

Exam

Name \_\_\_\_\_

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

- 1) Every organization has an operations function. 1) \_\_\_\_\_
- 2) Most organizations function as part of a larger supply chain. 2) \_\_\_\_\_
- 3) The supply chain is a network of manufacturers and service providers that work together to convert and move goods from the raw materials stage to the end user. 3) \_\_\_\_\_
- 4) To participate in a supply chain, a firm must actually handle the physical goods at some point. 4) \_\_\_\_\_
- 5) Information and materials are two examples of inputs to the transformation process. 5) \_\_\_\_\_
- 6) In general, operations management activities are information and decision intensive. 6) \_\_\_\_\_
- 7) Of the three flows linking organizations in a supply chain, information and monetary flows always move upstream and physical flows always move downstream. 7) \_\_\_\_\_
- 8) A second-tier supplier is downstream from a first-tier supplier in the supply chain. 8) \_\_\_\_\_
- 9) Most of the participants in a supply chain are both suppliers and customers. 9) \_\_\_\_\_
- 10) Electronic commerce refers to the use of information technology solutions to automate business transactions. 10) \_\_\_\_\_
- 11) The drive for efficiency has decreased the level of globalization in the world economy over the last twenty years. 11) \_\_\_\_\_
- 12) E-commerce is the component of a supply chain that is the most susceptible to breakdown. 12) \_\_\_\_\_
- 13) To avoid supply chain problems, firms must manage relationships with their *downstream* suppliers as well as their *upstream* customers. 13) \_\_\_\_\_
- 14) The educational society for resource management is called APICS. 14) \_\_\_\_\_
- 15) Transportation and warehousing are examples of logistics activities. 15) \_\_\_\_\_
- 16) There is no need for an organizational interface between the finance function and the operations and supply chain management function. 16) \_\_\_\_\_

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

- 17) The collection of people, technology, and systems within an organization that has primary responsibility for providing the organization's products or services is called: 17) \_\_\_\_\_  
A) the operations function. B) the supply chain.  
C) the evoked set. D) relationship management.
- 18) Which of the following is NOT a flow typically found in a supply chain? 18) \_\_\_\_\_  
A) physical B) monetary C) risk D) information
- 19) Which of the following is primarily a supply chain management decision? 19) \_\_\_\_\_  
A) the mix of labor skill and automation  
B) how many of each item should be produced  
C) plant location  
D) from whom to purchase materials
- 20) \_\_\_\_\_ is an example of an output of the transformation process. 20) \_\_\_\_\_  
A) Satisfied customers B) Information  
C) Intangible needs D) Material
- 21) Which of the following statements about the operations function is NOT correct? 21) \_\_\_\_\_  
A) The outputs of an operations function are always tangible.  
B) Nearly all operations activities require coordination with other business functions.  
C) Operations management activities are information intensive.  
D) Inputs to operations can take many different forms.
- 22) Which of the following statements regarding the supply chain is TRUE? 22) \_\_\_\_\_  
A) A first-tier supplier is upstream from a second-tier supplier.  
B) A first-tier supplier is downstream from a second-tier supplier.  
C) A second-tier supplier is downstream from a first-tier supplier.  
D) A customer is upstream from a first-tier supplier.
- 23) Which of the following lists is in correct supply chain order? 23) \_\_\_\_\_  
A) customer – retailer – distributor  
B) first-tier supplier – second-tier supplier – third-tier supplier  
C) first-tier supplier – manufacturer – distributor  
D) distributor – manufacturer – retailer
- 24) Which of these statements about recent trends in operations and supply chain management is best? 24) \_\_\_\_\_  
A) Managers tend to make decisions with less information than they used to.  
B) Customers demand increased standardization in goods and services.  
C) The rate of change in markets is actually lower than 10–15 years ago once inflation is factored in.  
D) A lower level of competition exists thanks to an increased level of globalization.
- 25) An electronic commerce system: 25) \_\_\_\_\_  
A) links everyone in the supply chain except customers.  
B) is used to transmit information only upstream.  
C) can improve the speed and quality of business communication.  
D) is used to transmit information only downstream.

- 26) Which of the following is NOT a trend in operations management? 26) \_\_\_\_\_  
 A) increased use of electronic commerce      B) decreased delivery times  
 C) increased globalization      D) decreased customization
- 27) Efforts to improve cooperation among firms in the supply chain can be characterized as: 27) \_\_\_\_\_  
 A) globalization.      B) relationship management.  
 C) electronic commerce.      D) domestic focus.
- 28) The organization that provides national and institutional leadership in purchasing and materials management is: 28) \_\_\_\_\_  
 A) ASQ      B) ISM      C) CLM      D) APICS
- 29) Which job title would most likely be responsible for supervising production in a manufacturing setting? 29) \_\_\_\_\_  
 A) purchasing manager      B) production manager  
 C) supplier development manager      D) supply chain manager
- 30) Which department is least likely to interact with the purchasing function? 30) \_\_\_\_\_  
 A) operations      B) finance  
 C) engineering      D) human resources

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 31) The collection of people, technology, and systems within an organization that has primary responsibility for providing the organization's products or services is \_\_\_\_\_. 31) \_\_\_\_\_
- 32) Most organizations function as part of larger \_\_\_\_\_ that are linked through physical, monetary, and information flows. 32) \_\_\_\_\_
- 33) Operations can be considered a transformation process that takes things like materials, labor, and capital, called \_\_\_\_\_ and transforms them into goods or services, called \_\_\_\_\_. 33) \_\_\_\_\_
- 34) An activity or firm that is positioned earlier in the supply chain relative to another activity or firm is said to be \_\_\_\_\_. 34) \_\_\_\_\_
- 35) Printing and binding a book take place \_\_\_\_\_ from the conversion of wood to paper pulp in a publishing supply chain. 35) \_\_\_\_\_
- 36) The \_\_\_\_\_ model is used to define relationships in supply chain management. 36) \_\_\_\_\_
- 37) A second-tier supplier is located \_\_\_\_\_ from a first-tier supplier. 37) \_\_\_\_\_
- 38) \_\_\_\_\_ is the use of information technology solutions to automate business transactions. 38) \_\_\_\_\_
- 39) \_\_\_\_\_ is the term that describes efforts to improve operations by increasing supply chain members' willingness to cooperate. 39) \_\_\_\_\_

- 40) A \_\_\_\_\_ acquires knowledge in a specific market in which the organization purchases significant quantities of materials and services. 40) \_\_\_\_\_
- 41) A \_\_\_\_\_ supervises production in a manufacturing setting. 41) \_\_\_\_\_
- 42) The \_\_\_\_\_ is a leader in education and all aspects of quality improvement. 42) \_\_\_\_\_
- 43) \_\_\_\_\_ is an operations activity with the purpose of designing and implementing the transformation processes that best meet the needs of the customer and firm. 43) \_\_\_\_\_
- 44) The \_\_\_\_\_ function of an organization manages the movement of physical goods throughout the supply chain. 44) \_\_\_\_\_

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 45) What are three reasons that the study of operations and supply chain management is important?
- 46) Describe the operations function's transformation process and provide an example for each element.
- 47) Distinguish between upstream and downstream firms in a supply chain and provide an example.
- 48) Distinguish between first-tier and second-tier suppliers in a supply chain and provide an example.
- 49) Supply chains have been in existence for over a century. What is different about supply chains in the 21<sup>st</sup> century from those in existence 100 years ago?
- 50) Briefly discuss the three important trends in business that have focused attention on operations and supply chain management.
- 51) Choose any two non-operations business functions. Provide examples of an operations or supply chain activity that interfaces directly with each business function you have chosen.

## Answer Key

Testname: UNTITLED1

- 1) TRUE
- 2) TRUE
- 3) TRUE
- 4) FALSE
- 5) TRUE
- 6) TRUE
- 7) FALSE
- 8) FALSE
- 9) TRUE
- 10) TRUE
- 11) FALSE
- 12) FALSE
- 13) FALSE
- 14) TRUE
- 15) TRUE
- 16) FALSE
- 17) A
- 18) C
- 19) D
- 20) A
- 21) A
- 22) B
- 23) C
- 24) A
- 25) C
- 26) D
- 27) B
- 28) B
- 29) B
- 30) D
- 31) operations
  
- 32) supply chains
- 33) inputs, outputs
- 34) upstream
- 35) downstream
- 36) SCOR
- 37) upstream
- 38) Electronic commerce
- 39) Relationship management
- 40) commodity manager
- 41) production manager
- 42) ASQ or American Society for Quality
- 43) Process selection
- 44) logistics
- 45) One reason that the study of operations management is important is that every organization must make a product or provide a service that someone values. Without this, there is no reason for the existence of the organization. The study of supply chain management is important because most organizations function as part of a larger supply chain. Finally, organizations must carefully manage their operations and supply chains in order to prosper. The better the supply chain and operations functions are coordinated, the greater chance for success of all members.

## Answer Key

Testname: UNTITLED1

- 46) The transformation process view of operations management holds that inputs are transformed into outputs. Examples of inputs are raw materials, labor, capital, equipment, information, and intangible needs. The transformation process is the conversion of these inputs using either manufacturing or service operations (and sometimes both). Manufacturing operations might be painting, welding, machining, or assembling. Outputs of the transformation process are tangible goods, fulfilled needs, and satisfied customers. Specific examples may vary depending on the company chosen.
- 47) Upstream and downstream are relative terms that describe the position of a supply chain member from one point of reference. A supply chain member that is upstream from a firm is sending their output to the firm for use as an input. A supply chain member that is downstream from a firm is taking the firm's output and using it as an input to their own processes. It is possible for a single member of a supply chain to be both upstream and downstream from one or more members of their supply chain.
- 48) First-tier, second-tier, and any subsequent steps are measured relative to their position from a common point in the supply chain. All companies at a level (call it A) receive inputs from their first-tier suppliers (level B). These first-tier suppliers (at level B) in turn receive their inputs from their own first-tier suppliers (level C). These companies (level C) are considered second-tier suppliers of the companies at level A. Both tiers are upstream from level A, but level B is downstream from level C. Examples will vary.
- 49) The active management of supply chain activities is the big difference between supply chains in existence today and those of decades ago. Active management includes relationship management and an examination of the supply chain as a whole to optimize it from a global perspective. In the past, the production managers of each company in the supply chain were more concerned with the operation and financial well being of his own company, often to the detriment of other members of the supply chain.
- 50) The three trends are electronic commerce, increasing competition and globalization, and relationship management. Electronic commerce is the use of information technology solutions to automate business transactions. E-commerce promises to improve the speed, quality, and cost of business communications and can be used to coordinate a supply chain. The rate of change in markets, products, and technology is escalating, resulting in increased competition. It is no longer good enough to be the best producer within a city, region, or country; firms must be able to compete on a global scale. Finally, we recognize that very few firms are not in a supply chain. As a firm strives to improve to meet this global competition, it may require the cooperation of other members of its supply chain. This cooperation is by no means a certainty, so relationship management is essential to facilitate supply chain coordination.
- 51) Examples will vary. The marketing function interfaces with operations and supply chain management during process selection, forecasting, capacity planning, planning and control, purchasing, and logistics. The finance function works closely with operations and supply chain management in process selection, forecasting, capacity planning, inventory management, and purchasing. The human resource function works directly with operations and supply chain management when making process selection, capacity planning decisions. The accounting function works with operations and supply chain management when capacity planning is being performed. The IT function is involved with operations and supply chain management while process selection, inventory management, and planning and control are taking place.