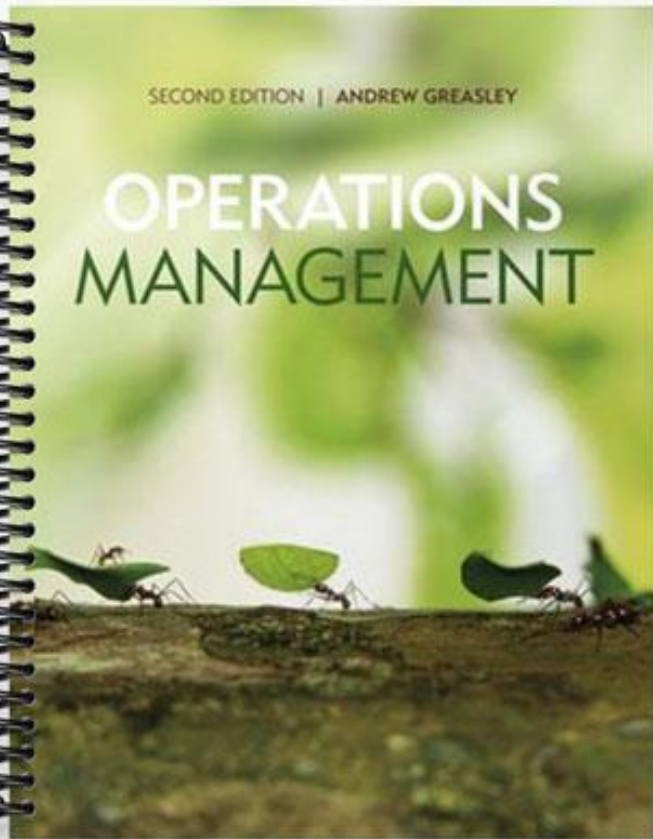


TEST BANK

SECOND EDITION | ANDREW GREASLEY

**OPERATIONS
MANAGEMENT**



Chapter 2 Operations Strategy

Questions

- 1) A focused factory can be implemented by:
- a) building large enough factories to produce all products and services the company offers.
 - b) hiring more specialists and supervisors to control the operations.
 - c) reorganizing existing facilities to a plant-within-plant approach.
 - d) remodeling stores to create the effect of many small boutiques under one roof.
 - e) introducing TQM practices.

Answer: c)

- 2) Which one of the following statements on the concept of the focused factory is TRUE?
- a) Focused factories maximize the amount of customization.
 - b) Small sizes of many focused factories make it difficult to compete on the basis of shorter lead times.
 - c) Plants within plants are different operations within a facility that can have individualized competitive priorities and processes.
 - d) Focused factories are large factories producing all the products that the company offers.
 - e) Focused factories provide complex working methods.

Answer: c)

- 3) A resource-based view of operations can be described as:
- a) product or service attributes that represent the needs of a particular market segment.
 - b) another name for competitive priorities.
 - c) various flow strategies.
 - d) An assessment of the unique resources and processes of operations.
 - e) A marketing strategy

Answer: d)

- 4) Which of the following would not be considered in a resource-based strategy?
- a) Workforce
 - b) Competitive priorities
 - c) Facilities
 - d) Market and financial know-how
 - e) Design skills

Answer: b)

- 5) An restaurant, in serving an expensive seven-course dinner is giving particular emphasis to which performance objective?
- a) Price
 - b) Reliability
 - c) Delivery speed
 - d) Quality
 - e) None of the above

Answer: d)

- 6) Quickly filling a customer's order is evidence of:
- a) delivery speed.
 - b) lead time.
 - c) development speed.
 - d) variety.
 - e) low cost

Answer: a)

- 7) A low-cost performance objective may be achieved by:
- a) high worker productivity.
 - b) high equipment utilization.
 - c) low inventory levels.
 - d) low rents
 - e) All of the above.

Answer: e)

- 8) Which of the following statements about organisational missions is **false**?
- a) They reflect a company's purpose.
 - b) They indicate what a company intends to contribute to society.
 - c) They are formulated after strategies are known.
 - d) They define a company's reason for existence.
 - e) They provide guidance for functional area missions.

Answer: c)

- 9) Which of the following is **not** a key way in which business organisations compete with one another?
- a) cost
 - b) quality
 - c) product duplication
 - d) flexibility
 - e) speed

Answer: c)

- 10) Which of the following statements best characterizes delivery **reliability**?
- a) deliver on the same day of the week
 - b) deliver at the promised time
 - c) deliver more frequently than its competitors
 - d) deliver faster than its competitors
 - e) a company that has a computerised delivery scheduling system

Answer: b)

11) Standardisation can be an appropriate strategy in which stage of the product life cycle?

- a) Introduction
- b) growth
- c) maturity
- d) decline
- e) retirement

Answer: c)

12) Cost minimisation can be an appropriate strategy in which stage of the product life cycle?

- a) introduction
- b) growth
- c) maturity
- d) decline
- e) retirement

Answer: d)

13) Which of the following statements is **true** about operations strategy?

- a) It should support the corporate strategy.
- b) It should help achieve the operation's mission.
- c) It should be integrated with the other functional areas' strategies.
- d) It should promote competitive advantage.
- e) All of the above are true.

Answer: e)

14) One of the most important questions to ask when implementing a operations strategy is

- a) What will this strategy cost?
- b) Will the strategy improve firm responsiveness?
- c) Which elements of this strategy affect the quality of the product?
- d) What activities must be done particularly well for this strategy to succeed?
- e) Which elements of this strategy enhance flexibility?

Answer: d)

15) When developing the operations strategy one of the most important considerations is that it:

- a) requires minimal capital investment
- b) utilises as much automation as possible
- c) utilises an equal balance of labour and automation
- d) supports the overall competitive strategy of the company
- e) none of the above

Answer: d)

16) Based on experience, knowledge, and know-how: Hard-to-copy strategies, core competencies represent:

- a) Sustainable competitive advantages
- b) Unique selling propositions
- c) Non-compete clauses
- d) Performance objectives
- e) None of the above

Answer: a)

17) A firm who is adept at recognizing global windows of opportunity, acting on those very quickly, with tight linkages can be said to be competing on:

- a) Cost
- b) Flexibility
- c) Quality
- d) Speed
- e) dependability

Answer: d)

18) Which of the following is *not* considered one of the four broad categories of *competitive priorities*?

- a) technology
- b) cost
- c) quality
- d) flexibility
- e) time

Answer: a)

19) Which of the following *competitive priorities* typically requires the use of more general-purpose equipment?

- a) technology
- b) cost
- c) quality
- d) flexibility
- e) time

Answer: d)

20) Highly-skilled hourly workers would be *most* needed by companies employing which of the following *competitive priorities*?

- a) location
- b) cost
- c) flexibility
- d) development speed
- e) time

Answer: c)

21) Decisions regarding which of the following are *not* part of the production process *infrastructure*?

- a) organization of workers
- b) facilities
- c) worker pay

- d) quality control measures
- e) management policies

Answer: b)

22) Decisions regarding which of the following are *not* part of the production process *structure*?

- a) management policies
- b) facilities
- c) robots
- d) flow of goods and services through the facility
- e) flexible manufacturing system (FMS) machines

Answer: a)

True/False Questions

23) An *operations strategy* covers a relatively short time horizon, whereas a *business strategy* covers a relatively long time horizon.

- a) True
- b) False

Answer: b)

24) Companies that compete based on *cost* generally also allow a lot of product customization.

- a) True
- b) False

Answer: b)

25) Firms that focus on *quality* as their primary competitive priority usually implement either *product design quality* or *process quality*, but not both.

- a) True
- b) False

Answer: b)

26) Companies that compete based on *flexibility* often cannot compete based on *cost*.

- a) True
- b) False

Answer: a)

27) Facilities decisions are part of the production process *infrastructure*.

- a) True
- b) False

Answer: b)

28) Decisions regarding flow of goods and services through the facility are part of the production process *structure*.

- a) True
- b) False

Answer: a)

29) Worker pay decisions are part of the production process *structure*.

- a) True
- b) False

Answer: b)

30) Quality control approaches are part of the production process *infrastructure*.

- a) True
- b) False

Answer: a)