Operations and Supply Chain Management - The Core 5th edition Jacobs Test Bank

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Operations and Supply Chain Management: The Core, 5e **(Jacobs)**
Chapter 2 Strategy and Sustainability

1) An operations and supply chain strategy must be integrated with the organization's corporate strategy.

Answer: TRUE
Explanation: Operations and supply chain strategy is concerned with setting broad policies and plans for using the resources of a firm and must be integrated with corporate strategy.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
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2) One of the competitive dimensions that form the competitive position of a company when planning their strategies is cost.

Answer: TRUE
Explanation: The major competitive dimensions that form the competitive position of a firm include cost (or price).
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
AACSB: Reflective Thinking
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3) One of the competitive dimensions that form the competitive position of a company when planning their strategies is delivery speed.

Answer: TRUE
Explanation: The major competitive dimensions that form the competitive position of a firm include delivery speed.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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4) One of the competitive dimensions that form the competitive position of a company when planning their strategies is making the best trade-off.

Answer: FALSE
Explanation: The major competitive dimensions that form the competitive position of a firm do not include making the best trade-off.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
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5) The process when a company seeks to match the benefits of a successful position while maintaining its existing position by adding new features, services, and technologies into its current portfolio is called flexibility.

Answer: FALSE
Explanation: Straddling occurs when a company seeks to match the benefits of a successful position while maintaining its existing position.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
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6) The process when a company seeks to match the benefits of a successful position while maintaining its existing position by adding new features, services, and technologies into its current portfolio it is called straddling.

Answer: TRUE
Explanation: Straddling occurs when a company seeks to match the benefits of a successful position while maintaining its existing position.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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7) By following a straddling strategy, firms can broaden their capabilities and effectively compete with more focused firms in markets requiring low cost for success.

Answer: FALSE
Explanation: Straddling is a risky strategy that often results in failure. More focused firms can effectively compete with a straddling firm in each segment the straddling firm enters.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
AACSB: Reflective Thinking
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8) An order winner is a set of criterion that differentiates the products or services of one firm from another.

Answer: TRUE
Explanation: An order winner is a criterion that differentiates the products or services of one firm from those of another.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
AACSB: Reflective Thinking
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9) An order winner is a set of screening criteria that permits a firm's products to be considered as possible candidates for purchase.

Answer: FALSE
Explanation: An order qualifier is a screening criterion that permits a firm's products to even be considered as possible candidates for purchase.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
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10) An order qualifier is a screening criterion that permits a firm's products to even be considered as possible candidates for purchase.

Answer: TRUE
Explanation: An order qualifier is a screening criterion that permits a firm's products to even be considered as possible candidates for purchase.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
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11) Activity-system maps show how a company's strategy is delivered through a set of tailored activities.

Answer: TRUE
Explanation: Activity-system maps such as the one for IKEA show how a company's strategy is delivered through a set of tailored activities.
Difficulty: 1 Easy
Topic: Strategies Are Implemented Using Operations and Supply Chain Activities— IKEA'S Strategy
Learning Objective: 02-03 Explain how operations and supply chain strategies are implemented.
Bloom's: Remember
AACSB: Reflective Thinking
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12) Activity-system maps are useful in understanding how well a system of activities fits the overall company's strategy.

Answer: TRUE
Explanation: This type of map can be useful in understanding how good the fit is between the system of activities and the company's strategy.
Difficulty: 1 Easy
Topic: Strategies Are Implemented Using Operations and Supply Chain Activities— IKEA'S Strategy
Learning Objective: 02-03 Explain how operations and supply chain strategies are implemented.
Bloom's: Remember
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13) Activity-system maps depict the geographic reach of a company's business strategies.

Answer: FALSE
Explanation: Activity system maps are conceptual have nothing to do with the physical geographic reach of a company.
Difficulty: 1 Easy
Topic: Strategies Are Implemented Using Operations and Supply Chain Activities— IKEA'S Strategy
Learning Objective: 02-03 Explain how operations and supply chain strategies are implemented.
Bloom's: Remember
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

14) An operations strategy must resist change because of the long term nature of equipment and personnel investments.

Answer: FALSE
Explanation: Since the goals of the larger organization change over time, the operations strategy must be designed to anticipate future needs.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Understand
AACSB: Reflective Thinking
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15) Operations and supply strategy can be viewed as part of a planning process that coordinates operational goals with those of the larger organization.

Answer: TRUE
Explanation: Operations and supply chain strategy can be viewed as part of a planning process that coordinates operational goals with those of the larger organization.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
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16) Infrastructure decisions within operations strategy include the selection of the appropriate technology, the role of inventory, and the location of facilities.

Answer: FALSE
Explanation: Process design includes selecting the appropriate technology, sizing the process over time, determining the role of inventory in the process, and locating the process.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

17) Infrastructure decisions within operations strategy include the selection of the logic associated with the planning and control systems.

Answer: TRUE
Explanation: The infrastructure decisions involve the logic associated with the planning and control systems, quality assurance and control approaches, work payment structure, and organization of the operations and supply functions.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
AACSB: Reflective Thinking
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18) Once an operations strategy is adopted and articulated, the primary emphasis becomes perfecting the system of activities that make up the strategy through detailed refinements over a long period of time.

Answer: FALSE
Explanation: A firm's operations capabilities can be viewed as a portfolio best suited to adapting to the changing product and/or service needs of a firm's customers.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
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19) The job of operations and supply chain strategy is to deliver the most feature-rich, highest quality product at the lowest price within specified parameters of delivery time and customization.

Answer: FALSE
Explanation: Operations and supply chain strategy is concerned with setting broad policies and plans for using the resources of a firm and must be integrated with corporate strategy.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
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Accessibility: Keyboard Navigation

20) Productivity is a relative measure.

Answer: TRUE
Explanation: Productivity is what we call a relative measure. In other words, to be meaningful, it needs to be compared with something else.
Difficulty: 1 Easy
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Remember
AACSB: Reflective Thinking
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21) In a partial measure of productivity the denominator of the ratio would include all resources used or all inputs.

Answer: FALSE
Explanation: In a partial measure of productivity the denominator includes only a single input.
Difficulty: 1 Easy
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
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22) In a multifactor measure of productivity the numerator of the ratio would include all resources used or all inputs.

Answer: FALSE
Explanation: In a multi-factor measure of productivity the denominator includes several but not all inputs.
Difficulty: 1 Easy
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Remember
AACSB: Reflective Thinking
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23) The triple bottom line considers evaluating the firm against social, economic, and environmental criteria.

Answer: TRUE
Explanation: The triple bottom line considers evaluating the firm against social, economic, and environmental criteria.
Difficulty: 1 Easy
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
AACSB: Reflective Thinking
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24) Sustainability means meeting a firm's current needs without excessively compromising the ability of future generations to meet their own needs.

Answer: FALSE
Explanation: By adding "sustainability" to the concept (of strategy), we add the requirement to meet these current needs without compromising the ability of future generations to meet their own needs. (Excessively is not mentioned.)
Difficulty: 2 Medium
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
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25) The social impact of the triple bottom line concept pertains to fair and beneficial business practices toward labor, the community, and the region in which a firm conducts its business.

Answer: TRUE
Explanation: "Social" pertains to fair and beneficial business practices toward labor, the community, and the region in which a firm conducts its business.
Difficulty: 2 Medium
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
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26) A firm's business practices toward its labor force pertain mainly to the economic aspect of the triple bottom line concept.

Answer: FALSE
Explanation: "Social" pertains to fair and beneficial business practices toward labor, the community, and the region in which a firm conducts its business.
Difficulty: 2 Medium
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
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27) According to the economic aspect of the triple bottom line concept, the firm is required to compensate shareholders by paying dividends and growing the value of their common stock faster than their competitors.

Answer: FALSE
Explanation: The firm is obligated to compensate shareholders who provide capital through stock purchases and other financial instruments via a competitive return on investment.
Difficulty: 2 Medium
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
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28) Within a sustainability framework, the economic dimension of the triple bottom line concept goes beyond just profit for the firm but also provides lasting economic benefit to society.

Answer: TRUE
Explanation: Within a sustainability framework, this (economic) dimension goes beyond just profit for the firm but also provides lasting economic benefit to society.
Difficulty: 2 Medium
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
AACSB: Reflective Thinking
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29) Within a sustainability framework, the environmental dimension of the triple bottom line concept has to do with labor, the community, and the region in which a firm conducts its business.

Answer: FALSE
Explanation: "Social" pertains to fair and beneficial business practices toward labor, the community, and the region in which a firm conducts its business.
Difficulty: 2 Medium
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
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30) Which of the following is not a major strategic operational competitive dimension that forms a company's competitive position?
A) Cost or price
B) Delivery speed
C) Delivery reliability
D) Management acumen
E) Coping with changes in demand

Answer: D
Explanation: The operational competitive dimensions that form a company's competitive position are listed in the text. Management acumen is not mentioned.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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31) A major competitive dimension that forms a company's strategic operational competitive position in their strategic planning is which of the following?
A) Cost or price
B) Focus
C) Automation
D) Straddling
E) Activity-system mapping

Answer: A
Explanation: Cost or price is one of the competitive dimensions mentioned in the text.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
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32) When developing an operations and supply chain strategy, which of the following is an important product-specific criterion to consider?
A) Technical liaison
B) Learning curve
C) Competitor's product performance
D) Production lot-size
E) Total quality management

Answer: A
Explanation: Technical liaison and support. A supplier may be expected to provide technical assistance for product development, particularly during the early stages of design and manufacturing.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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33) In development of an operations and supply chain strategy, which of the following may be an important product-specific criteria to consider?
A) Focus
B) Production lot-size
C) Supplier after-sale support
D) Learning curve
E) Total quality management

Answer: C
Explanation: An important competitive dimension may be the ability of a firm to support its product after the sale
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
Bloom's: Remember
AACSB: Reflective Thinking
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34) When a company seeks to match the benefits of a successful position while maintaining its existing position in offering customers a variety of differing services, what is this process called?
A) Operations capability analysis
B) Straddling
C) Order qualifying
D) Order winning
E) Inter-functional analysis

Answer: B
Explanation: Straddling occurs when a company seeks to match the benefits of a successful position while maintaining its existing position.
Difficulty: 1 Easy
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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35) An activity-system map is which of the following?
A) A network guide to route airlines
B) A listing of activities that make up a project
C) A diagram that shows how a company's strategy is delivered to customers
D) A facility layout schematic noting what is done where
E) A timeline displaying major planned events

Answer: C
Explanation: Activity-system maps show how a company's strategy is delivered through a set of tailored activities.
Difficulty: 1 Easy
Topic: Strategies Are Implemented Using Operations and Supply Chain Activities— IKEA'S Strategy
Learning Objective: 02-03 Explain how operations and supply chain strategies are implemented.
Bloom's: Remember
AACSB: Reflective Thinking
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36) Which of the following is a partial measure of productivity?

A. Output / Materials

B. Output / (Labor + Capital + Energy)

C. Output / All resources used

D. Output / Inputs

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) All of these

Answer: A
Explanation: Answer A is correct. Answer B is a multifactor measure of productivity while C & D are measures of total productivity.
Difficulty: 2 Medium
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
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37) Which of the following is a multifactor measure of productivity?

A. Output / (Materials)

B. Output / (Labor + Capital + Energy)

C. Output / All resources used

D. Output / Inputs

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) All of these

Answer: B
Explanation: Answer B is correct. Answer A is a partial measure of productivity while C & D are measures of total productivity.
Difficulty: 2 Medium
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
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38) Which of the following is a total measure of productivity?

A. Output / Materials

B. Output / (Labor + Capital + Energy)

C. Output / Labor

D. Output / Inputs

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) All of these

Answer: D
Explanation: Answer D is correct. Answer A is a partial measure of productivity, Answer B is a multifactor measure of productivity while C is a measure of total productivity.
Difficulty: 1 Easy
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
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39) If all you knew about a production system was that total daily output was 400 units and the total labor necessary to produce the 400 units was 350 hours, what kind of productivity measure could you use to compute productivity?

A. Partial measure

B. Multifactor measure

C. Total measure

D. Global measure

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) All of these

Answer: A
Explanation: Answer A is correct. Without measures of other inputs only a partial output measure is possible.
Difficulty: 1 Easy
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
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40) If all you knew about a production system was that total daily output was 400 units and the total labor necessary to produce the 400 units was 350 hours, and the total materials used were 425 units, what kind of productivity measure could you use to compute productivity?

A. Partial measure

B. Multifactor measure

C. Total measure

A) Choice A
B) Choice B
C) Choice C
D) Choice A and B above
E) Choice B and C above

Answer: D
Explanation: Answer D is the most correct of the answers. You could use either a partial or a multifactor measure or both kinds of measure.
Difficulty: 1 Easy
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

41) The total output from a production system in one day is 500 units and the total labor necessary to produce the 500 units is 350 hours. Using the appropriate productivity measure, which of the following numbers represents the resulting productivity ratio?
A) 1.000
B) 1.428
C) 0.700
D) 0.411
E) None of these

Answer: B
Explanation: 500 units divided by 350 hours = 1.428.
Difficulty: 2 Medium
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
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42) The total output from a production system in one day is 900 units and the total labor necessary to produce the 900 units is 900 hours. Using the appropriate productivity measure, what is the resulting productivity ratio?
A) 1.000
B) 1.428
C) 0.700
D) 0.411
E) None of these

Answer: A
Explanation: Answer A is 900 units divided by 900 hours equals 1.0 units per hour.
Difficulty: 2 Medium
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
AACSB: Analytical Thinking
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43) Larry's Auto Body Repair Shop had revenues that averaged $60,000 per week in April and $50,000 per week in May. During both months, the shop employed six full-time (40 hours/week) workers. In April the firm also had four part-time workers working 25 hours per week but in May there were only two part-time workers and they only worked 10 hours per week. What is the percentage change in labor productivity from April to May for Larry's Auto Body Repair?
A) −20.00%
B) −15.82%
C) 8.95%
D) 2.3%
E) −25.00%
F) None of these

Answer: C
Explanation: Labor productivity is output (revenue) divided by hours of labor input. For April, revenue was $60,000 and labor hours were 4 x [(40 x 6) + (25 x 4)]. This is 60,000/1,360 or 44.12 dollars per hour of labor. For May, revenue was $50,000 and labor hours were 4x[(40 x 6)+(10 x 2)] This is 50,000/1,040 or 48.07 dollars per hour of labor a difference of $3.95 per hour. The percentage change in productivity between April and May, then, is 3.95/44.12 = 0.0895 x 100 = 8.95%. (Note: this analysis assumes four weeks in each month and equal productivity for each hour worked.)
Difficulty: 3 Hard
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
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44) Various financial data for SunPath Manufacturing for 2015 and 2016 follow.

		2015	2016
Output:	Sales	$ 300,000	$ 330,000
Inputs:	Labor	$ 40,000	$ 43,000
	Raw Materials:	$ 45,000	$ 51,000
	Energy:	$ 10,000	$ 9,000
	Capital Employed:	$ 250,000	$ 262,000
	Other:	$ 2,000	$ 6,000

What is the percentage change in SunPath's total productivity measure between 2015 and 2016?
A) − 9.22
B) 2.33
C) − 0.53
D) 2.88
E) 10.39
F) None of these

Answer: D
Explanation: Total productivity for 2015 is $300,000 divided by the sum $40,000 + $45,000 + $10,000 + $250,000 + $2,000 or 0.8646. Total productivity for 2016 is $330,000 divided by the sum of $43,000 + $51,000 + $9,000 + 262,000 + $6,000 or 0.8895. The difference between 2015 and 2016 is 0.0249 and the percentage difference is 0.0249 divided by 0.8646 = 0.0288 or 2.88%
Difficulty: 3 Hard
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
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45) Various financial data for SunPath Manufacturing for 2015 and 2016 follow.

		2015	2016
Output:	Sales	$ 300,000	$ 330,000
Inputs:	Labor	$ 40,000	$ 43,000
	Raw Materials:	$ 45,000	$ 51,000
	Energy:	$ 10,000	$ 9,000
	Capital Employed:	$ 250,000	$ 262,000
	Other:	$ 2,000	$ 6,000

What is the percentage change in the energy partial productivity measure for SunPath between 2015 and 2016?
A) − 9.22%
B) 2.33%
C) − 0.53%
D) 2.88%
E) 22.2%
F) None of these

Answer: E
Explanation: The energy partial productivity measure for 2015 is $300,000 divided by $10,000 or 30. For 2016 it is $330,000 divided by $9,000 or 36.66. The percentage change between 2015 and 2016 then is (36.66 – 30)/30 or 6.66 divided by 30 = 22.2%.
Difficulty: 2 Medium
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
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46) Various financial data for SunPath Manufacturing for 2015 and 2016 follow.

		2015	2016
Output:	Sales	$ 300,000	$ 330,000
Inputs:	Labor	$ 40,000	$ 43,000
	Raw Materials:	$ 45,000	$ 51,000
	Energy:	$ 10,000	$ 9,000
	Capital Employed:	$ 250,000	$ 262,000
	Other:	$ 2,000	$ 6,000

What is the percentage change in the labor partial productivity measure for SunPath between 2015 and 2016?
A) − 9.22
B) 2.33
C) − 0.53
D) 2.88
E) 10.39
F) None of these

Answer: B
Explanation: The labor partial productivity measure for 2015 is $300,000 divided by $40,000 or 7.5. For 2016 it is $330,000 divided by $43,000 or 7.67. The percentage change between 2015 and 2016, then, is (7.67 – 7.5)/7.5 or 0.17 divided by 7.5 = 2.33%.
Difficulty: 2 Medium
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

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47) Various financial data for SunPath Manufacturing for 2015 and 2016 follow.

		2015	2016
Output:	Sales	$ 300,000	$ 330,000
Inputs:	Labor	$ 40,000	$ 43,000
	Raw Materials:	$ 45,000	$ 51,000
	Energy:	$ 10,000	$ 9,000
	Capital Employed:	$ 250,000	$ 262,000
	Other:	$ 2,000	$ 6,000

What is the percentage change in the multifactor labor and raw materials productivity measure for SunPath between 2015 and 2016?
A) − 9.22
B) 2.33
C) − 0.53
D) − 2.88
E) 10.39
F) None of these

Answer: C
Explanation: The multifactor labor and raw materials productivity measure for 2015 is $300,000 divided by the sum $40,000 + $45,000 or 3.53. For 2016 it is $330,000 divided by the sum $51,000 + $43,000 or 3.51. . The percentage change between 2015 and 2016, then is (3.511 – 3.529)/3.529 or -0.018 divided by 3.529 = -0.53%.
Difficulty: 3 Hard
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Analyze
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48) What is meant by the term "operations effectiveness?"
A) Products produced in sufficient volume to meet demand
B) Products produced at the lowest price in the industry
C) Operations that run without error and with no surprises for top management
D) Operations that can adapt quickly and efficiently to new and evolving conditions
E) Performing activities in a manner that best implements strategic priorities at minimum cost

Answer: E
Explanation: Operations effectiveness is performing activities in a manner that best implements strategic priorities at minimum cost
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
Bloom's: Remember
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

49) Decisions that relate to the design of the processes and the infrastructure needed to support these processes relate to which OSCM concept?
A) Sustainability
B) Competitive dimensions of OSCM
C) Making trade-offs
D) integrating operations and supply chain strategy with a firm's operational capabilities
E) Supply chain risk

Answer: D
Explanation: Integrating operations and supply chain strategy with a firm's operations capabilities involves decisions that relate to the design of the processes and infrastructure needed to support these processes.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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50) Triple bottom line is a phrase that captures

A. The concept that shareholders like economic, environmental and societal stewardship affecting shareholders and stake holders.

B. The concept that firms should consider economic prosperity, environmental stewardship and social responsibility affecting shareholders and stake holders.

C. The concept that sustainability, social awareness and profitability are three important measures for a firm affecting shareholders and stake holders.

D. The concept that firms should consider economic prosperity, environmental stewardship and social responsibility affecting only shareholders.

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) None of the above

Answer: B
Explanation: B is the answer. Key is that it should take care of three objectives as well as shareholders and stakeholders. (Ex 2.1).
Difficulty: 2 Medium
Topic: A Sustainable Operations and Supply Chain Strategy
Learning Objective: 02-01 Know what a sustainable business strategy is and how it relates to operations and supply chain management.
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51) Which of the following list contains only competitive dimensions of a firm discussed in the text?

A. Cost or price, Triple bottom line, order winners

B. Delivery speed, delivery reliability, order qualifiers

C. Cost or price, delivery speed, delivery reliability, new product design

D. Cost or price, delivery speed, delivery reliability, flexibility and new product introduction speed

E. Triple bottom line, delivery speed, deliver reliability, supplier after sale support

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) Choice E

Answer: D
Explanation: Even though other answers contain some of the dimensions, they have other extraneous items. D has only dimensions discussed in the book. It is not exhaustive.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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52) Choose the most accurate description in the context of operations and supply chain from the following list.

A. Order winners and order qualifiers are two ways of describing market oriented dimensions of a product.

B. Order winners differentiates a product or service from another while order qualifiers are built in features.

C. Order winners are built in features and order qualifiers are necessary features.

D. Order qualifier is a screening criteria while order winner is a differentiating criteria.

E. Order winners may have been order qualifiers before.

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) Choice E

Answer: D
Explanation: D is the most complete answer.
Difficulty: 2 Medium
Topic: What is Operations and Supply Chain Strategy?
Learning Objective: 02-02 Define operations and supply chain strategy.
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53) In a firm, if the employees attend a training program, then the time to assemble one unit reduces by 10%. Training program will

A. increase the labor productivity only

B. increase the multifactor productivity only

C. increase both labor and multifactor productivity

D. decrease capital productivity

E. have no effect on productivity.

A) Choice A
B) Choice B
C) Choice C
D) Choice D
E) Choice E

Answer: C
Explanation: Labor productivity will increase since it takes less labor. Since labor is one of the components of multifactor productivity, it will also increase. Clearly, it cannot decrease capital productivity. And E is also wrong.
Difficulty: 3 Hard
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
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54) In a firm, all other things remaining the same, if the material usage per unit of final product decreases to half of the current usage, then the firm will
A) double the material productivity
B) increase the multifactor productivity
C) double the material productivity and increase the multifactor productivity
D) decrease capital productivity
E) have no effect on productivity.

Answer: C
Explanation: Labor productivity will not change. Material productivity doubles, since the denominator is halved. Has no effect on capital productivity. Affects overall productivity.
Difficulty: 3 Hard
Topic: Productivity Measurement
Learning Objective: 02-05 Evaluate productivity in operations and supply chain management.
Bloom's: Remember
AACSB: Reflective Thinking
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