

1. Which of the following is true for supply chain management?
 - a. The physical material moves in the direction of the end of chain
 - b. Flow of cash backwards through the chain
 - c. Exchange of information moves in both the direction
 - d. All of the above

2. The sequence of a typical manufacturing supply chain is
 - a. Storage–Supplier–manufacturing–storage–distributor–retailer–customer
 - b. Supplier–Storage–manufacturing–storage–distributor–retailer–customer
 - c. Supplier–Storage–manufacturing– distributor–storage–retailer–customer
 - d. Supplier–Storage–manufacturing–storage– retailer–distributor–customer

3. The purpose of supply chain management is
 - a. provide customer satisfaction
 - b. improve quality of a product
 - c. integrating supply and demand management
 - d. increase production

4. Logistics is the part of a supply chain involved with the forward and reverse flow of
 - a. goods
 - b. services
 - c. cash
 - d. all of the above

5. Due to small change in customer demands, inventory oscillations become progressively larger looking through the supply chain. This is known as
 - a. Bullwhip effect
 - b. Netchain analysis
 - c. Reverse logistics
 - d. Reverse supply chain

6. VMI stands for
 - a. Vendor material inventory
 - b. Vendor managed inventory
 - c. Variable material inventory
 - d. Valuable material inventory

7. The major decision areas in supply chain management are
 - a. location, production, distribution, inventory
 - b. planning, production, distribution, inventory
 - c. location, production, scheduling, inventory
 - d. location, production, distribution, marketing

8. Distribution requirement planning is a system for
 - a. Inventory management
 - b. Distribution planning
 - c. Both 'a' and 'b'
 - d. None of the above

9. Reverse logistics is required because
 - a. Goods are defective
 - b. Goods are unsold
 - c. The customers simply change their minds
 - d. All of the above

10. 3-PL stands for
 - a. Three points logistics
 - b. Third party logistics
 - c. Three points location
 - d. None of the above

11. Supply chain (SC) management involves the coordination of all supply activities of an organisation from its suppliers to the delivery of products to its customers. There are various features associated with this area of e-commerce and which refers to what is known as efficient consumer response (ECR):
- The links between an organisation and all partners involved
 - Transactions between an organisation and its customers and intermediaries
 - Creating and satisfying customer demand by optimizing strategies, promotions and product introductions
 - None of the above
12. An organisation's supply chain can be viewed from a system's perspective that starts with the acquisition of resources which are then transformed into products or services. Simply, put the sequence is represented:
- Process - inputs - outputs
 - Inputs - outputs - process
 - Sourcing - input - process - outputs
 - Inputs - process - outputs
13. Logistics is an integral part of supply chain management. Which explanation best represents outbound logistics?
- The management of material resources entering an organisation from its suppliers and other partners
 - A supply chain that emphasises distribution of a product to passive customers
 - An emphasis on using the supply chain to deliver value to customers who are actively involved in product and service specification
 - The management of resources supplied from an organisation to its customers and intermediaries
14. The 'value chain' idea is a concept that has been well established for the past three decades and it refers to considering key activities that an organization can conduct to add value for the customer. It traditionally distinguished between primary activities and support activities. Why is this concept regarded as outdated with the development of e-business?
- The support activities offer far more than just support
 - The concept still holds and does not need revision
 - There is a clear distinction between primary and support activities

- d) Support activities have been subsumed under primary activities
15. A value chain analysis provides an analytical framework for an organisation to examine individual activities and determine value added at each stage. The principles can also be applied to an organisation's external value stream analysis which considers how the whole production and delivery process can be made more efficient. The activities can be categorized into those:
- a) Those that do not add value
 - b) That create value as perceived by the customer
 - c) Those required for product development or production systems
 - d) All of the above
16. Improvements in the value chain can be implemented by following Kjellsdotter and Jonsson's iterative planning cycle. Which of the following does not form part of the cycle?
- a) Creating a quality control plan
 - b) Creating a preliminary delivery plan
 - c) Creating a consensus forecast
 - d) Creating a preliminary production plan
17. What does the following definition refer to: an organisation which uses communications technology to allow it to operate without clearly define physical boundaries between different functions?
- a) E-organisation
 - b) Virtual organisation
 - c) Base-free organisation
 - d) Cloud organisation
18. Using digital communication to improve supply chain efficiency is dependent on effective exchange and sharing of information. The challenges of achieving standardized data formats and data exchange have given rise to the study of the optimisation of the:
- a) Information asymmetry
 - b) Virtual integration
 - c) Information supply chain
 - d) Vertical

integration

19. The typical benefits of e-supply chain management gained by a B2B company are quite comprehensive. Which of the following is false though?
- Improved data integration between elements of the supply chain
 - Increased costs through outsourcing
 - Reduced complexity of the supply chain
 - Increased efficiency of individual processes
20. What does a company's information system need to deliver to different parties who need to access the supply chain information of an organisation, whether they be employees, suppliers, logistics service providers or customers?
- Password and user name reminders
 - Supply chain visibility
 - Radio-frequency identification of products
 - None of the above
21. What was the rationale behind introducing the Global Data Synchronisation Network in 2005?
- To create standards for sharing information about products
 - To speed up e-commerce interaction
 - To allow trading partners to manage each other's supply chain
 - To provide a common pricing structure taking currency fluctuations into account
22. To manage e-supply chains effectively, benefits need to be developed into a performance management framework. Sambasivan and colleagues (2009) produced such a framework, identifying categories of measures and provided examples of metrics for each. Which of the following fits this framework?
- They are all accurate
 - Cost in supply chain - return on investment
 - Production level metric - range of products and services, effectiveness of scheduling techniques, capacity utilisation
 - Supply chain finance and logistics cost - total, distribution, manufacturing, and inventory costs

23. Key to re-structuring the supply chain is the need to examine the types of relationships between partners such as suppliers and distributors. Researchers have found that low cost is the main driver in managing supply partnerships and a restructuring will often require companies to:
- a) Focus on core competencies
 - b) Develop strong partnership relationships
 - c) Reduce their number of suppliers
 - d) All of the above
24. As guidance to managing a global distribution, seven action points have been suggested. Do these include:
- a) Treat local distributors as short-term partners
 - b) Let distributors pick you
 - c) Do not waste money, time and energy initially
 - d) They are all incorrect
25. A marketing expert described a__ as looking like a butterfly. The manufacturer is the body of the butterfly with many different suppliers accumulated on one side of the body for the left wing and a large number of buyers collected on the other side to form the right wing.
- A) logistical flow
 - B) demand chain
 - C) materials handling facility
 - D) supply chain
 - E) retailer cooperative
26. ____ is the integration and organization of information and logistics across firms in a supply chain for the purpose of creating and delivering goods and services that provide value to consumers.
- A) Supply chain management
 - B) Logistics management
 - C) Point-to-point management
 - D) Just-in-time management
 - E) Cost-effective flow

27. What is the first step in choosing a supply chain?
- A) developing an umbrella mission statement
 - B) understanding the customer
 - C) making sure the members of the supply chain harmonize with the organizational culture
 - D) creating a unifying interorganizational strategy
 - E) determining what the competition is doing
28. Bombardier makes corporate jets and its strategy involves streamlining production activities, maintaining its reputation for quality, and reducing its costs. It has developed the Continental, an airplane assembled from just a dozen large component parts (not counting rivets). While building planes with subassemblies is not new, Bombardier is the first to not use vertical integration. All parts are supplied by carefully chosen independent companies that share the development costs and market risk. In terms of its supply chain, Bombardier has
- A) lengthened its supply chain unnecessarily.
 - B) implemented a just-in-time materials handling policy.
 - C) created a marketing channel.
 - D) harmonized its supply chain and its strategy.
 - E) used a production repositioning strategy.
29. Winemaker Robert Mondavi Corp. buys satellite images from NASA to spot problems in its vineyards and aims to push those images out over a(n)_____to its independent growers this year. Mondavi will help growers avoid vineyard problems-and improve the grapes it buys.
- A) Extranet
 - B) customized search engine
 - C) electronic downloadable information (EDI)
 - D) customized database management system
 - E) entrepreneurial Internet
30. With which customer service factor are quick response and efficient consumer response delivery systems most closely related?
- A) time
 - B) dependability
 - C) inventory costs
 - D) communication
 - E) convenience

31. Celarix.com is a business entity that monitors and calculates tariffs and exchange rates for small companies that ship export their products. Celarix is an example of a:
- A) materials handling expert.
 - B) content provider.
 - C) freight forwarder.
 - D) third-party logistics provider.
 - E) logistics manager.
32. Which of the following statements about air carriers is true?
- A) One advantage of air carriers is door-to-door delivery.
 - B) There are no space constraint limitations as to what can be transported in planes.
 - C) This method of transportation is especially effective for piggybacking.
 - D) Air carriers are commonly used for perishable flowers, clothing, and electronics parts.
 - E) All of the above statements about air carriers are true.
33. William "Gus" Pagonis is an executive vice president at Sears and oversees the systems the retailer depends on to make 5,000 home deliveries per day and move 250,000 truckloads of goods every year. With 30 large distribution centres and 90 smaller outlets, it's Pagonis's job to supply 100,000-plus products to more than 2,000 Sears stores. When asked to describe the retailer's distribution centres, Pagonis would most likely say,
- A) "Just like other companies, Sears spends more money on distribution centres than any other element of its supply chain."
 - B) "Our success is due to the centralization of our distribution centres."
 - C) "Because our distribution centres are so efficient, they are the least expensive part of our supply chain."
 - D) "We use our distribution centres to facilitate sorting consolidating products from different suppliers."
 - E) "Distribution centres are the most important element of our order processing."
34. Modes of transportation are typically evaluated on the basis of all of the following criteria EXCEPT:
- A) accessibility.
 - B) perishability.
 - C) frequency.
 - D) capability.
 - E) dependability.

35. TransCanada PipeLines, a natural gas transmission and distribution company, launched an advertising campaign in national Canadian newspapers and the country's major dailies to educate people about what pipelines do and where they fit into the economics of the community. The advertising might have told Canadians that pipelines:
- A) are expensive to use.
 - B) have a high degree of reliability.
 - C) are weather sensitive.
 - D) rank high in terms of accessibility.
 - E) are accurately described by all of the above.
36. The Danish-flagged Carsten Maersk can carry enough merchandise packed in containers that when they are laid end to end, the containers would stretch 27 miles. When it reaches its destination, the containers will be removed from the ship and loaded onto trucks and railcars. This is an example of:
- A) piggyback.
 - B) freight forwarding.
 - C) intermodal transportation.
 - D) an export agent.
 - E) an efficient consumer delivery system.
37. Traditionally, stores have carried inventory to:
- A) prevent strikes or product shortages.
 - B) provide better service for those customers who wish to be served on demand.
 - C) eliminate forecasting uncertainty.
 - D) terminate production economies.
 - E) avoid purchasing and transportation discounts.
38. Dramatic cost savings are possible when efficient transportation systems and information technology can be substituted for _____ costs.
- A) advertising
 - B) personal selling
 - C) publicity
 - D) inventory
 - E) billing

39. Supply chain management impacts all of the following aspects of the marketing mix strategy EXCEPT:
- A) the target market selection decision.
 - B) product mix decisions.
 - C) pricing decisions.
 - D) promotion decisions.
 - E) distribution decisions.
40. An online retailer like Amazon.com relies on an efficient supply chain. The development of its supply chain supported its clearly defined marketing strategy and began with:
- A) inventory forecasts.
 - B) a logistics mission statement.
 - C) the mature stage of the product life cycle.
 - D) understanding the customer.
 - E) none of the above.
41. In Canada, Coca-Cola Beverages has rolled out new marketing, technologies, and packaging to outmaneuver private-label Canadian cola bottlers, which have captured considerable market share. Coke will bring in a new just-in-time distribution system based on unit trains and cross-docking sales centres. Which of the following statements describes how Coke will use cross-docking?
- A) Cross-docking will allow Coca-Cola to greatly reduce the need to store and warehouse products.
 - B) The use of cross-docking means Coca-Cola will rely more on business-to-business marketing.
 - C) The use of cross-docking means Coca-Cola will implement the customer service concept in its relations with ultimate consumers.
 - D) Cross-docking will allow Coca-Cola to use less freight forwarding.
 - E) Cross-docking will allow Coca-Cola to outsource its manufacturing.
42. In physical distribution decisions, total logistics cost includes:
- A) order processing.
 - B) materials handling and warehousing.
 - C) transportation.
 - D) inventory and stockouts.
 - E) all of the above.

43. Canadian graphic arts, publishing and advertising companies, as well as their clients and suppliers, can exchange camera-ready art and other images faster and cheaper than before as the result of an agreement between Bell Nexxia and Montreal-based Cenosis. These two companies market a(n)_____ for the graphic arts. It allows a graphic designer to transmit the full contents of a magazine to clients or printing firms across the country-reducing production costs and delivery time.
- A) efficient response system
 - B) vendor-managed communication system
 - C) Extranet
 - D) online logistics system
 - E) communication bot
44. Lead time is:
- A) also called replenishment time.
 - B) typically more important to resellers than to consumers.
 - C) defined as the time that passes from ordering an item until it is received and ready for use or sale.
 - D) also called order cycle time.
 - E) accurately described by all of the above.
45. Combining different transportation modes in order to get the best features of each is called:
- A) freight forwarding.
 - B) dual distribution.
 - C) intermodal transportation.
 - D) bimodal logistics.
 - E) intramodal transport.
46. In Canada, Coca-Cola Beverages has rolled out new marketing, technologies, and packaging to outmaneuver private-label Canadian cola bottlers, which have captured considerable market share. Coke will bring in a new just-in-time distribution system based on unit trains and cross-docking sales centres. Coca-Cola's use of unit trains will allow it to:
- A) have a dedicated train that uses permanently coupled cars that run a continuous route from Coke's bottling plants to its retailers and back.
 - B) use intermodal transportation for export purposes.
 - C) use trucks to make door-to-door deliveries.
 - D) use more warehousing.
 - E) reach ultimate consumers through one-to-one marketing.

47. The major purpose of a trailer on flatcar (TOFC) is to:
- A) deregulate the motor carrier industry.
 - B) combine the economy of rail carriers with the flexibility of motor carriers.
 - C) implement a JIT transportation strategy both domestically and internationally.
 - D) eliminate the need for containers.
 - E) provide a common power unit from origin to destination.
48. Air Canada, a Montreal-based airline, uses its excess storage capacity on passenger flights to Europe to haul cargo. It typically collects several small shipments consigned to a common European destination. Shipment schedules are mandated by the passenger side of its business. Air Canada is an example of a(n):
- A) third-party service provider.
 - B) Extranet.
 - C) vendor-managed logistics expert.
 - D) import agent
 - E) freight forwarder.
49. A warehouse that emphasizes speed and efficient product flow to hold goods for short periods of time and move them out as soon as possible:
- A) is a storage warehouse.
 - B) is a freight forwarder.
 - C) is a distribution centre.
 - D) is an inventory expediting centre.
 - E) has a just-in-time inventory system.
50. A supply chain is a sequence of firms that perform activities required:
- A) to find products that are similar
 - B) to facilitate wholesalers inventory selections
 - C) to create synergy in their training programs
 - D) to create and deliver goods to consumers
 - E) to support the acquisition of raw materials

51. An important feature of supply chain management is its application of electronic commerce technology that allows companies to share and operate systems for:
- A) order processing, transportation scheduling, and inventory management.
 - B) cost-effective flowing of raw materials
 - C) future purchasing of computer systems
 - D) future merger opportunities
 - E) prospecting new business ventures.
52. A supply chain is essentially a sequence of linked:
- A) customer and prospects
 - B) supplier and manufacturer
 - C) suppliers and customers
 - D) warehousing and wholesaling units
 - E) events in the marketing process
53. In the automotive industry, the person who is responsible for translating customer requirements into actual orders and arranges delivery dates is the car maker:
- A) supply manager
 - B) purchasing manager
 - C) production manager
 - D) supply chain manager
 - E) VP for production
54. It is estimated that the logistics costs of a new car are about:
- A) 10-20%
 - B) 20-25%
 - C) 25-30%
 - D) 30-40%
 - E) 40-45%

55. Poor supply chain management practices can _____ an otherwise excellent marketing strategy.
- A) seriously damage
 - B) make SWOT analysis difficult for
 - C) keep people employed on
 - D) mean quarterly lessons for
 - E) repair
56. The physical characteristics of a product will often dictate what:
- A) types of sales can be made
 - B) forms of sales promotion to be used
 - C) types of instructions needed
 - D) geographic regions will be included
 - E) kinds of transportation can be used
57. Pricing interacts with a supply chain in many ways. For instance, transportation rate structures are adjusted by the carrier based on:
- A) cost to unload
 - B) the size of the shipment
 - C) local currency rates
 - D) the logistics costs concept
58. The total logistics cost includes expenses associated with transportation, materials handling and:
- A) customer complaints, cost of food and highway usage taxes
 - B) warehousing, inventory, stock outs and order processing
 - C) inventory control with sales forecasting
 - D) stock outage control with sales forecasting
 - E) historical figures weighted by last years numbers
59. The total logistics cost factors need to be balanced against the:
- A) supply chain managers total experience
 - B) total expected transportation needs
 - C) customer service factors
 - D) lead time expectations
 - E) replenishment time forecasts

60. Lead time and order cycle time are the same as:
- A) customer service time
 - B) supply chain flow
 - C) logistical clockage
 - D) replenishment time
 - E) real time service time
61. The inventory management systems designed to reduce the retailer's lead time for receiving merchandise is called:
- A) efficient consumer response delivery system.
 - B) effective response.
 - C) on-time market delivery system.
 - D) efficient logistical response.
 - E) on-time consumer response systems.
62. Examples of third-party logistics providers are:
- A) FedEx and Rosenau Transport
 - B) Sentinel Self-Storage and UPS
 - C) FedEx and UPS
 - D) UPS and Metro Van Lines
 - E) Purolator and Metro Van Lines
63. The seller must concentrate on removing unnecessary barriers for:
- A) a quick response.
 - B) customer convenience.
 - C) transportation modes.
 - D) a piggyback operation.
 - E) a more personable relationship with the customer.
64. There are five basic transportation modes. They are air carrier, motor carrier, and:
- A) pipelines, railways and water carriers
 - B) railways, ocean vessels and dirigibles
 - C) trucks, canals and robotics
 - D) water routes, railways and trucks
 - E) pipeline, water routes and ocean vessels

65. Rail has the largest shipping capacity compared to all except:
- A) pipeline
 - B) air carrier
 - C) water carrier
 - D) motor carrier
 - E) none of the above
66. TOFC is the same as:
- A) piggyback
 - B) total fleet command
 - C) tri-optic float carrier
 - D) one-way dispatching
 - E) deadhandle control
67. Air freight is costly, but its speed may create savings because of:
- A) the extensive availability of airports
 - B) lower inventory.
 - C) getting to store shelves before water carriers.
 - D) lower costs created by FIFO.
 - E) other transportation modes take more time.
68. A reason to carry inventory would include:
- A) to have tax write-off opportunities
 - B) having a wide variety to meet customer expectations
 - C) to increase ways to use the product
 - D) supplementation of synergy strategies
 - E) to promote purchasing and transportation discounts
69. Saturn's manufacturing operations in Spring Hill, Tennessee, uses a sophisticated system called:
- A) JIT
 - B) OJT
 - C) OJE
 - D) POP
 - E) FOB

70. Which of the following is not an inventory?

- (A) Machines
- (B) Raw material
- (C) Finished products
- (D) Consumable tools

71. The following classes of costs are usually involved in inventory decisions except *

- (A) Cost of ordering
- (B) Carrying cost
- (C) Cost of shortages
- (D) Machining cost

72. The cost of insurance and taxes are included in *

- (A) Cost of ordering
- (B) Set up cost
- (C) Inventory carrying cost
- (D) Cost of shortages

73. 'Buffer stock' is the level of stock *

- (A) Half of the actual stock
- (B) At which the ordering process should start
- (C) Minimum stock level below which actual stock should not fall
- (D) Maximum stock in inventory

74. The minimum stock level is calculated as *

- (A) $\text{Reorder level} - \square \text{Normal consumption} \times \text{Normal delivery time}$
- (B) $\text{Reorder level} + \square \text{Normal consumption} \times \text{Normal delivery time}$
- (C) $\square \text{Reorder level} + \text{Normal consumption}) \times \text{Normal delivery time}$
- (D) $\square \text{Reorder level} + \text{Normal consumption}) / \text{Normal delivery time}$

75. The time period between placing an order its receipt in stock is known as *

- (A) Lead time
- (B) Carrying time
- (C) Shortage time
- (D)

D Over time

76. Re-ordering level is calculated as *

- (A) Maximum consumption rate x Maximum re-order period
- (B) Minimum consumption rate x Minimum re-order period
- (C) Maximum consumption rate x Minimum re-order period
- (D) Minimum consumption rate x Maximum re-order period

77. Average stock level can be calculated as *

- (A) Minimum stock level + $\frac{1}{2}$ of Re-order level
- (B) Maximum stock level + $\frac{1}{2}$ of Re-order level
- (C) Minimum stock level + $\frac{1}{3}$ of Re-order level
- (D) Maximum stock level + $\frac{1}{3}$ of Re-order level

78. The Economic Order Quantity [EOQ] is calculated as Where, D [Annual demand (units), S [Cost per order, h=Annual carrying cost per unit *

- (A) $\sqrt{2D \cdot S/h}$
- (B) $\sqrt{DS/h}$
- (C) $\sqrt{D \cdot S/2h}$
- (D) $\sqrt{D \cdot S/3h}$

79. The order cost per order of an inventory is Rs. 400 with an annual carrying cost of Rs. 10 per unit. The Economic Order Quantity [EOQ] for an annual demand of 2000 units is *

- (A) 400
- (B) 440
- (C) 480
- (D) 500

80. Which of the following is not included as an inventory holding cost? * A

- (A) Annualized cost of materials
- (B) Handling
- (C) Insurance
- (D) Pilferage

81. Which of the following is not an assumption of the basic fixed-order quantity inventory model? *
- (A) Ordering or setup costs are constant
 - (B) Inventory holding cost is based on average inventory
 - (C) Diminishing returns to scale of holding inventory
 - (D) Lead time is constant
82. If demand of one year is 25000 units, relevant ordering cost for each purchase order is INR210 and carrying cost of one unit of stock is INR25 then economic order quantity is *
- (A) 678
 - (B) 648
 - (C) 658
 - (D) 668
83. Activities related to coordinating, controlling and planning activities of flow of inventory are classified as *
- (A) decisional management
 - (B) throughput management
 - (C) inventory management
 - (D) manufacturing management
84. An inventory which consists of partially worked goods or work in progress is called *
- (A) direct materials inventory
 - (B) work in process inventory
 - (C) finished goods inventory
 - (D) indirect material inventory
85. Inventory of final goods that are not yet sold is called *
- (A) finished goods inventory
 - (B) indirect material inventory
 - (C) direct materials inventory
 - (D) work in process inventory
86. An inventory which consists of stock waiting to be used In process of manufacturing is classified as *
- (A) finished goods inventory
 - (B) indirect material inventory
 - (C)

- c direct materials inventory
- (D) work in process inventory

87. Many organisations hold safety stocks as part of their inventory. Which of the following is a reason for holding safety stocks *

- (A) To improve stock holding levels
- (B) To improve stock accuracy levels
- (C) To cater for demand forecast errors
- (D) To cater for a large storage capacity

88. . When using the 'ABC' approach to stock categorization. Which of the following describes class 'C' items? *

- (A) High value, high risk
- (B) High value, low risk
- (C) Low value, high risk
- (D) Low value, low risk

89. Under an ABC inventory management system which ONE of the following items should be monitored most closely *

- (A) 'A' classified items
- (B) 'B' classified items
- (C) 'C' classified items
- (D) All items equally

90. . ----- analysis relates to the classification of maintenance spare parts and denotes the essentiality of stocking spares *

- (A) ABC
- (B) FSN
- (C) VED
- (D) HML

91. Classification Based on the basis of quantity and rate of consumption *

- (A) ABC
- (B) FSN
- (C) VED
- (D) HML

92. Some spares are so important that their non-availability renders the equipment or a number of equipment in a process line completely inoperative, or even causes extreme damage to plant, equipment or human life. These element is known as *

- (A) Necessity element
- (B) Vital Element
- (C) Desirable element
- (D) Essential Element

93. _____ analysis is based on seasonality of items *

- (A) HML
- (B) SOS
- (C) VED
- (D) FSN

94. _____ analysis is based on Source of procurement *

- (A) VED
- (B) HML
- (C) GOLF
- (D) FSN

95. _____ analysis is based on criticality of item *

- (A) HML
- (B) VED
- (C) GOLF
- (D) SOS

96. _____ analysis is based on unit price of the item *

- (A) SOS
- (B) VED
- (C) ABC
- (D) HML

97. _____ analysis is based on annual usage value *

- (A) VED
-

B ABC

C HML

D GOLF

98. Classification based on Issues from Stores *

A ABC

B VED

C FSN

D HML

99. In EOQ model annual carrying cost is equal to annual holding cost *

A TRUE

B FALSE

100. Which of the following is not an inventory classification method *

A ABC

B FIFO

C FSN

D VED

101. Which of the following adds to the carrying cost 1 Pilferage 2 Breakage 3
Obsolescence *

A 1 and 2

B 1 and 3

C 2 and 3

D ALL

102. Organisation maintain finished goods inventory to: *

A Avoid bottlenecks in production process

B Avoid backlogs in customer order

C Smoothen the production flow

D Reduce the material handling cost

103. Inventory control does not include *

- A Standardization
- B Machines
- C Quality Control
- D Economic Order Quantity

104 ABC is a method of *

- A Inventory Control
- B Financial Control
- C Cost Control
- D Accounting Control

105 Inventory model includes: *

- A EOQ
- B Ordering Cost
- C Carrying Cost
- D All of the above

106 The EOQ inventory model attempts to minimize *

- A The number of items ordered
- B The number of orders placed
- C Total inventory costs
- D The safety stock

107. . Inventory control includes: *

- A Stored Management
- B Quality Control
- C Receiving
- D All of the above

108. In inventory control theory the economic order quantity is *

- A Optimum lot size
-

- B Average level of inventory
- C Lot size corresponding to break even analysis
- D Capacity of a warehouse

109. Which of the following is/are function of inventory *

- A To meet anticipated demand
- B To project against stock outs
- C To take advantage of order cycles
- D All of these

110. The sequence of a typical manufacturing supply chain is

- a. Storage–Supplier–manufacturing–storage–distributor–retailer–customer
- b. Supplier–Storage–manufacturing–storage–distributor–retailer–customer
- c. Supplier–Storage–manufacturing– distributor–storage–retailer–customer
- d. Supplier–Storage–manufacturing–storage– retailer–distributor–customer

111. What task does the operations function in a manufacturing organisation perform?

- a) The operations function covers the manufacturing of products or services
- b) The operations function includes all activities involved in the development, manufacture, marketing, sales and after sales support of products and services
- c) The operations function covers all manufacturing processes in an organisation and includes raw materials sourcing, purchasing, production and manufacturing, distribution and logistics

112. Which of the following is not a key focus of the analysis of an organisation's operations?

- a) Logistics and transport
- b) Supplier relationships
- c) Factory layout and processes
- d) Quality management
- e) Product design prior to manufacture
- f) Make or buy?

113. Which of the following is not a distinguishing feature of a service?

- a. Ownership
- b. Heterogeneity
- c. Inseparability
- d. Perishability
- e. Tangibility

114. VMI stands for

- A Vendor material inventory
- B Vendor managed inventory
- C Variable material inventory
- D Valuable material inventory

115. The major decision areas in supply chain management are

- a. location, production, distribution, inventory
- B planning, production, distribution, inventory
- C location, production, scheduling, inventory
- D location, production, distribution, marketing

116. 3_PL stands for

- A Three points logistics
- B Third party logistics
- C Three points location
- D None of the above

117. Which of the following is NOT true of batch process?

- A. Batch processes often look like jobbing processes, but do not have quite the degree of variety.
- B. Batch processes have more variety than jobbing processes.
- C. Batch processes are high variety than mass services.
- D. Batch processes are similar in terms of volume and variety to service shops.

118. Which is the correct order for process types starting with low volume/high variety and moving to high volume/low variety?

- A. Batch processes, project processes, jobbing processes, mass processes, continuous processes
- B. Project processes, batch processes, mass processes, jobbing processes, continuous processes
- C. Project processes, jobbing processes, batch processes, mass processes, continuous processes
- D. Jobbing processes, batch processes, mass processes, continuous processes, project processes

119. Which is the correct sequence in order of increasing process flexibility?

- A. Jobbing / batch / project / line / continuous
- B. Project / jobbing / batch / line / continuous
- C. Jobbing / batch / project / continuous / line
- D. Project / jobbing / batch / continuous / line
- E. Continuous / line / batch / jobbing / project

120. In relation to process types, which of the following statements is true?

- A. Continuous has the lowest volume and variety.
- B. Mass is higher variety than continuous and batch.
- C. Project is higher variety and volume than batch.

D. Jobbing has higher variety than batch and higher volume than project.

Answer Keys

1	C	26	C	51	D	76	A	101	D
2	D	27	B	52	C	77	A	102	B
3	D	28	D	53	C	78	A	103	B
4	A	29	A	54	A	79	A	104	A
5	D	30	D	55	A	80	D	105	D
6	A	31	A	56	A	81	C	106	A
7	B	32	E	57	A	82	B	107	A
8	C	33	C	58	A	83	C	108	C
9	B	34	E	59	A	84	B	109	D
10	B	35	C	60	D	85	A	110	B
11	A	36	A	61	C	86	D	111	C
12	C	37	B	62	B	87	C	112	D
13	D	38	E	63	C	88	D	113	E
14	D	39	C	64	B	89	A	114	B
15	D	40	D	65	A	90	C	115	A
16	A	41	A	66	D	91	B	116	B
17	B	42	C	67	C	92	B	117	B
18	D	43	B	68	D	93	B	118	B
19	A	44	A	69	A	94	C	119	E
20	A	45	C	70	A	95	B	120	D
21	D	46	A	71	D	96	C		
22	D	47	B	72	C	97	C		
23	D	48	E	73	C	98	D		
24	D	49	A	74	A	99	A		
25	B	50	A	75	A	100	B		

MCQ: Unit-1: introduction to Operations and Supply Chain management

1. "Quality is defined by the customer" is :

- An unrealistic definition of quality
- A user-based definition of quality**
- A manufacturing-based definition of quality
- A product-based definition of quality

2. According to the manufacturing-based definition of quality

quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost

quality depends on how well the product fits patterns of consumer preferences

even though quality cannot be defined, you know what it is

quality is the degree to which a specific product conforms to standards

3. The supply chain concept originated in what discipline?

- a) marketing**
- b) operations
- c) logistics
- d) production

4. Zero defects in manufacturing is

- a. is a relevant goal only in electronic assembly
- b. is readily achievable in all areas
- c. is the goal of TQM**
- d. is an unobtainable and misleading idea

5. The supply chain management philosophy emerged in which decade?

- 1960s
- 1970's
- 1980s**
- 1990s

6. A _____ encompasses all activities associated with the flow and transformation of goods from the raw material stage, through to the end user, as well as the associated information flows.

- production line
- supply chain**
- marketing channel
- warehouse

7. Which one of the following is not a typical question dealt with by an operations managers?

How much capacity will be needed in the months ahead?

What is a satisfactory location for a new facility?

How to motivate employees?

All are typical of operations decisions.

8. Which of the following are not key attributes of supply chain management?

inventory control

leveraging technology

customer power

all are key attributes

9. Positive, long-term relationships between supply chain participants refer to:

Co-opetitions

tailored logistics

partnerships

supply chain management

10. Which one of the following best represents a pure good?

Soap

Fast food

Attending a play

Vehicle repair

11. Which of the following statements is true of LEAN?

Lean principles focus on advanced statistical methods

Lean principles are separate body of knowledge

Lean principles have been developed over a lengthy period of time.

Lean principles include reducing waste.

12. The bullwhip effect:

is an ineffective way to motivate warehouse employees

applies to rodeos and has nothing to do with supply chain management

refers to the “swaying” motion associated with triple trailers

Refers to variability in demand orders among supply chain participants.

13. According to the manufacturing-based definition of quality

"quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost"

quality depends on how well the product fits patterns of consumer preferences even though quality cannot be defined, you know what it is

quality is the degree to which a specific product conforms to standards

14. The variability in demand orders among supply chain participants:

cannot be controlled

refers to the bullwhip effect

can be controlled with electronic order placement

is more pronounced in relational exchanges

16. Cooperative supply chain relationships developed to enhance the overall business performance of both parties is a definition of:

third-party logistics

supply chain collaboration

dovetailing

relationship marketing

17. Process improvement technique that sorts the "vital few" from the "trivial many" is

Taguchi analysis

Pareto analysis

benchmarking

Yamaguchi analysis

18. A fishbone diagram is also known as a

cause-and-effect diagram

poka-yoke diagram

Kaizen diagram

Taguchi diagram

19. Which of the following functions is not a core function of an organisation?

The Product/Service Dev.Function

The Operations Function

The Marketing (Including Sales) Function

The accounting and finance function

20. What is a perfect order?

simultaneous achievement of relevant customer metrics

an order that arrives on time

an order that arrives undamaged

an order that is easy for the receiver to fill

21. Total Quality Management emphasizes

the responsibility of the Quality Control staff to identify and solve all quality-related problems

A commitment to quality that goes beyond internal company issues to suppliers and customers

A system where strong managers are the only decision makers

A process where mostly statisticians get involved

22. "Quality is defined by the customer" is

an unrealistic definition of quality

a user-based definition of quality

a manufacturing-based definition of quality

a product-based definition of quality

the definition proposed by the American Society for Quality Control

23. Which of the following is not one of the major categories of costs associated with quality?

prevention costs

appraisal costs

internal failures

none of the above, they are all major categories of costs associated with quality

24. According to the manufacturing-based definition of quality,

quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost

quality depends on how well the product fits patterns of consumer preferences

even though quality cannot be defined, you know what it is

quality is the degree to which a specific product conforms to standards

25. An important feature of supply chain management is its application of electronic commerce technology that allows companies to share and operate systems for:

Order processing, transportation scheduling, and inventory management

cost-effective flowing of raw materials

future purchasing of computer systems

future merger opportunities

26. Lean production involves

Elimination of cost only
Improvement of quality only
Improvement of speed only
Elimination of all types of waste

27. All of the following costs are likely to decrease as a result of better quality except

customer dissatisfaction costs
maintenance costs
scrap costs
warranty and service costs

28. Inspection, scrap, and repair are examples of

internal costs
external costs
costs of dissatisfaction
societal costs

29. Which of the following activities is not a direct responsibility of operations management?

Determining the exact mix of products and services that the customers will want
Designing the operation's products, services and processes
Developing an operations strategy for the operations
Planning and controlling the operation

30. Total Quality Management emphasizes

the responsibility of the Quality Control staff to identify and solve all quality-related problems
a commitment to quality that goes beyond internal company issues to suppliers and customers
a system where strong managers are the only decision makers
a process where mostly statisticians get involved

31. A successful TQM program incorporates all of the following except

continuous improvement
employment involvement
benchmarking
centralized decision making authority

32. Which of the following would not be normally considered as a key feature of Operations Management?

Operations is the part of an organisation which creates wealth through the management of the transformation process

World class Operations can give an organisation competitive advantage

Most new technology is implemented in Operations areas

Operations is the area of a business where most people work

33. "Kaizen" is a Japanese term meaning

a foolproof mechanism

Just-in-time (JIT)

a fishbone diagram

continuous improvement

34. Costs of dissatisfaction, repair costs, and warranty costs are elements of cost in the

Taguchi Loss Function

Pareto Chart

ISO 9000 Quality Cost Calculator

Process Chart

35. A quality loss function utilizes all of the following costs except

the cost of scrap and repair

the cost of customer dissatisfaction

inspection, warranty, and service costs

sales costs

costs to society

36. Which of the following is the least likely decision to be made by Operations Managers?

Selecting the location and layout of a facility

Deciding which market areas to manufacture products for

How much capacity is required to balance demand

Designing and improving the jobs of the workforce

37. Pareto charts are used to

identify inspection points in a process

outline production schedules

organize errors, problems or defects

show material flow

38. Among the tools of TQM, the tool ordinarily used to aid in understanding the sequence of events through which a product travels is a

Pareto chart
Flow chart
check sheet
Taguchi map

39. Which one of the following would not generally be considered an aspect of operations management?

Work methods
Secure financial resources
Maintain quality
Product or service design

40. Which one of the following is not a typical question dealt with by an operations managers?

How much capacity will be needed in the months ahead?
What is a satisfactory location for a new facility?
How to motivate employees?
All are typical of operations decisions.

41. A worker operates a shear press. She notices that the metal sheets she is cutting have curled edges. Who should get the first "shot" at solving the problem?

the foreman
a member of the Quality Control department
the operator herself
the employee's supervisor

42. Which of the following is not a key activity of an operations manager?

Understanding the needs of customer
Continually learning
Managing cash flows
Exploiting technology to produce goods and services

43. A recent consumer survey conducted for a car dealership indicates that, when buying a car, customers are primarily concerned with the salesperson's ability to explain the car's features, the salesperson's friendliness, and the dealer's honesty. The dealership should be especially concerned with which dimensions of service quality?

communication, courtesy, and credibility
competence, courtesy, and security
competence, responsiveness, and reliability
communication, responsiveness, and reliability

44. Which one of the following best represents a pure service?

Bank loans

Computer diagnosis and repair
Attending a theatre play
Fast food restaurant

45. Which one of the following best represents a pure good?

Salt
Fast food
Attending a play
Vehicle repair

46. Which one of the following would not generally be considered an aspect of operations management?

Schedule work
Secure financial resources
Maintain quality
Oversee the transformation process

47. Which one of these was not mentioned in the list of recent trends in operations management?

Total quality management
Worker involvement
Global competition.
Automation.

48. Which came last in the development of manufacturing techniques?

Lean production.
Division of labor.
Mass production.
Craft production.

49. Which function typically employs more people than any other functional area?

Information System
Operations
Marketing
Finance

50. Which of the following is not a type of operations?

Goods production
storage/transportation
entertainment
price reduction

51. Which of the following is not true about a lean production system?

It puts emphasis on quality, flexibility, and time reduction.

It puts emphasis on reducing a company's labor force.

It is involved in maintaining and improving the system with lower amounts of inventory.

It relies on buffers against unforeseen occurrences.

52. The inputs to a transformation process include all of the following except

Material

People

Information

Assembly

53. ____ is an example of a pure good.

Restaurant

Dentist

Coal Mining

Education

54. Which one of the following is not a typical question dealt with by an operations manager?

How much capacity will be needed in the months ahead?

What is a satisfactory location for a new facility?

Which products/services should be offered?

All are typical of operations decisions.

55. Which one does not use operations management?

A CPA firm.

A bank.

A hospital

They all use it.

56. Zero defects in manufacturing

is an unobtainable and misleading ideal

is the goal of TQM

is readily achievable in all areas

is a relevant goal only in electronic assembly

57. Which one is not generally considered an advantage of using models for decision-making?

Providing a systematic approach to problem solving.

Emphasizing quantitative information.

Providing an exact representation of reality.

Requiring users to be specific about objectives.

58. "Quality is conformance to specifications"-This definition of quality is from point of view of

Customer

Manufacturer

Quality Circle Forum

TQM

59. Which came last in the development of manufacturing techniques?

Lean production.

Division of labor.

Mass production.

Interchangeable parts.

60. The goal of Total Quality Management is:

Customer satisfaction

Product differentiation

Brand equity

Acting globally

61. Which of the following is not a typical supply chain member?

Retailer's Creditor

Wholesaler

Producer

Customer

62. Quality is both quantitative and

Supportive

Qualitative

Measurable

Conclusive

63. When suppliers, distributors, and customers partner with each other to improve the performance of the entire system, they are participating in a _____

Channel Of Distribution

Value Delivery Network

Supply Chain

Supply And Demand Chain

64. A company's channel decisions directly affect every _____.

customer's choices

employee in the channel

channel member

Marketing decision.

65. From the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by _____ Channel members.

manufacturers

marketers

distributors

consumers

66. Intermediaries play an important role in matching _____.

dealer with customer

manufacturer to product

information and promotion

supply and demand

67. Marketing logistics involves getting the right product to the right customer in the right place at the right time. Which one of the following is not included in this process?

implementing the plan for the flow of goods and services

planning the physical flow of goods and services

controlling the physical flow of goods, services, and information

gathering customer's ideas for new products

68. Raw materials and specialised services procured are converted into useful service offerings and finally distributed to customers in following Industry

Hotel

Cement

Sugar

Refinery

69. Which of the following is not an area of responsibility for a logistics manager?

inventory
purchasing
warehousing
marketing

70. To reduce inventory management costs, many companies use a system called _____, which involves carrying only small inventories of parts or merchandise, often only enough for a few days of operation.

reduction-inventory management
supply chain management
economic order quantity
just-in-time logistics
limited inventory logistics

71. A Supply Chain includes the chain of entities involved in the planning, procurement, production and ----- of products and services

Distribution
Supply
Demand
Transport

72. In a SC, Material flows in one direction while _____ from in both direction

Process
Information
Product
Semifinished Goods

73. Companies manage their supply chains through _____.

information
transportation modes
competitors
the Internet
skilled operators

74. Julie Newmar recognizes that her company needs to provide better customer service and trim distribution costs through teamwork, both inside the company and among all the marketing channel organizations. Julie will begin the practice of _____.

intermediation
customer relationship management
supply chain management
horizontal marketing system management

75. There are four generic processes involved in any SCM-Planning for operations, Sourcing decisions, Manufacturing related activities and

Purchase
Inventory
Information
Distribution

76. Lean production involves

Improvement of speed only
Improvement of quality only
Elimination of all types of waste
Elimination of cost only

77. Today, a growing number of firms now outsource some or all of their logistics to _____ intermediaries.

competitors
third-party logistics providers
channel members
cross-functional teams

78. Most operations produce a mixture of both products and services. Which of the following businesses are closest to producing “pure” services?

Counsellor/Therapist
Restaurant
IT company
Steel company

79. If a sample of parts is measured and the mean of the measurements is outside the control limits the process is

in control, but not capable of producing within the established control limits
out of control and the process should be investigated for assignable variation
within the established control limits with only natural causes of variation
monitored closely to see if the next sample mean will also fall outside the control limits

80. A quality circle holds a brainstorming session and attempts to identify the factors responsible for flaws in a product. Which tool do you suggest they use to organize their findings?

Ishikawa diagram
Pareto chart
process chart
control charts

81. When a sample measurement falls inside the control limits, it means that

each unit manufactured is good enough to sell

the process limits cannot be determined statistically
the process output exceeds the requirements
if there is no other pattern in the samples, the process is in control

82. Which of the following statements is true of LEAN?

Lean principles focus on advanced statistical methods
Lean principles are separate body of knowledge
Lean principles have been developed over a lengthy period of time.
Lean principles include reducing waste.

83. Which one does not use operations management?

Supermarket
Bank
Hospital
They all use it.

84. The trend in organizations is to place the SCM function:

Under the manufacturing function
Under the finance function
Under the engineering function
At the same level as the other major functions

85. Which of the following is NOT a factor affecting the supply chain?

Reduced number of suppliers
Increased competition
Longer product life cycles
Increased opportunities to strategically use technology

86. If two potential suppliers can deliver a part with the same quality and prices, the selection should be based on:

Age of the firms
A coin flip
Outside evaluation
The capabilities and flexibilities of the firms

87. Just-in-time/SCM purchasing requires the following condition:

Many suppliers
Short-term contracts
Cooperation between purchasing and suppliers
Continuous competitive bidding

88. The amount of inventory kept at each stock point in a warehouse network is usually based on:

Minimizing transportation costs
Constant demand
Tradeoffs between warehousing, inventory, and transportation costs
Product pricing strategy

89. Which of the following is true regarding control charts?

Values above the upper and lower control limits indicate points out of adjustment.
Control charts are built so that new data can be quickly compared to past performance data.
Control charts graphically present data.
All of the above are true.

90. The goal of inspection is to

detect a bad process immediately
add value to a product or service
correct deficiencies in products
correct system deficiencies

91. Which of the following is not a typical inspection point?

upon receipt of goods from your supplier
during the production process
before the product is shipped to the customer
at the supplier's plant while the supplier is producing
after a costly process

92. What name is often given to the Japanese 'total approach' to removing anything that does not add value to the final product?

Jobbing processes
Lean production processes
Continuous processes.
Batch processes.

93. Lean production involves

Improvement of quality only

Elimination of cost only
Elimination of all types of waste
Improvement of speed only

94. The most common form of quality control includes:

Planning
Organizing
Inspection
Directing

95. Which of the following is not a typical supply chain member?

Retailer's creditor
wholesaler
reseller
producer

96. According to the manufacturing-based definition of quality

- a. "quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost"
- b. quality depends on how well the product fits patterns of consumer preferences
- c. even though quality cannot be defined, you know what it is
- d. quality is the degree to which a specific product conforms to standards**

97. TQM refers to

- a. total quantity management
- b. total quality management**
- c. total quality marketing
- d. total quotient management

98. When suppliers, distributors, and customers collaborate with each other to improve the performance of the entire system, they are participating in a _____

- a) channel of distribution
- b) value delivery network**
- c) supply chain
- d) supply and demand chain

99. A company's channel decisions directly affect every _____.

- a) customer's choices
- b) employee in the channel
- c) channel member
- d) **competitor's actions**

100. A supply chain is a sequence of firms that perform activities required:

- a. to find products that are similar
- b. to facilitate wholesalers inventory selections
- c. to create synergy in their training programs
- d. **to create and deliver goods to consumers**

101. A supply chain is essentially a sequence of linked:

- a. customer and prospects
- b. supplier and manufacturer
- c. **suppliers and customers**
- d. warehousing and wholesaling units

102. From the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by _____ Channel members.

- a) manufacturers
- b) marketers
- c) distributors
- d) **consumers**

103. Intermediaries play an important role in matching _____.

- a) dealer with customer
- b) manufacturer to product
- c) information and promotion
- d) **supply and demand**

104. Marketing logistics involves getting the right product to the right customer in the right place at the right time. Which one of the following is not included in this process?

- a) implementing the plan for the flow of goods and services
- b) planning the physical flow of goods and services
- c) controlling the physical flow of goods, services, and information
- d) **gathering customer's ideas for new products**

105. A supply chain is a sequence of firms that perform activities required:

- e. to find products that are similar
- f. to facilitate wholesalers inventory selections
- g. to create synergy in their training programs
- h. to create and deliver goods to consumers**

106. A supply chain is essentially a sequence of linked:

- e. customer and prospects
- f. supplier and manufacturer
- g. suppliers and customers**
- h. warehousing and wholesaling units

107. Which of the following is not an area of responsibility for a logistics manager?

- a) inventory
- b) purchasing
- c) warehousing
- d) marketing**

108. To reduce inventory management costs, many companies use a system called _____, which involves carrying only small inventories of parts or merchandise, often only enough for a few days of operation.

- a) reduction-inventory management
- b) supply chain management
- c) economic order quantity
- d) just-in-time logistics**

109. Companies manage their supply chains through _____.

- a) information**
- b) transportation modes
- c) competitors
- d) the Internet

110. Julie Newmar recognizes that her company needs to provide better customer service and trim distribution costs through teamwork, both inside the company and among all the marketing channel organizations. Julie will begin the practice of _____.

- a) intermediation
- b) customer relationship management
- c) integrated logistics management
- d) supply chain management**

111. Today, a growing number of firms now outsource some or all of their logistics to _____ intermediaries

- a) competitors
- b) third-party logistics providers**
- c) channel members
- d) cross-functional teams

112. Supply chain concept originated in what discipline?

- a) marketing
- b) operations
- c) logistics**
- d) production

113. A restaurant is an example of a

- a. major service with accompanying goods and services
- b. hybrid**
- c. pure service
- d. pure tangible good

114. The supply chain management philosophy emerged in which decade?

- a) 1960s
- b) 1970s**
- c) 1980s
- d) 1990s**

115. A _____ encompasses all activities associated with the flow and transformation of goods from the raw material stage, through to the end user, as well as the associated information flows.

- a) production line
- b) supply chain**
- c) marketing channel
- d) warehouse

116. Which of the following are not key attributes of supply chain management?

- a) inventory control
- b) leveraging technology
- c) c. customer power
- d) all are key attributes**

117. Positive, long-term relationships between supply chain participants refer to:

- a) co-opetitions
- b) tailored logistics
- c) **partnerships**
- d) supply chain management

118. The bullwhip effect:

- a) is an ineffective way to motivate warehouse employees
- b) applies to rodeos and has nothing to do with supply chain management
- c) refers to the “swaying” motion associated with triple trailers
- d) **refers to variability in demand orders among supply chain participants.**

119. The variability in demand orders among supply chain participants:

- a) cannot be controlled
- b) **refers to the bullwhip effect**
- c) can be controlled with electronic order placement
- d) is more pronounced in relational exchanges

120. Cooperative supply chain relationships developed to enhance the overall business performance of both parties is a definition of:

- a) third-party logistics
- b) **supply chain collaboration**
- c) dovetailing
- d) relationship marketing

121. What is a perfect order?

- a) **simultaneous achievement of relevant customer metrics**
- b) an order that arrives on time
- c) an order that arrives undamaged
- d) an order that is easy for the receiver to fill

122. Which of the following is NOT a reason that companies are depending more on their suppliers?

- a) More focus on core competencies
- b) Need for more flexibilities
- c) Desire to share risks
- d) **More control over their suppliers**

123. Which of the following is NOT a benefit of SCM Purchasing?

- a) Consistent quality
- b) Savings on resources
- c) Lower costs
- d) **Less dependence on suppliers**

124. What term describes a vertical expansion of job duties in order to give the worker more responsibility?

- a) Job enlargement
- b) Job rotation
- c) **Job enrichment**
- d) Job design

125. What are the two basic types of production systems?

- a) Automated and manual
- b) **Intermittent and non-intermittent process**
- c) Normal and continuous process
- d) Continuous process and batch

126. What type of process would a paper mill be most likely to use?

- a) **Continuous flow**
- b) Project
- c) Job shop
- d) Flow shop

127. What technique deals with the problem of supplying sufficient facilities to production lines or individuals that require uneven service?

- a) Supply-demand theory
- b) PERT
- c) Inventory theory
- d) **Queuing theory**

128. A manufacturer has been receiving excessive numbers of defective standard machine parts from a vendor on a regular basis. What is the most effective way to design a formal inspection system for incoming parts?

- a) Queuing analysis
- b) Time series analysis
- c) **Statistical quality control**
- d) Regression analysis

129. A set of simultaneous equations that has more variables than constraints has

- a) no solution
- b) an infinite number of solutions**
- c) a finite solution
- d) an infinite solution

130. In a PERT/CPM network, computing the critical path requires

- a) determining the total project duration
- b) assigning the earliest finish time for an activity as the earliest start time for the next**
- c) that the latest finishing time for an activity not delay the overall project beyond initial expectation
- d) a sophisticated and complex computer program

131. At the completion of the forward and backward passes, the slack for an activity is given by the

- a) difference between early start and early finish**
- b) difference between early start and latest finish
- c) difference between latest start and early finish
- d) amount of idle labor on the critical path