Operations and Supply Chain Management 3rd edition Collier Test Bank

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Name:_____ Class:_____ Date:_____

Ch 01: Operations Management and Value Chains

1. Preproduction services of a value chain include warranty and claim services.
   a. True
   b. False

ANSWER: False

2. If the value ratio for a good or service is high, the good or service is perceived favorably by customers.
   a. True
   b. False

ANSWER: True

3. A pair of running shoes is an example of a durable good.
   a. True
   b. False

ANSWER: False

4. The intangible nature of a service makes it difficult to keep a competitor from copying a service encounter design.
   a. True
   b. False

ANSWER: True

5. Vehicles, furniture, and dishwashers are examples of nondurable goods.
   a. True
   b. False

ANSWER: False

6. The higher the customer participation in service processes, the more certainty a firm has with respect to service time and capacity.
   a. True
   b. False

ANSWER: False

7. A process invariably resides within a department or traditional management function.
   a. True
   b. False

ANSWER: False

8. Proportional increases or decreases in the perceived benefits and the price of a product result in no net change in the value of the product.
   a. True
   b. False

ANSWER: True

9. Big data analytics is intended to support service businesses such as virtual banking.
   a. True
   b. False

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ANSWER: True

10. A warm welcome by an employee at a hotel check-in counter is an example of
    a. social sustainability.
    b. predictive analytics.
    c. a service blueprint.
    d. a moment of truth.

ANSWER: d

11. Which of the following is a sequence of activities that is intended to create a certain result, such as a physical good, a service, or information?
    a. Process
    b. Matrix
    c. Variant
    d. Task

ANSWER: a

12. In the context of customer benefit packages, which services are those that are not essential to the primary service but enhance it?
    a. Core
    b. Tertiary
    c. Peripheral
    d. Central

ANSWER: c

13. Which of the following statements is true of goods-producing processes?
    a. They use employees as a substitute for physical inventory.
    b. They require extensive customer participation in service creation and delivery.
    c. They require more flexibility and adaptation to special circumstances than service processes.
    d. They are mechanistic and controllable because of the lack of customer participation.

ANSWER: d

14. Building a high-performing organization with a capable leadership and workforce is an example of what type of sustainability?
    a. Economic
    b. Technological
    c. Political
    d. Environmental

ANSWER: a

15. Which of the following statements is true of service employees?
    a. They require good human interaction skills and strong cross-selling skills.
    b. They perform mechanized and rigid processes.
    c. They have little or no interaction with customers.

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d. They rely more on hard technology than soft technology to perform work.

ANSWER: a

16. Which of the following is a valid difference between goods and services?
    a. Goods can be stored as physical inventory, whereas services cannot be stored as physical inventory.
    b. Goods-producing firms rely solely on soft technology, whereas service-providing firms rely solely on hard technology.
    c. The demand for goods cannot be predicted, whereas the demand for services can be easily predicted.
    d. Customers directly participate in goods-producing activities, whereas customers do not participate in service-providing activities.

ANSWER: a

17. What type of good is one that does not quickly wear out but typically lasts at least three years?
    a. Durable
    b. Soft
    c. Consumer packaged
    d. Fast-moving consumer

ANSWER: a

18. Which of the following refers to raw materials, work-in-process, or finished goods that are maintained to support production or satisfy customer demand?
    a. Throughput
    b. A variant
    c. A subsidy
    d. Inventory

ANSWER: d

19. Which of the following is an example of a nondurable good?
    a. An airplane
    b. Software
    c. Furniture
    d. A dishwasher

ANSWER: b

20. Predictive analytics is used by organizations to
    a. analyze business policies through visual representations.
    b. identify the best decisions for a particular situation.
    c. understand past and current performance.
    d. envisage the future by detecting patterns and relationships in data.

ANSWER: d

21. What type of sustainability is an organization's commitment to maintain healthy communities and improve the quality of life?
    a. Environmental
    b. Economic

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c. Social
d. Political

ANSWER: c

22. What type of good is one that is no longer useful once it's used or lasts for less than three years?
a. Heavy-duty
b. Nondurable
c. Hard
d. Slow-moving consumer

ANSWER: b

23. Which of the following statements is true of goods?
a. Goods-producing industries rely on machines and hard technology to perform work.
b. Goods-producing employees require stronger behavioral skills than physical skills.
c. The demand for goods is more difficult to predict than the demand for services.
d. Durable goods are those that are no longer useful once they are used.

ANSWER: a

24. Which of the following statements is true of operations management (OM)?
a. The application of the concepts and methods of OM is limited to the technology industry.
b. OM is the only function by which managers can directly affect the value provided to all stakeholders.
c. The activities involved in OM focus on creating value solely for external customers.
d. OM and its principles are exclusively applicable to firms that produce tangible products.

ANSWER: b

25. Ensuring consumer safety in using goods and services is an example of what type of sustainability?
a. Social
b. Economic
c. Political
d. Environmental

ANSWER: a

26. Which of the following terms is a key activity performed by operations managers that involves deciding the best way to assign people to work tasks and responsibilities?
a. Forecasting
b. Process design
c. Job design
d. Reengineering

ANSWER: c

27. Which of the following statements is true of service facilities?
a. They need to be in close proximity to customers.
b. They store their services as physical inventory.
c. They require employees with stronger technical skills than behavioral skills.

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d. They rely more on hard technology than soft technology to perform work.

ANSWER: a

28. Purchasing is a key activity performed by operations managers that involves
   a. determining when resources such as employees and equipment should be assigned to work.
   b. using technology to improve productivity and respond faster to customers.
   c. coordinating the acquisition of materials, supplies, and services.
   d. ensuring that goods, services, and processes will meet customer expectations and requirements.

ANSWER: c

29. Which of the following statements is true of a value chain?
   a. The pre- and postservice framework of a value chain emphasizes that service is a critical component of traditional manufacturing processes.
   b. The input-output framework of a value chain suggests that the value chain begins with inputs from customers.
   c. A value chain solely focuses on the operations function of an organization.
   d. A value chain is narrower in scope than a supply chain.

ANSWER: a

30. Service encounter design is a key activity performed by operations managers that involves
   a. managing the flow of materials, information, people, and money from suppliers to customers.
   b. ensuring that the right amount of resources is available when needed.
   c. predicting the future demand for raw materials, finished goods, and services.
   d. determining how to recover from service upsets.

ANSWER: d

31. Which of the following is a network of facilities and processes that describes the flow of materials, finished goods, services, information, and financial transactions from suppliers, through the facilities and processes that create goods and services, and those that deliver them to the customer?
   a. Product-process matrix
   b. Product life cycle
   c. Value chain
   d. Business cycle

ANSWER: c

32. Nico and his friend went to a coffee shop. They ordered two cappuccinos and received a complimentary chocolate waffle and cookie along with their order. In the context of a customer benefit package (CBP), the chocolate waffle and the cookie are
   a. intangible products.
   b. core offerings.
   c. peripheral goods.
   d. primary goods.

ANSWER: c

33. In order to increase value, an organization must
   a. increase perceived benefits while decreasing actual benefits.

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b. increase both perceived benefits and price or cost proportionally.
c. decrease both perceived benefits and price or cost proportionally.
d. decrease price or cost while holding perceived benefits constant.

ANSWER: d

34. North Zone Bank gives all its customers a complimentary credit card along with a custom-made wallet when they open an account with the bank. The credit card and the wallet offered by the bank represent
a. peripheral goods.
b. core offerings.
c. intangible products.
d. primary goods.

ANSWER: a

35. Which of the following terms describes the perception of the benefits associated with a good, service, or bundle of goods and services in relation to what buyers are willing to pay for them?
a. Value
b. Equity
c. Turnover
d. Revenue

ANSWER: a

36. Which of the following is an example of a general management process in a business?
a. Research and development
b. Inventory management
c. Technology acquisition
d. Human resource management

ANSWER: d

37. In the context of the pre- and postproduction services perspective of a value chain, which of the following statements is true of preproduction services?
a. They focus on gaining a customer.
b. They include on-site installation and application services.
c. They focus solely on keeping an existing customer.
d. They include recycling and remanufacturing initiatives.

ANSWER: a

38. Which centers are warehouses that act as intermediaries between factories and customers, shipping directly to customers or to retail stores where products are made available to customers?
a. Production
b. Distribution
c. Cost
d. Business recovery

ANSWER: b

39. Which of the following is a similarity between goods and services?

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a. Both can be standardized for the mass market or customized to individual needs.
b. Both use physical inventory as a buffer for fluctuations in demand.
c. Both require customers to participate extensively in the creation and delivery processes.
d. Both can be protected by patents owing to their tangible nature.

ANSWER: a

40. Which of the following is an example of a primary service?
a. The cooling provided by an air conditioner
b. The customer service hotline of an electronics company
c. A pen drive given along with a laptop
d. An antivirus program given along with a smartphone

ANSWER: a

41. Which of the following can be classified as a support process in a business?
a. Product manufacturing
b. Technology acquisition
c. Human resource management
d. Order shipment

ANSWER: b

42. In the context of the pre- and postproduction services perspective of a value chain, which of the following statements is true of postproduction services?
a. They focus solely on gaining new customers.
b. They include contract negotiations.
c. They focus on keeping existing customers.
d. They include good and service guarantees.

ANSWER: c

43. What is a customer benefit package (CBP) feature that departs from the standard CBP and is normally location specific or firm specific?
a. Bottleneck
b. Peripheral product
c. Core product
d. Variant

ANSWER: d

44. Mikayla is planning to go on a camping trip. She purchases a bottle of mineral water, a pack of biscuits, a small tube of toothpaste, and a toothbrush from the supermarket near her house. The items that Mikayla has purchased from the supermarket are what type of good?
a. Hard
b. Durable
c. Nondurable
d. Intangible

ANSWER: c

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45. Which of the following statements is true of sustainability?
    a. Sustainability practices lead to better public perception.
    b. Sustainability practices are limited to service-providing firms.
    c. The use of sustainable technology reduces short-term operational costs.
    d. The application of sustainable technology is limited to the agriculture industry.

ANSWER: a

46. Which term refers to an organization's ability to strategically address current business needs and successfully develop a long-term strategy that embraces opportunities and manages risk for all products, systems, supply chains, and processes to preserve resources for future generations?
    a. Sustainability
    b. Scalability
    c. Scheduling
    d. Forecasting

ANSWER: a

47. In the context of the pre- and postproduction services perspective of a value chain, which of the following are postproduction services of a value chain?
    a. Purchasing services
    b. Recycling and remanufacturing initiatives
    c. Contract negotiations
    d. Product and service guarantees

ANSWER: b

48. When business analytics is used to understand past and current performance, it is called what type of analytics?
    a. Decision
    b. Descriptive
    c. Predictive
    d. Prescriptive

ANSWER: b

49. What type of management is defined as the science and art of ensuring that goods and services are created and delivered successfully to customers?
    a. Operations
    b. Communications
    c. Network
    d. Security

ANSWER: a

50. One of the key activities that operations managers perform is ensuring that the right amount of resources (labor, equipment, materials, and information) is available when needed. This is called what type of management?
    a. Quality
    b. Supply chain
    c. Network
    d. Resource and capacity

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ANSWER: d

51. Industry 4.0 and Service 4.0 are different from previous generations due to their
    a. complete globalization.
    b. information intensity.
    c. use of blockchain to manage materials and information.
    d. reliance on drones and robotics.

ANSWER: b

52. Global supply chains have historically competed based on the three factors of quality, cost, and time. What is the fourth factor that has been added to this mix?
    a. Compatibility
    b. Cloud storage
    c. Sustainability
    d. Neutrality

ANSWER: c

53. Which of these is a benefit of globalization from the perspective of the organization moving operations to other countries?
    a. Number of languages
    b. Different cultures
    c. Number of competitors
    d. Number of new markets

ANSWER: d

54. Which of these issues can best be described as a global supply chain concern?
    a. Risks related to intellectual property
    b. Rapid evolution of technology
    c. Increase in peripheral goods
    d. Perceived decline in value

ANSWER: a

55. Determining where best to source raw materials and how to schedule and transport them is a part of which current and future challenge in OM?
    a. Technology
    b. Optimizing supply chains
    c. Workforce
    d. Service 4.0

ANSWER: b

56. While the innovative cereal bowl was an instant hit with everyone that saw the prototype, Emily had no idea how it could be made at volume with a high level of quality and low cost. What OM skill does she need to draw upon to solve that problem?
    a. Scheduling
    b. Inventory management

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c. Process design
d. Budgeting

ANSWER: c

57. Hilaria was the manager of the student success center in the College of Business at a metropolitan university. There were specific times each year when his advising staff was overwhelmed with students needing degree checks and advice on next semester's classes. Even working weekends would not permit all students wanting an appointment to obtain one. Which OM skill could Hilaria draw upon to help with this issue?

a. Planning and budgeting
b. Inventory management
c. Quality
d. Scheduling and capacity

ANSWER: d

58. Caleb monitored the levels of office supplies, books, cocktail napkins, and tiny umbrellas in his role. Running out of any of these items could be catastrophic, and it was vital that he stretch his budget to last an entire semester. Which OM skill does he use for these concerns?

a. Inventory management
b. Process design
c. Scheduling
d. Quality

ANSWER: a

59. One of Lauren's responsibilities as the director of graduate enrollment was to make the first night of class in the MBA program, known as Base Camp, a welcoming and impressive event. She assembled portfolios and name tents, checked dietary restrictions and shoe sizes, and performed a sound check. All of this work was performed flawlessly thanks to which OM skill?

a. Inventory management
b. Quality
c. Scheduling and capacity
d. Budgeting

ANSWER: b

60. Grant's sense of style captivated his colleagues, who were always interested in hearing the full biography of the designer and fashion house responsible for his latest outfit. It was a closely guarded secret of his that all his outfits and accessories came from a local consignment store. His bowler hat, for example, was a genuine Thurston Howell, but instead of paying the retail price of $700, he purchased it on consignment for only $250. What is the value ratio of the hat to Grant?

a. $700
b. $250
c. 2.8
d. $450

ANSWER: c

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