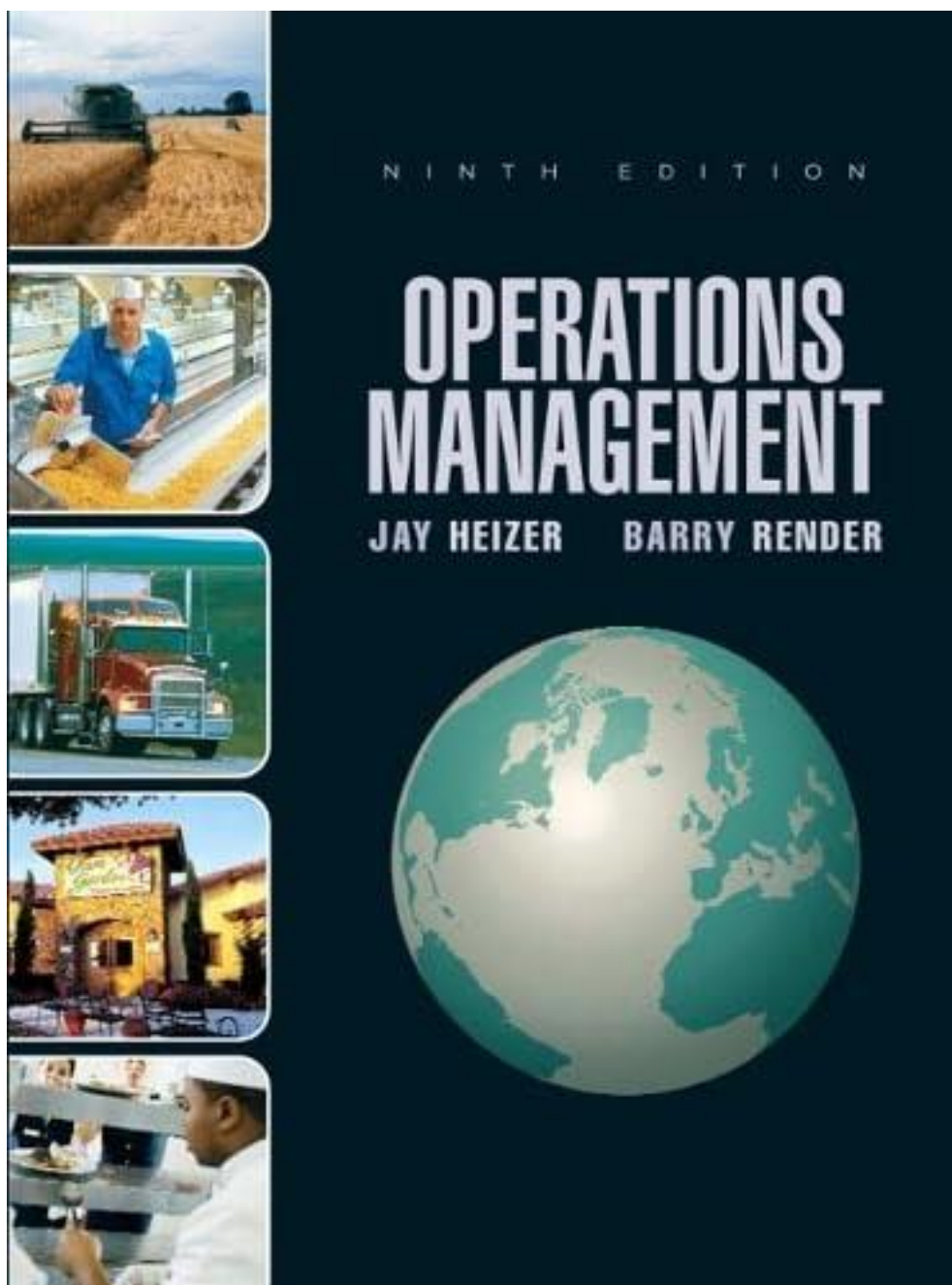


TEST BANK

Operations Management

Jay Heizer, Barry Render

9th Edition



CHAPTER 1: OPERATIONS AND PRODUCTIVITY

TRUE/FALSE

1. Some of the operations-related activities of Hard Rock Café include designing meals and analyzing them for ingredient cost and labor requirements.
True (Global company profile, easy)
2. The production process at Hard Rock Café is limited to meal preparation and serving customers.
False (Global company profile, easy)
3. All organizations, including service firms such as banks and hospitals, have a production function.
True (What is operations management? moderate)
4. Operations management is the set of activities that create value in the form of goods and services by transforming inputs into outputs.
True (What is operations management? easy)
5. An example of a "hidden" production function is money transfers at banks.
True (What is operations management? moderate)
6. One reason to study operations management is to learn how people organize themselves for productive enterprise.
True (Why study OM, easy)
7. The operations manager performs the management activities of planning, organizing, staffing, leading, and controlling of the OM function.
True (What operations managers do, easy)
8. "How much inventory of this item should we have?" is within the critical decision area of managing quality.
False (What operations managers do, easy)
9. In order to have a career in operations management, one must have a degree in statistics or quantitative methods.
False (What operations managers do, easy)
10. Henry Ford is known as the Father of Scientific Management.
False (The heritage of operations management, easy)
11. Shewhart's contributions to operations management came during the Scientific Management Era.
False (The heritage of operations management, easy)
12. Students wanting to pursue a career in operations management will find multidisciplinary knowledge beneficial.
True (Where are the OM jobs? easy)

13. Customer interaction is often high for manufacturing processes, but low for services.
False (Operations in the service sector, moderate)
14. Productivity is more difficult to improve in the service sector.
True (The productivity challenge, moderate)
15. Manufacturing now constitutes the largest economic sector in postindustrial societies.
False (Operations in the service sector, moderate)
16. In the past half-century, the number of people employed in manufacturing has more or less held steady, but each manufacturing employee is manufacturing about 20 times as much.
True (Operations in the service sector, easy)
17. A knowledge society is one that has migrated from work based on knowledge to one based on manual work.
False (The productivity challenge, easy)
18. Productivity is the total value of all inputs to the transformation process divided by the total value of the outputs produced.
False (The productivity challenge, easy)
19. Measuring the impact of a capital acquisition on productivity is an example of multi-factor productivity.
False (The productivity challenge, moderate)
20. Ethical and social dilemmas arise because stakeholders of a business have conflicting perspectives.
True (Ethics and social responsibility, easy) {AACSB: Ethical Reasoning}

MULTIPLE CHOICE

21. At Hard Rock Café, tasks that reflect operations or operations management include
 - a. designing meals
 - b. testing meals (recipes)
 - c. analyzing meals for the cost of ingredients
 - d. preparing employee schedules
 - e. all of the above**e (Global company profile, easy)**
22. An operations task performed at Hard Rock Café is
 - a. borrowing funds to build a new restaurant
 - b. advertising changes in the restaurant menu
 - c. calculating restaurant profit and loss
 - d. preparing employee schedules
 - e. all of the above**d (Global company profile, moderate)**

23. Operations management is applicable
- mostly to the service sector
 - to services exclusively
 - mostly to the manufacturing sector
 - to all firms, whether manufacturing and service
 - to the manufacturing sector exclusively
- d (What is operations management? moderate)**
24. Which of the following are the primary functions of **all** organizations?
- operations, marketing, and human resources
 - marketing, human resources, and finance/accounting
 - sales, quality control, and operations
 - marketing, operations, and finance/accounting
 - research and development, finance/accounting, and purchasing
- d (Organizing to produce goods and services, moderate)**
25. Budgeting, paying the bills, and collection of funds are activities associated with the
- management function
 - control function
 - finance/accounting function
 - production/operations function
 - staffing function
- c (Organizing to produce goods and services, moderate)**
26. Which of the following would **not** be an operations function in a fast-food restaurant?
- advertising and promotion
 - designing the layout of the facility
 - maintaining equipment
 - making hamburgers and fries
 - purchasing ingredients
- a (Organizing to produce goods and services, moderate)**
27. The marketing function's main concern is with
- producing goods or providing services
 - procuring materials, supplies, and equipment
 - building and maintaining a positive image
 - generating the demand for the organization's products or services
 - securing monetary resources
- d (Organizing to produce goods and services, moderate)**
28. Reasons to study Operations Management include
- studying why people organize themselves for free enterprise
 - knowing how goods and services are consumed
 - understanding what human resource managers do
 - learning about a costly part of the enterprise
 - all of the above
- d (Why study OM? moderate)**

29. Reasons to study Operations Management include learning about
- why people organize themselves for productive enterprise
 - how goods and services are produced
 - what operations managers do
 - a costly part of the enterprise
 - all of the above
- e (Why study OM? easy)**
30. The five elements in the management process are
- plan, direct, update, lead, and supervise
 - accounting/finance, marketing, operations, and management
 - organize, plan, control, staff, and manage
 - plan, organize, staff, lead, and control
 - plan, lead, organize, manage, and control
- d (What do operations managers do? easy)**
31. Illiteracy and poor diets have been known to cost countries up to what percent of their productivity?
- 2%
 - 5%
 - 10%
 - 20%
 - 50%
- d (Productivity variables, moderate) {AACSB: Multiculture and Diversity}**
32. Which of the following is **not** an element of the management process?
- controlling
 - leading
 - planning
 - pricing
 - staffing
- d (What do operations managers do? easy)**
33. An operations manager is **not** likely to be involved in
- the design of goods and services to satisfy customers' wants and needs
 - the quality of goods and services to satisfy customers' wants and needs
 - the identification of customers' wants and needs
 - work scheduling to meet the due dates promised to customers
 - maintenance schedules
- c (What do operations managers do? easy)**
34. All of the following decisions fall within the scope of operations management **except** for
- financial analysis
 - design of goods and processes
 - location of facilities
 - managing quality
 - All of the above fall within the scope of operations management.
- a (What do operations managers do? easy)**

35. The Ten Critical Decisions of Operations Management include
- Layout strategy
 - Maintenance
 - Process and capacity design
 - Managing quality
 - all of the above
- e (Why study OM? easy)**
36. Which of the following is **not** one of The Ten Critical Decisions of Operations Management?
- Layout strategy
 - Maintenance
 - Process and capacity design
 - Mass customization
 - Supply chain management
- d (Why study OM? moderate)**
37. The Ten Critical Decisions of Operations Management include
- Finance/accounting
 - Advertising
 - Process and capacity design
 - Pricing
 - all of the above
- c (Why study OM? moderate)**
38. Walter Shewhart is listed among the important people of operations management because of his contributions to
- assembly line production
 - measuring the productivity in the service sector
 - just-in-time inventory methods
 - statistical quality control
 - all of the above
- d (The heritage of operations management, moderate)**
39. Walter Shewhart, in the _____, provided the foundations for _____ in operations management.
- 1920s; statistical sampling
 - United Kingdom; mass production
 - U.S. Army; logistics
 - nineteenth century; interchangeable parts
 - none of the above
- a (The heritage of operations management, moderate)**
40. Eli Whitney, in the _____, provided the foundations for _____ in operations management.
- 1920s; statistical sampling
 - United Kingdom; mass production
 - U.S. Army; logistics
 - nineteenth century; interchangeable parts
 - none of the above
- d (The heritage of operations management, moderate)**

41. The person most responsible for popularizing interchangeable parts in manufacturing was
- Frederick Winslow Taylor
 - Henry Ford
 - Eli Whitney
 - Whitney Houston
 - Lillian Gilbreth
- c (The heritage of operations management, moderate)**
42. The "Father of Scientific Management" is
- Henry Ford
 - Frederick W. Taylor
 - W. Edwards Deming
 - Frank Gilbreth
 - just a figure of speech, not a reference to a person
- b (The heritage of operations management, easy)**
43. Henry Ford is noted for his contributions to
- standardization of parts
 - statistical quality control
 - assembly line operations
 - scientific management
 - time and motion studies
- c (The heritage of operations management, easy)**
44. Who among the following is associated with contributions to quality control in operations management?
- Charles Babbage
 - Henry Ford
 - Frank Gilbreth
 - W. Edwards Deming
 - Henri Fayol
- d (The heritage of operations management, moderate)**
45. The field of operations management is shaped by advances in which of the following fields?
- chemistry and physics
 - industrial engineering and management science
 - biology and anatomy
 - information technology
 - all of the above
- e (The heritage of operations management, moderate)**
46. Which of the following statements is **true**?
- Almost all services and almost all goods are a mixture of a service and a tangible product.
 - A **pure good** has no tangible product component.
 - A **pure service** has only a tangible product component.
 - There is no such thing as a **pure good**.
 - None of the above is a true statement.
- a (Operations in the service sector, difficult)**

47. Which of the following statements is **true**?
- The person most responsible for initiating use of interchangeable parts in manufacturing was Eli Whitney.
 - The origins of management by exception are generally credited to Frederick W. Taylor.
 - The person most responsible for initiating use of interchangeable parts in manufacturing was Walter Shewhart.
 - The origins of the scientific management movement are generally credited to Henry Ford.
 - The person most responsible for initiating use of interchangeable parts in manufacturing was Henry Ford.
- a (The heritage of operations management, moderate)**
48. The service industry makes up approximately what percentage of all jobs in the United States?
- 12%
 - 40%
 - 66%
 - 79%
 - 90%
- d (Operations in the service sector, moderate)**
49. Typical differences between goods and services do **not** include
- cost per unit
 - ability to inventory items
 - timing of production and consumption
 - customer interaction
 - knowledge content
- a (Operations in the service sector, moderate)**
50. Which is **not** true regarding differences between goods and services?
- Services are generally produced and consumed simultaneously; tangible goods are not.
 - Services tend to be more knowledge-based than products.
 - Services tend to have a more inconsistent product definition than goods.
 - Goods tend to have higher customer interaction than services.
 - None of the above is true.
- d (Operations in the service sector, moderate)**
51. Which of the following is **not** a typical attribute of goods?
- output can be inventoried
 - often easy to automate
 - aspects of quality difficult to measure
 - output can be resold
 - production and consumption are separate
- c (Operations in the service sector, moderate)**

52. Which of the following services is **least likely to be** unique, i.e., customized to a particular individual's needs?
- dental care
 - hairdressing
 - legal services
 - elementary education
 - computer consulting
- d (Operations in the service sector, moderate)**
53. Which of the following is **not** a typical service attribute?
- intangible product
 - easy to store
 - customer interaction is high
 - simultaneous production and consumption
 - difficult to resell
- b (Operations in the service sector, moderate)**
54. Which of the following statements concerning growth of services is **true**?
- Services now constitute the largest economic sector in postindustrial societies.
 - The number of people employed in manufacturing has more or less held steady since 1950.
 - Each manufacturing employee now produces about 20 times more than in 1950.
 - All of the above are true.
 - None of the above is true.
- d (Operations in the service sector, moderate)**
55. Current trends in operations management include all of the following **except**
- just-in-time performance
 - rapid product development
 - mass customization
 - empowered employees
 - All of the above are current trends.
- e (Exciting new trends in operations management, moderate)**
56. Which of the following is **not** a current trend in operations management?
- just-in-time performance
 - global focus
 - supply chain partnering
 - mass customization
 - All of the above are current trends.
- e (Exciting new trends in operations management, moderate)**
57. One new trend in operations management is
- global focus
 - mass customization
 - empowered employees
 - rapid product development
 - All of the above are new trends in operations management.
- e (Exciting new trends in operations management, moderate)**

58. Which of the following statements about trends in operations management is **false**?
- a. Job specialization is giving way to empowered employees.
 - b. Local or national focus is giving way to global focus.
 - c. Environmentally-sensitive production is giving way to low-cost focus.
 - d. Rapid product development is partly the result of shorter product cycles.
 - e. All of the above statements are true.
- c (Exciting new trends in operations management, moderate)**
59. A foundry produces circular utility access hatches (manhole covers). If 120 covers are produced in a 10-hour shift, the productivity of the line is
- a. 1.2 covers/hr
 - b. 2 covers/hr
 - c. 12 covers/hr
 - d. 1200 covers/hr
 - e. none of the above
- c (The productivity challenge, easy) {AACSB: Analytic Skills}**
60. A foundry produces circular utility access hatches (manhole covers). Currently, 120 covers are produced in a 10-hour shift. If labor productivity can be increased by 20%, it would then be
- a. 14.4 covers/hr
 - b. 24 covers/hr
 - c. 240 valves/hr
 - d. 1200 covers/hr
 - e. none of the above
- a (The productivity challenge, moderate) {AACSB: Analytic Skills}**
61. Gibson Valves produces cast bronze valves on an assembly line. If 1600 valves are produced in an 8-hour shift, the productivity of the line is
- a. 2 valves/hr
 - b. 40 valves/hr
 - c. 80 valves/hr
 - d. 200 valves/hr
 - e. 1600 valves/hr
- d (The productivity challenge, easy) {AACSB: Analytic Skills}**
62. Gibson Valves produces cast bronze valves on an assembly line, currently producing 1600 valves each 8-hour shift. If the productivity is increased by 10%, it would then be
- a. 180 valves/hr
 - b. 200 valves/hr
 - c. 220 valves/hr
 - d. 880 valves/hr
 - e. 1760 valves/hr
- c (The productivity challenge, moderate) {AACSB: Analytic Skills}**

63. Gibson Valves produces cast bronze valves on an assembly line, currently producing 1600 valves per shift. If the production is increased to 2000 valves per shift, labor productivity will increase by
- 10%
 - 20%
 - 25%
 - 40%
 - 50%

c (The productivity challenge, moderate) {AACSB: Analytic Skills}

64. The Dulac Box plant produces 500 cypress packing boxes in two 10-hour shifts. What is the productivity of the plant?
- 25 boxes/hr
 - 50 boxes/hr
 - 5000 boxes/hr
 - none of the above
 - not enough data to determine productivity

a (The productivity challenge, moderate) {AACSB: Analytic Skills}

65. The Dulac Box plant works two 8-hour shifts each day. In the past, 500 cypress packing boxes were produced by the end of each day. The use of new technology has enabled them to increase productivity by 30%. Productivity is now approximately
- 32.5 boxes/hr
 - 40.6 boxes/hr
 - 62.5 boxes/hr
 - 81.25 boxes/hr
 - 300 boxes/hr

b (The productivity challenge, moderate) {AACSB: Analytic Skills}

66. The Dulac Box plant produces 500 cypress packing boxes in two 10-hour shifts. Due to higher demand, they have decided to operate three 8-hour shifts instead. They are now able to produce 600 boxes per day. What has happened to production?
- It has increased by 50 sets/shift.
 - It has increased by 37.5 sets/hr.
 - It has increased by 20%.
 - It has decreased by 8.3%.
 - It has decreased by 9.1%.

c (The productivity challenge, moderate) {AACSB: Analytic Skills}

67. Productivity measurement is complicated by
- the competition's output
 - the fact that precise units of measure are often unavailable
 - stable quality
 - the workforce size
 - the type of equipment used

b (The productivity challenge, moderate)