Transportation Global Supply Chain Perspective 10th edition Novack Test Bank

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Name:_____ Class:_____ Date:_____

Chapter 01: Global Supply Chains: The Role and Importance of Transportation

1. Transportation has been described as:
   a. The glue that holds the supply chain together
   b. Challenging and unnecessary
   c. A gamechanger
   d. Expensive service

ANSWER: a

2. Which of the following countries has the largest export trade flow of merchandise?
   a. China
   b. United States
   c. Germany
   d. Japan

ANSWER: a

3. Which of the following countries has the largest import trade flow of merchandise?
   a. China
   b. United States
   c. Germany
   d. Japan

ANSWER: b

4. In 2020, the top 30 exporting countries account for what percentage of the world's export of merchandise trade?
   a. 31.7%
   b. 85.3%
   c. 86.9%
   d. 90%

ANSWER: c

5. Insight into the health of a supply chain can be gained by review of the volume of global trade and:
   a. gross domestic partner
   b. gross domestic product
   c. global imports only
   d. global exports only

ANSWER: b

6. Which of the following led to the spectacular growth in global trade between the year 2000 and the present?
   a. Greater acceptance of products manufactured in other countries
   b. Elimination of trade agreements
   c. Higher tariffs
   d. The recent pandemic

ANSWER: a

7. Which country is ranked third in both import and export flows of merchandise?
   a. China

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b. Germany
c. Japan
d. United States

ANSWER: b

8. Which of the following countries had the largest population in 2022?
a. United States
b. China
c. India
d. Indonesia

ANSWER: b

9. Which of the following countries is expected to have the largest population by 2050?
a. United States
b. China
c. India
d. Indonesia

ANSWER: c

10. In 2020, what percentage of people in the world were 60 years or older?
a. 1.9%
b. 11.6%
c. 18.5%
d. 20%

ANSWER: b

11. In 2020, what estimated percentage of the world's population lived in urban areas?
a. 29%
b. 30%
c. 47%
d. 56.1%

ANSWER: d

12. What of the following continents is estimated to have 18 megacities?
a. Europe
b. South America
c. Africa
d. Asia

ANSWER: d

13. What positive outcomes have occurred in the global economy with increased interdependence?
a. Reduced prices
b. Limited availability of goods
c. Lower employment opportunities

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d. Higher prices

ANSWER: a

14. On the micro level, global interdependence has _____.
    a. increased competition
    b. decreased the level of complexity
    c. reduced outsourcing
    d. increased product lifecycles

ANSWER: a

15. When did the supply chain management concept capture the attention of senior level executives in many organizations?
    a. 1960s
    b. 1980s
    c. 1990s
    d. 2000s

ANSWER: c

16. Reverse logistics systems are developed for:
    a. returning unacceptable products
    b. returning rail box cars
    c. eliminating empty back hauls
    d. receiving payment from customers

ANSWER: a

17. Forward information in the supply chain is utilized to:
    a. provide advanced shipment notices
    b. reduce the need for working capital
    c. decrease the visibility of inventory levels
    d. Eliminate the empty back hauls

ANSWER: a

18. Cash flow is important to organizations producing products for sale because it:
    a. reduces the need for working capital
    b. eliminates the need for checks to pay vendors
    c. provides bonus money for employees
    d. increases viability of inventory levels

ANSWER: a

19. Which of the following is not a major flow in a supply chain?
    a. Information
    b. Raw material
    c. Financials
    d. Products

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ANSWER: b

20. One effective method to reduce the bullwhip effect in a supply chain is to replace inventory with:
    a. information
    b. outsourcing
    c. financials
    d. transportation

ANSWER: a

21. Which of the following countries are in the VISTA?
    a. Vietnam, Indonesia, South Africa, Turkey, and Argentina
    b. Vietnam, Indonesia, Singapore, Thailand, and Australia
    c. Vietnam, India, Singapore, Turkey, and Argentina
    d. Vietnam, India, South Africa, Thailand, and Australia

ANSWER: a

22. Which of the following countries are in the BRIC?
    a. China, Bulgaria, Romania, and Indonesia
    b. Brazil, Russia, India, and China
    c. Mexico, Honduras, Panama, and El Salvador
    d. Britain, Canada, Italy, and Russia

ANSWER: b

23. Adam Smith wrote a book entitled:
    a. *The China Syndrome*
    b. *Total Cost of Transport*
    c. *The Logistician's Guide*
    d. *The Wealth of Nations*

ANSWER: d

24. Another name for the extended enterprise perspective of the supply chain is:
    a. boundary spanning
    b. slow and low
    c. flat earth
    d. absolute advantage

ANSWER: a

25. The size of a country's population is important because:
    a. governments must provide food
    b. land use increases
    c. labor is a prime factor for economic growth
    d. transportation networks must be developed

ANSWER: c

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26. Advantages to globalization include:
    a. lower prices
    b. limited availability of goods and services
    c. low employment opportunities
    d. higher prices

ANSWER: a

27. What is the meaning of a "black swan" event with regard to transportation?

ANSWER: The term "black swan" refers to the hoarding of certain necessities and demand far exceeding consumption.

28. What is a megacity?

ANSWER: A relatively new term to describe cities with populations over ten million.

29. What are the two important dimensions of technology?

ANSWER: Technology can be viewed as both an internal and external agent of change for organizations.

30. Why was the development of the Internet such an important external change agent?

ANSWER: The Internet alone was the biggest "culprit" or agent of change because it made information available in real time to large segments of the population via their personal computers, telephones, or other devices.

31. Describe "3D" printing.

ANSWER: It is also called additive manufacturing and allows corporations and other organizations to duplicate or make a physical copy of an object, similar to what happens with 2-D copy machines.

32. What factors accounted for growth in the volume of global trade?

ANSWER: A number of factors came into play: economic growth, trade agreements, lower tariffs, and a greater acceptance of importing finished products that were manufactured in other countries, not just raw materials.

33. Differentiate between absolute and comparative advantage.

ANSWER: While both concepts provide a rationale for trade between regions or countries, there is a difference. Absolute advantage postulates that trade is beneficial when the two regions or countries both have an advantage in producing one of two products in terms of cost. Absolute advantage recommends that they each produce the one product where they have the advantage; then, trade will be mutually beneficial. Comparative advantage postulates that even if one country or region has a low-cost advantage for both products, trade can be beneficial if the low cost country has a comparative advantage in one of the products.

34. Besides a country's population, name the demographics important for economic growth?

ANSWER: In addition to size, education and skill levels are important indicators of labor efficiency. The age distribution of the country's population is also important. A younger population usually means a larger labor pool and more potential for families and market demand. The general health of citizens and average life span are of interest.

35. What is a megacity, and why are they important for the future?

ANSWER: The term megacity is relatively new and describes urban areas with populations over ten million. They represent a world-wide trend of populations migrating to urban areas. In developing nations, the major challenges will be creating the infrastructure, transportation systems, and utilities to support the population adequately.

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36. Why was information technology so impactful for businesses and other organizations?

ANSWER: Information technology has been a major factor in increasing competition, changing business models, and making some businesses obsolete. It has expedited outsourcing strategies and provided an opportunity for businesses, large or small, to participate in supply chains over a wider geographic area. Information technology has afforded both opportunity and disruption, and the end is not in sight.

37. What impact has robotics had on supply chains?

ANSWER: The skills of humans combined with the precision and efficiency of robots have led to improved productivity in distribution centers where the robots store, retrieve, and pack goods for distribution. More is yet to come!

38. Explain the three major flows in a supply chain.

ANSWER: The three major flow areas are: product/services, information, and finances.
Product flow is a traditional area of importance for logistics to acquire, make, and distribute finished products in an efficient and timely manner. It is directly dependent upon efficient transportation.
Information flow becomes a very important factor for success in supply chain management; figuratively, information is the trigger or signal for the logistics or supply chain system to respond to a customer's order.
Financial cash flow is the payback for efficiently and effectively accomplishing the supply chain's objectives.

39. What is the bullwhip effect, and why is it important?

ANSWER: When there is uncertainty about demand and long intervals between information flows, inventory builds up in the supply chain to prevent stock outs. The further back in the supply chain an organization is from the market, the greater the uncertainty, usually the higher the level of safety stock.

40. Describe the three phases of development for the supply chain concept.

ANSWER: The three phases are: physical distribution, business logistics, and supply chain management.
Physical distribution was developed during the 1960s with a focus on the outbound side of a producer. In other words, this involved the period after a product was produced until it reached the customer and focused on minimizing the total cost of that phase.
Business logistics added the inbound side with a continued focus upon the lowest total cost. Supply chain management focused on extended enterprises and the three major flows—products, information, and cash.

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