B) Processing customers
- C) Processing complaints
- D) Processing materials

Answer: A

42) Which of the following predominantly process materials in their operations?

- A) Postal service
- B) Bank headquarters
- C) Market research company
- D) Hospitals

Answer: A

43) In the case of crude oil producers, what term is used for any technical advice provided to their customers?

- A) Support service
- B) Facilitating services
- C) Value-added service
- D) Intangible benefit

Answer: B

44) Which of the following is NOT an implication of high visibility?

- A) Time lag between production and consumption.
- B) High unit cost.
- C) Customer contact skills needed.
- D) Satisfaction governed by customer perception.

Answer: A

45) Which of the following is an implication of low variety?

- A) Matching customer needs necessary
- B) High complexity
- C) Flexibility needed
- D) Low unit cost

Answer: D

46) Which of the following is NOT an implication of high variation in demand?

- A) Changing capacity
- B) Anticipation is important
- C) Flexibility in workforce is needed
- D) Low unit cost

Answer: D

47) What is the name of the model that describes operations in terms of their input resources, transforming processes and outputs of goods and services?

- A) Operational process model
- B) Transformation process model
- C) Five forces model
- D) Slack operations model

Answer: B