

Student name: \_\_\_\_\_

**TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.**

1) An example of a strategic operations management decision is the choice of where to locate.

- true
- false

**Question Details**

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

2) An example of an operational operations management decision is inventory level management.

- true
- false

**Question Details**

Learning Objective : 02-04 Discuss and compare organization strategy and operations strategy and expl

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Accessibility : Screen Reader Compatible

3) Government statistics are a good source of data about productivity trends in the service sector.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

4) An example of a tactical operations management decision is determining employment levels.

- true
- false

**Question Details**

Learning Objective : 02-04 Discuss and compare organization strategy and operations strategy and expl

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Accessibility : Screen Reader Compatible

5) Productivity is defined as the ratio of output to input.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Topic : Productivity

Difficulty : 1 Easy

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

6) Productivity is defined as the ratio of input to output.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Topic : Productivity

Difficulty : 1 Easy

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

- 7) Competitiveness relates to the profitability of an organization in the marketplace.
- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Topic : Competitiveness

Learning Objective : 02-01 List several ways that business organizations compete.

Accessibility : Screen Reader Compatible

- 8) If people would only work harder, productivity would increase.
- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Bloom's : Understand

Accessibility : Screen Reader Compatible

- 9) Tracking productivity measures over time enables managers to judge organizational performance and decide where improvements are needed.
- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Understand

Accessibility : Screen Reader Compatible

**10)** Productivity is directly related to the ability of an organization to compete.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Topic : Productivity

Difficulty : 1 Easy

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

**11)** A characteristic that was once an order winner may become an order qualifier.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**12)** Outsourcing tends to improve quality but at the cost of lowered productivity.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Bloom's : Understand

Accessibility : Screen Reader Compatible

**13)** Productivity tends to be only a very minor factor in an organization's ability to compete.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Topic : Productivity

Difficulty : 1 Easy

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

**14)** An organization that is twice as productive as its competitor will be twice as profitable.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Understand

Accessibility : Screen Reader Compatible

**15)** National productivity is determined by averaging the productivity measures of various companies or industries.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

**16)** Wage and salary increases that are not accompanied by productivity increases tend to exert inflationary pressures on a nation's economy.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

**17)** Global competition really only applies to multinational organizations.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**18)** A business that is rated highly by its customers for service quality will tend to be more profitable than a business that is rated poorly.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 1 Easy

Topic : Competitiveness

Bloom's : Understand

Learning Objective : 02-01 List several ways that business organizations compete.

Accessibility : Screen Reader Compatible

19) Services often don't fit simple yield measurements.

- true
- false

**Question Details**

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

20) A mission statement should provide a guide for the formulation of strategies for the organization.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

21) The hierarchy and sequence of planning and decision making is: mission, organizational strategy, tactics, and operational decisions.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**22)** Strategy includes both organizational and functional strategies.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**23)** Organizational strategy should be determined without considering the realities of functional area strengths and weaknesses since they can be changed to meet our strategy.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**24)** Mission statements should be as specific as possible regarding exactly how they will be accomplished.



- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

25) Improving efficiency will guarantee a similar improvement in productivity.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Bloom's : Understand

Accessibility : Screen Reader Compatible

26) As long as we match a competitor on quality and price we will gain market share.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

27) Environmental scanning is a search for events or trends that present either threats or opportunities to the organization.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**28)** Standardization has the advantage of reducing variability.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Difficulty : 1 Easy

Bloom's : Understand

Accessibility : Screen Reader Compatible

**29)** Traditional strategies of business organizations have tended to emphasize cost minimization or product differentiation.

- true
- false

**Question Details**

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

**30)** Tactics support established functional strategies.

- true
- false

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

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

**31)** Which of the following is least likely to affect the cost an organization incurs in producing its products or services?

- A) price
- B) productivity
- C) location
- D) quality
- E) inventory management

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Competitiveness

Bloom's : Understand

Learning Objective : 02-01 List several ways that business organizations compete.

Accessibility : Screen Reader Compatible

**32)** Where a firm locates would typically not affect that firm's

- A) costs.
- B) convenience for customers.
- C) delivery times.
- D) strategy.
- E) transportation costs.

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Topic : Mission and Strategies

Learning Objective : 02-01 List several ways that business organizations compete.

Accessibility : Screen Reader Compatible

**33)** Which of the following is not among the chief reasons organizations fail?

- A) overemphasis on short-term financial performance
- B) emphasizing labor productivity in labor-intensive environments
- C) poor internal communications
- D) not investing in capital and human resources
- E) overemphasis on product (or service) design

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-02 Name several reasons that business organizations fail.

Topic : Competitiveness

Accessibility : Screen Reader Compatible

**34)** The key to successfully competing is understanding what customers want and then \_\_\_\_\_ satisfy those wants.

- A) training production workers to
- B) finding suppliers who can
- C) finding the best way to
- D) designing products and services that
- E) hiring enough workers to

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-02 Name several reasons that business organizations fail.

Topic : Competitiveness

Bloom's : Understand

Accessibility : Screen Reader Compatible

**35)** An organization's mission statement serves as the basis for:

- A) environmental scanning.
- B) core competencies.
- C) operating procedures.
- D) distinctiveness.
- E) organizational goals.

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Competitiveness

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Accessibility : Screen Reader Compatible

**36)** Which of the following would be least important in the pursuit of a time-based strategy?

- A) cost minimization
- B) quick changeover times
- C) operational agility
- D) reduced complaint resolution times
- E) flexible technology

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Topic : Mission and Strategies

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

**37)** Competitiveness doesn't include:

- A) productivity.
- B) effectiveness.
- C) profitability.
- D) operations strategy.
- E) operations management.

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Topic : Competitiveness

Bloom's : Understand

Learning Objective : 02-01 List several ways that business organizations compete.

Accessibility : Screen Reader Compatible

**38)** Product design and choice of location are examples of \_\_\_\_\_ decisions.

- A) strategic
- B) tactical
- C) operational
- D) customer-focused
- E) design

**Question Details**

Difficulty : 3 Hard

Learning Objective : 02-04 Discuss and compare organization strategy and operations strategy and expl

Topic : Operations Strategy

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Bloom's : Analyze

Accessibility : Screen Reader Compatible

**39)** Scheduling personnel is an example of an operations management:

- A) mission implementation.
- B) operational decision.
- C) organizational strategy.
- D) functional strategy.
- E) tactical decision.

**Question Details**

Learning Objective : 02-04 Discuss and compare organization strategy and operations strategy and expl

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Accessibility : Screen Reader Compatible

**40)** Productivity is expressed as:

- A) output plus input.
- B) output minus input.
- C) output times input.
- D) output divided by input.
- E) input divided by output.

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Topic : Productivity

Difficulty : 1 Easy

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

**41)** In the 1970s and early 1980s in the United States, organizations concentrated on:

- A) operations strategies.
- B) improving quality.
- C) marketing and financial strategies.
- D) revising mission statements.
- E) environmental issues.

**Question Details**

Learning Objective : 02-04 Discuss and compare organization strategy and operations strategy and expl

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Accessibility : Screen Reader Compatible

**42)** Which of the following is not a factor that affects productivity?



- A) computer viruses
- B) design of the workspace
- C) use of the Internet
- D) standardizing processes
- E) product price

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Accessibility : Screen Reader Compatible

**43)** Which of these factors would be least likely to affect productivity?

- A) methods and technology
- B) workers
- C) management
- D) product mix
- E) advertising

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Bloom's : Understand

Accessibility : Screen Reader Compatible

**44)** Which of the following is not a key step toward improving productivity?

- A) developing productivity measures for all operations
- B) improving the bottleneck operations
- C) establishing reasonable goals for improvement
- D) considering incentives to reward workers
- E) converting bond debt to stock ownership

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Accessibility : Screen Reader Compatible

**45)** For an organization to grow its market share, it must:

- A) advertise using multimedia.
- B) reduce prices.
- C) exceed minimum standards of acceptability for its products or services.
- D) establish an Internet Web site.
- E) broaden its mission statement.

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**46)** The ratio of good output to quantity of raw material input is called

- A) nondefective productivity.
- B) process yield.
- C) worker quality measurement.
- D) total quality productivity.
- E) quantity/quality ratio.

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Accessibility : Screen Reader Compatible

47) The fundamental purpose for the existence of any organization is described by its:

- A) policies.
- B) procedures.
- C) corporate charter.
- D) mission statement.
- E) bylaws.

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

48) A productivity increase in one operation that does not improve overall productivity of the business is not

- A) worthwhile.
- B) trivial.
- C) competence-destroying.
- D) an order winner.
- E) an order qualifier.

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Bloom's : Understand

Accessibility : Screen Reader Compatible

**49)** Productivity growth can be calculated by:

- A) outputs minus inputs.
- B) inputs divided by the outputs.
- C) outputs divided by the inputs.
- D) input plus output divided by two.
- E)  $((\text{current productivity} - \text{previous productivity}) \div (\text{previous productivity})) \times 100$

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Understand

Accessibility : Screen Reader Compatible

**50)** Which of the following is true?

- A) Corporate strategy is shaped by functional strategies.
- B) Corporate mission is shaped by corporate strategy.
- C) Functional strategies are shaped by corporate strategy.
- D) External conditions are shaped by corporate mission.
- E) Corporate mission is shaped by functional strategies.

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Bloom's : Analyze

Accessibility : Screen Reader Compatible

**51)** Core competencies in organizations generally do not relate to:

- A) cost.
- B) quality.
- C) time.
- D) flexibility.
- E) sales price.

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**52)** With regard to operations, organization strategy should, ideally, take into account:

- A) operations' strengths and weaknesses.
- B) inventory levels.
- C) labor productivity.
- D) product mix.
- E) production processes.

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 1 Easy

Bloom's : Understand

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**53)** Which of the following is not typically considered a cure for poor competitiveness?

- A) Remove communications barriers within organizations.
- B) Minimize attention to the operations function.
- C) Put less emphasis on short-term financial results.
- D) Recognize labor as a valuable asset and act to develop it.
- E) Improve quality.

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Learning Objective : 02-02 Name several reasons that business organizations fail.

Topic : Competitiveness

Accessibility : Screen Reader Compatible

**54)** Time-based approaches of business organizations focus on reducing the time to accomplish certain necessary activities. Time reductions seldom apply to:

- A) product/service design time.
- B) processing time.
- C) delivery time.
- D) response time for complaints.
- E) internal audits.

**Question Details**

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

**55)** The external elements of SWOT analysis are:

- A) strengths and weaknesses.
- B) strengths and threats.
- C) opportunities and threats.
- D) weaknesses and opportunities.
- E) strengths and opportunities.

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

**56)** In an assembly operation at a furniture factory, six employees assembled an average of 450 standard dining chairs per five-day week. What is the labor productivity of this operation?

- A) 90 chairs/worker/day
- B) 20 chairs/worker/day
- C) 15 chairs/worker/day
- D) 75 chairs/worker/day
- E) 60 chairs/worker/day

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

Topic : Productivity

Difficulty : 1 Easy

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

AACSB : Analytical Thinking

Accessibility : Screen Reader Compatible

**57)** Which of the following is not a reason for poor performance of our organization in the marketplace?

- A) placing too much emphasis on product/service design and too little on process design
- B) failing to take into account customer wants and needs
- C) putting too much emphasis on short-term financial performance
- D) taking advantage of strengths/opportunities, and recognizing competitive threats
- E) failing to monitor the external environment

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Learning Objective : 02-02 Name several reasons that business organizations fail.

Topic : Competitiveness

Accessibility : Screen Reader Compatible

**58)** The manager of a carpet store is trying to determine the best installation crew size. He has tried various crew sizes with the results shown below. Based on productivity, what crew size do you recommend?



Crew Size	Yards Installed
2	716
4	1298
3	1017
3	1002
4	1278
2	702

- A) 2
- B) 3
- C) 4

**Question Details**

Accessibility : Keyboard Navigation

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Apply

AACSB : Analytical Thinking

**59)** Which of the following is not a key factor of competitiveness?

- A) price
- B) product differentiation
- C) flexibility
- D) after-sale service
- E) size of organization

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Topic : Productivity

Learning Objective : 02-02 Name several reasons that business organizations fail.

Accessibility : Screen Reader Compatible

60) Gourmet Pretzels bakes soft pretzels on an assembly line. It currently bakes 800 pretzels each eight-hour shift. If the production is increased to 1,200 pretzels each shift, then productivity will have increased by:

- A) 50 percent.
- B) 33 percent.
- C) 25 percent.
- D) 67 percent.

**Question Details**

Accessibility : Keyboard Navigation

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Apply

AACSB : Analytical Thinking

Accessibility : Screen Reader Compatible

61) The weekly output of a fabrication process is shown below, together with data for labor and material inputs. Standard selling price is \$125 per unit. Overhead is charged weekly at the rate of \$1,500 plus .5 times direct labor cost. Assume a 40-hour week and an hourly wage of \$16. Material cost is \$10 per foot. What is the average multifactor productivity?

Week	Output	#Workers	Material (ft)
1	392	5	2,720
2	408	6	2,790

- A) 1.463
- B) 1.457
- C) 1.431

**Question Details**

Accessibility : Keyboard Navigation

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Apply

AACSB : Analytical Thinking

**62)** The Balanced Scorecard is a useful tool for helping managers translate their strategy into action in the following areas:

- A) Sustainability; Flexibility; Efficiency; Technology
- B) Customers; Financial; Internal Business Processes; Learning and Growth
- C) Customization; Standardization; Efficiency; Effectiveness
- D) The Environment; The Community; Suppliers; Other Stakeholders
- E) Strategy; Tactics; Productivity; Profitability

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Topic : Transforming Strategy into Action: The Balanced Scorecard

Bloom's : Understand

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

**63)** A firm pursuing a strategy based on customization and variety will tend to structure and manage its supply chain to accommodate more \_\_\_\_\_ than a firm pursuing a strategy based on low cost and high volume.

- A) variation
- B) streamlined flow
- C) quality
- D) capacity
- E) productivity

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

64) Unique attributes of firms that give them a competitive edge are called:

- A) functional strategies.
- B) Balanced Scorecards.
- C) supply chains.
- D) core competencies.
- E) sustainable initiatives.

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

65) Years ago in the overnight delivery business, providing package tracking capability gave some firms a competitive advantage. Now, all firms must offer this capability simply to be in this line of business. This is an example of \_\_\_\_\_ becoming \_\_\_\_\_ over time.

- A) tactical implications; strategic
- B) strategic implications; tactical
- C) order winners; order qualifiers
- D) profitability factors; productivity factors
- E) order qualifiers; order winners

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

66) For firms competing in worldwide markets, conducting \_\_\_\_\_ is more complex, since what works in one country or region might not work in another.

- A) productivity analysis
- B) environmental analysis
- C) strategy implementation
- D) sustainability analysis
- E) growth forecasting

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-03 Define the terms mission and strategy and explain why they are important.

Topic : Mission and Strategies

Accessibility : Screen Reader Compatible

67) Increasing the service offered to the customer makes it more difficult to compete on the basis of:

- A) order qualifiers.
- B) customization.
- C) quality.
- D) price.
- E) flexibility.

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Topic : Implications of Organization Strategy for Operations Management

Accessibility : Screen Reader Compatible

68) \_\_\_\_\_ is generally used to facilitate an organization strategy that emphasizes low cost.

- A) Speed to market
- B) Flexibility
- C) Customization
- D) Sustainability
- E) Standardization

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Topic : Transforming Strategy into Action: The Balanced Scorecard

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

69) Which of the following factors would tend to reduce productivity?

- A) improvements in workplace safety
- B) reductions in labor turnover
- C) more inexperienced workers
- D) reductions in the scrap rate
- E) less variety in the product mix

**Question Details**

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Bloom's : Understand

Accessibility : Screen Reader Compatible

70) Suppose a country's productivity last year was 84. If this country's productivity growth rate of 5 percent is to be maintained, this means that this year's productivity will have to be:

- A) 88.2.
- B) 79.8.
- C) 82.8.
- D) 78.9.
- E) 4.2.

**Question Details**

Difficulty : 3 Hard

Accessibility : Keyboard Navigation

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Apply

AACSB : Analytical Thinking

Accessibility : Screen Reader Compatible

71) Suppose a country's productivity was 77 in one period and 82 in the next period. What would the growth rate be? (rounded to one decimal place.)

- A) 6.1.
- B) 8.7.
- C) 5.3.
- D) 6.5.
- E) 4.2.

**Question Details**

Accessibility : Keyboard Navigation

Difficulty : 2 Medium

Topic : Productivity

Learning Objective : 02-06 Define the term productivity and explain why it is important to organizati

Bloom's : Apply

AACSB : Analytical Thinking

Accessibility : Screen Reader Compatible

72) \_\_\_\_\_ and \_\_\_\_\_ customers are factors in quality.

- A) Cost; improving
- B) Attracting; retaining
- C) Flexibility; attracting
- D) Capacity; improving
- E) Efficiency; retaining

**Question Details**

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

**73)** Careful planning must be used with technology, otherwise there could be a(n) \_\_\_\_\_ in productivity.

- A) improvement
- B) stalemate
- C) reduction
- D) virus
- E) increase

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Learning Objective : 02-07 Describe several factors that affect productivity.

Topic : Productivity

Difficulty : 1 Easy

Accessibility : Screen Reader Compatible

**74)** Which mission strategy has a narrow scope?



- A) strategic
- B) common
- C) organizational
- D) operational
- E) tactical

**Question Details**

Learning Objective : 02-04 Discuss and compare organization strategy and operations strategy and expl

Topic : Operations Strategy

Accessibility : Keyboard Navigation

AACSB : Reflective Thinking

Difficulty : 2 Medium

Bloom's : Understand

Accessibility : Screen Reader Compatible

**75)** "To inspire and nurture the human spirit—one cup and one neighborhood at a time." This statement from Starbucks is an example of a:

- A) vision
- B) core competency
- C) strategy
- D) goal
- E) mission statement

**Question Details**

Topic : Operations Strategy

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Learning Objective : 02-05 Describe and give examples of time-based strategies.

Accessibility : Screen Reader Compatible

**76)** What is an important factor that help determines cost?

- A) innovation
- B) advertising
- C) quality
- D) location
- E) productivity

**Question Details**

Accessibility : Keyboard Navigation

Bloom's : Remember

AACSB : Reflective Thinking

Difficulty : 1 Easy

Topic : Competitiveness

Learning Objective : 02-01 List several ways that business organizations compete.

Accessibility : Screen Reader Compatible

## Answer Key

Test name: Operations2

1) TRUE

Location decisions are strategic in nature.

2) TRUE

Inventory management is an operational decision.

3) FALSE

The service sector is often omitted in government statistics.

4) TRUE

Staffing is an ongoing, tactical decision.

5) TRUE

Divide outputs by inputs to get productivity.

6) FALSE

Productivity is the ratio of outputs to inputs.

7) FALSE

Competitiveness relates to how effectively an organization meets the wants and needs of customers relative to other organizations that offer similar goods or services.

8) FALSE

Working harder can actually reduce productivity in some cases.

9) TRUE

Productivity trends direct attention toward problems and opportunities.

10) TRUE

A more productive organization is a more competitive organization.

11) TRUE

Order qualifiers and order winners are shaped by the environment.

12) FALSE

Outsourcing can lead to both quality and productivity improvements.

13) FALSE

An organization's ability to compete is directly affected by its productivity.

14) FALSE

Productivity advantages don't necessarily translate into profitability advantages.

15) FALSE

National productivity is determined by dividing inputs by outputs across a national economy; averaging industry measures would lead to a distorted estimate.

16) TRUE

True increases in standards of living come about through productivity improvements.

17) FALSE

Domestic-only organizations experience competition from organizations in other countries.

18) TRUE

Service quality is a powerful tool for improving profitability.

19) TRUE

Comparing one service output to another is difficult to do accurately.

20) TRUE

Strategy-making is constrained by the mission statement.

21) TRUE

Mission is at the highest level of the hierarchy, while operational decisions are at the lowest.

22) TRUE

Organizational strategies shape functional strategies.

23) FALSE

Functional strengths and weaknesses serve as the building blocks of organizational strategy.

24) FALSE

Mission statements are very long-term and should provide enough room to accommodate major changes in direction.

25) FALSE

Efficiency is narrower than productivity.

26) FALSE

We usually have to better a competitor to win market share.

27) TRUE

These events or trends should be taken into account when strategy is being formulated.

28) TRUE

Standardization leads to reduced variability.

29) TRUE

Time- and quality-based strategies are more recent developments.

30) TRUE

This represents the majority of ongoing decision making in operations.

31) A

Relative to the other choices, price is least likely to affect cost.

32) D

Typically, strategy dictates where firms will locate, rather than location dictating strategy.

33) B

In labor-intensive environments, emphasizing labor productivity is a good idea.

34) C

To successfully compete, two basic issues must be addressed: What do the customers want? What is the best way to satisfy those wants?

35) E

Organizations' missions serve as the broad underpinning for their goals.

36) A

Many means for minimizing cost would have the effect of making a time-based strategy less feasible.

37) C

A company can be competitive relative to similar companies and still be unprofitable if the competitive environment is inherently unprofitable.

38) A

These decisions are made high in the hierarchy.

39) B

Scheduling decisions are made low in the hierarchy.

40) D

Productivity is the ratio of outputs to inputs.

41) C

This led to U.S. firms being not very competitive with regard to their operations.

42) E

These don't lead to fundamental changes in operations.

43) E

Advertising could increase the value of the outputs, but it is less likely to affect productivity than these other factors.

44) E

A firm's productivity is independent of its capital structure.

45) C

Only by exceeding standards can an organization grow its market share.

46) B

This is sometimes a useful productivity measure in service industries.

47) D

A mission statement is the organization's attempt to justify its existence.

48) A

Only system-wide productivity improvement makes the organization more productive.

49) E

Productivity growth is a key factor in a country's rate of inflation and the standard of living of its people.

50) C

Corporate strategy shapes strategies at lower levels.

51) E

What a firm charges for its outputs is not a core competency. What it can charge, however, is potentially related to a core competency.

52) A

Formulation of organization strategy should take into account the realities of operations' strengths and weaknesses, capitalizing on strengths and dealing with weaknesses.

53) B

Operations is a prime area for improving competitiveness.

54) E

Internal audits have little to do with core value-adding efforts.

55) C

Opportunities and threats relate to the organization and its external environment.

56) C

Divide the output of 450 chairs by the input of 30 worker-days.

57) D

Taking advantage of strengths/opportunities and recognizing competitive threats would enable good performance.

58) A

Crews of two workers are most productive with an average of  $((716 + 702) \div 2) \div 2 = 354.5$  yards/worker installed. The average productivity of three-worker crews is 336.5 yards/worker and for four-worker crews it is 322 yards/worker.

59) E

Competitiveness often has nothing to do with organization size.

60) A



Divide the difference in productivity by the original productivity.  
Original productivity = 800 pretzels/eight-hour shift.

New productivity = 1,200 pretzels/eight-hour shift.

Increase in productivity =  $(1,200 - 800) \times 100 \div 800 = 50\%$ .

61) B

Calculate multifactor productivity for each week, then average the two.

Week 1:  $(392 \times \$125) \div ((5 \times 40 \times \$16) + (\$1,500 + .5 \times (5 \times 40 \times \$16)) + (2,720 \times \$10)) = 1.4627$

Week 2:  $(408 \times \$125) \div ((6 \times 40 \times \$16) + (\$1,500 + .5 \times (6 \times 40 \times \$16)) + (2,790 \times \$10)) = 1.4505$

Average =  $(1.4627 + 1.4505) \div 2 = 1.4566$  or 1.457

62) B

These are the four core areas addressed by the Balanced Scorecard.

63) A

Customization and variety lead to variation that must be accommodated.

64) D

Core competencies can be translated into competitive advantage.

65) C

What is an order qualifier and what is an order winner changes over time.

66) B

Environmental analysis takes into account the relevant factors in the environment; there are more of these if there are more markets to consider.

67) D

More extensive service can be more costly, and more costly outputs make price-based strategies more difficult.

68) E

Standardization is a powerful means of achieving low-cost production.

69) C

More inexperienced workers tend to be less productive.

70) A

Multiply 84 by 1.05.

71) D

$((82 - 77) \div 77) \times 100 = 6.5\%$

72) B

In order for a company to survive they must be able to attract and retain customers. Quality is generally a factor in assisting with this.

73) C

The introduction of or upgrade of technology does not guarantee productivity gains. Employees may utilize technology for personal pleasure or gain. There is also a dip in productivity when employees are learning how to use the new technology.

74) D

Operational strategy deals primarily with the operations aspect of the organization, which is narrow in scope.

75) A

A mission statement states the purpose of an organization. Goals provide detail and scope of the mission. A mission statement serves as the basis for organizational goals.

76) E

Organizations with higher productivity rates than their competitors have a competitive cost advantage.