I. Multiple Choice. Circle the one best answer. (3 pts. each = 30 points)

Ch01
1. Which of the following is not one of the four primary functional areas of a firm?
   a. human resources
   b. legal
   c. marketing
   d. operations

2. The type of transaction that accounts for the greatest dollar value of electronic commerce is
   a. B2B
   b. B2C
   c. C2B
   d. C2C

Ch02
3. Core competencies represent
   a. sustainable competitive advantages
   b. are static over time
   c. are most likely to be products
   d. are most likely to be technologies

4. In addition to examining financial performance, the balanced scorecard approach also examines a firm’s performance in terms of its
   a. customers
   b. processes
   c. learning and growing
   d. all of the above

Ch03
5. Which of the following is least likely to be a dimension of quality for a manufactured product?
   a. performance
   b. reliability
   c. courtesy
   d. durability

6. A production process consists of the following four stages with the average percentage of good quality at each stage as shown

<table>
<thead>
<tr>
<th>Stage</th>
<th>Average Percentage of Good Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.92</td>
</tr>
<tr>
<td>2</td>
<td>0.95</td>
</tr>
<tr>
<td>3</td>
<td>0.96</td>
</tr>
<tr>
<td>4</td>
<td>0.93</td>
</tr>
</tbody>
</table>

What is the daily production yield for the company if daily input is 200 units?
   a. 192 units
b. 188 units
c. 184 units
d. 156 units

Ch05
7. The overall reliability of the following system is

![Diagram: Reliability diagram]

a. greater than 1.00
b. 0.975
c. 0.946
d. 0.903

8. The mixture of physical items, sensual benefits, and psychological benefits created to meet a customers service expectations needs is known as
   a. the service concept
   b. the service package
   c. the quality loss function
   d. a robust design

Ch06
9. A company is evaluating which of two alternatives should be used to produce a product that will sell for $35.00 per unit. The following cost information describes the two alternatives

<table>
<thead>
<tr>
<th></th>
<th>Process A</th>
<th>Process B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Cost</td>
<td>$500,000</td>
<td>$750,000</td>
</tr>
<tr>
<td>Variable Cost per Unit</td>
<td>$25.00</td>
<td>$23.00</td>
</tr>
</tbody>
</table>

The break-even volume for Process A is
   a. 50,000 units
   b. 62,500 units
   c. 30,000 units
   d. 20,000 units

10. A large capacity cushion is most likely needed whenever there is
   a. high resource flexibility
   b. stable and predictable demand
   c. highly variable demand
   d. little interest in providing good customer service

II. True / False. Write in the space below T (True) or F (False). No justification is necessary for your answer (2 pts. each = 20 points).

11. _____ Scientific management is concerned with the systematic analysis of work methods.

12. _____ Human resources management involves using different methods and techniques to provide accurate estimates of demand, which are then used in production decisions.

Ch02
13. _____ Mass customization requires speed but not flexibility.
14. ______ The degree to which a firm produces the parts that go into its product is referred to as vertical integration.

Ch03
15. ______ Six Sigma quality is a statistical measure that equates to only 3.4 defects per million customer “opportunities”.

16. ______ ISO 9000 is a set of procedures and policies for the international quality certification of suppliers.

chp05
17. ______ An effective design process will match product or service characteristics with customer requirements.

18. ______ Incorporating the voice of the customer into technical design requirements is known as quality function deployment (QFD).

Ch05
19. ______ Process strategy and capacity strategy are closely related.

20. ______ The percent of capacity held in reserve for unexpected occurrences is the best operating level.

III. Short / Brief Answers. Keep your answers brief and be sure to use appropriate terminology from the course. (various points = 25 pts)

Ch01
21. What risks are associated with globalization? (5 pts)

Ch02
22. What are meant by order winners and order qualifiers? Why are they important to a firm? (5 pts)
23. What is Kaizen and what role do employees play in Kaizen? (5 pts)

24. List at least four design for manufacture guidelines that promote good design practice. (5 pts)

25. List some noneconomic factors that can influence a firm’s make-or-buy decision. (5 pts)