

Exam

Name \_\_\_\_\_

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

- 1) The ability of manufacturing to produce goods and services is called: 1) \_\_\_\_\_  
A) production planning.  
B) capacity.  
C) routing.  
D) scheduling.  
E) none of the above
- 2) Priority in production planning relates to: 2) \_\_\_\_\_  
A) capacity.  
B) an objective of the firm.  
C) how much of what is needed and when.  
D) routing.  
E) none of the above
- 3) Which of the following is an input to the production plan? 3) \_\_\_\_\_  
A) financial plan  
B) strategic business plan  
C) market plan  
D) engineering plan  
E) All of the above are inputs.
- 4) Which of the following plans has the longest planning horizon and the least level of detail? 4) \_\_\_\_\_  
A) production plan  
B) master production schedule  
C) strategic business plan  
D) All of the above have the same level of detail.  
E) none of the above
- 5) In terms of INCREASING level of detail, which is the correct sequence of activities? 5) \_\_\_\_\_  
I. Material requirements planning  
II. Master production scheduling  
III. Production planning  
A) I, II and III  
B) II, I, and III  
C) II, III, and I  
D) I, III, and II  
E) III, II, and I
- 6) Over the time span of the production plan, which of the following can usually be varied to change capacity? 6) \_\_\_\_\_  
A) work force  
B) inventories  
C) plant and equipment  
D) all of the above  
E) A and B
- 7) Which of the following is a characteristic of a production plan? 7) \_\_\_\_\_  
A) The only objective is to have an efficient plant.

- B) Time horizons are five years.  
 C) The production plan is for individual items.  
 D) All of the above are characteristics of a production plan.  
 E) None of the above is characteristic of a production plan.
- 8) Determining the need for labor, machines, and physical resources to meet the production objectives of the firm is called: 8) \_\_\_\_\_  
 A) capacity planning.  
 B) production control.  
 C) production planning.  
 D) all of the above  
 E) none of the above
- 9) The function of setting the limits or levels of manufacturing operations based on the market plan and resource availability is called: 9) \_\_\_\_\_  
 A) production activity level.  
 B) production planning.  
 C) capacity planning.  
 D) all of the above  
 E) none of the above
- 10) A statement of a schedule of requirements for individual end items is called: 10) \_\_\_\_\_  
 A) a capacity plan.  
 B) a material requirements plan.  
 C) a master production schedule.  
 D) a production plan.  
 E) none of the above
- 11) Which of the following statements is true regarding production planning? 11) \_\_\_\_\_  
 A) A translation must be made from product demand to capacity demand.  
 B) Product groups based on similarity of manufacturing process should be used in planning.  
 C) A high level of detail is not needed.  
 D) All of the above are true.  
 E) None of the above is true.
- 12) Which of the following statements is true about sales and operations planning? 12) \_\_\_\_\_  
 A) It has no effect on inventory levels.  
 B) It provides a means of updating the material requirements plan.  
 C) It includes only the marketing and production plans.  
 D) It is usually updated on a monthly basis.
- 13) Which of the following are characteristics of an MRPII system? 13) \_\_\_\_\_  
 I. It incorporates the plans of marketing, production and finance.  
 II. It is a fully integrated planning and control system.  
 III. It has feedback from the bottom up.  
 A) I only                      B) II only                      C) III only                      D) I, II and III
- 14) For the purposes of production planning, product groups should be established on the basis of: 14) \_\_\_\_\_  
 A) market segments.  
 B) the availability of materials.  
 C) the availability of machinery.  
 D) similarity of manufacturing process.

E) all of the above

- 15) Which of the following is a basic strategy in developing a production plan? 15) \_\_\_\_\_
- A) hybrid strategy
  - B) production leveling
  - C) chase strategy
  - D) A and B above
  - E) B and C above
- 16) A production planning strategy which turns away extra demand is called: 16) \_\_\_\_\_
- A) demand matching.
  - B) hybrid strategy.
  - C) production leveling.
  - D) all of the above
  - E) none of the above
- 17) Which basic production planning strategy will build inventory and avoid the costs of excess capacity? 17) \_\_\_\_\_
- A) demand matching (chase)
  - B) subcontracting
  - C) production leveling
  - D) all of the above
  - E) none of the above
- 18) Which basic production planning strategy avoids hiring and layoff costs and the costs of excess capacity? 18) \_\_\_\_\_
- A) subcontracting
  - B) demand matching
  - C) operation smoothing
  - D) all of the above
  - E) none of the above
- 19) If the opening inventory is 100 units, the sales are 500 units and the ending inventory is 200 units, then manufacturing must produce: 19) \_\_\_\_\_
- A) 400 units.
  - B) 600 units.
  - C) 500 units.
  - D) 300 units.
  - E) none of the above
- 20) Over a 10-week period the cumulative sales are forecast at 10,000 units, the opening inventory is 200 units and the closing inventory is to be 100 units. What should be the weekly planned production for level production? 20) \_\_\_\_\_
- A) 1000
  - B) 990
  - C) 1010
  - D) 1030
  - E) none of the above
- 21) Firms will generally make-to-stock when: 21) \_\_\_\_\_
- A) delivery lead times are long.
  - B) there are many product options.

- C) demand is unpredictable.  
 D) all of the above  
 E) none of the above
- 22) Firms will generally make-to-order when: 22) \_\_\_\_\_  
 A) products are produced to customer specifications.  
 B) product is expensive to make and store.  
 C) there are many product options.  
 D) all of the above  
 E) none of the above
- 23) Which of the following information is needed to develop a make-to-stock production plan? 23) \_\_\_\_\_  
 I. Forecast by time period for the production plan  
 II. Opening inventory  
 III. Opening backlog of customer orders  
 IV. Desired ending inventory  
 A) I, III and IV  
 B) II, III and IV  
 C) I, II and IV  
 D) I, II and III  
 E) none of the above
- 24) If the old backlog was 200 units, the forecast for the next period is 500 units, and production for the next period is 600 units, what will be the backlog at the end of the next period? 24) \_\_\_\_\_  
 A) 100 units      B) 200 units      C) 300 units      D) 700 units      E) 800 units
- 25) Which of the following is concerned with long-term planning of manufacturing activity? 25) \_\_\_\_\_  
 A) sales and operations planning  
 B) master planning  
 C) production activity control  
 D) master production scheduling  
 E) MRP
- 26) Which of the following is NOT a rule of Sales and Operations Planning? 26) \_\_\_\_\_  
 A) A planning horizon must include new product development time.  
 B) Performance review periods to be compared should be decided.  
 C) Planning units of measure need to be decided.  
 D) Product groups need not be decided.
- 27) Which of the following is a complete closed loop planning system that develops plans for all materials and operations? 27) \_\_\_\_\_  
 A) enterprise resource planning      B) supply chain management  
 C) material requirements planning      D) capacity requirements planning
- 28) Which of the following represents the major reason for developing the production plan as part of Sales and Operations Planning? 28) \_\_\_\_\_  
 A) to decide how to best produce exactly what is in the sales plan  
 B) to plan the acquisition of new manufacturing facilities  
 C) to plan a schedule for the production of individual products  
 D) to plan for resources required to produce to the agreed plan
- 29) Which of the following is true? I. The strategic pla

The 29) \_\_\_\_\_  
\_\_\_\_\_ strategic  
business  
plan is  
stated in  
financial  
terms.

III. The  
strategic  
business  
plan is  
developed  
from  
the  
strategic  
plan.

- A) I and III only
- B) I, II, and III
- C) I and II only
- D) II and III only
- E) None is correct.

30) Which following best represents the concept of sustainability? \_\_\_\_\_

- A) the ability to maintain the supplier base
- B) the ability to make long production runs
- C) the ability to continue operation in the long term
- D) the ability to train labor effectively

31) When a company establishes a program to recycle or reuse products discarded or returned from customers it is typically called which of the following? \_\_\_\_\_

- A) reverse supply chain
- B) customer servicing
- C) product return contract
- D) resupply planning

32) Which of the following is most true about Sales and Operations Planning? \_\_\_\_\_

- A) It usually is produced only once a year.
- B) It usually includes all functions at the executive level.
- C) It is typically done in financial terms.
- D) It usually includes only sales and manufacturing people.

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