Introduction to Operations and Supply Chain Management 6th edition Handfield Test Bank

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Introduction to Operations and Supply Chain Management, 6e **(Bozarth)**
Chapter 1 Introduction to Operations and Supply Chain Management

1.1 Why Study Operations and Supply Chain Management?

1) The collection of people, technology, and systems within an organization that has primary responsibility for providing the organization's products or services is called:
A) the supply chain.
B) the operations function.
C) the factory set.
D) relationship management.
Answer: B
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: operations function
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

2) Which of these is NOT a component of the operations function in an organization?
A) people
B) technology
C) systems
D) promotion
Answer: D
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: operations function, people
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

3) _____ is an example of an output of the transformation process.
A) Material
B) Information
C) Satisfied customers
D) Intangible needs
Answer: C
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: output, transformation, process, customer
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4) Typical inputs to the transformation process include:
A) unfulfilled needs.
B) satisfied customers.
C) intangible needs.
D) fulfilled needs.
Answer: C
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: intangible needs, inputs, transformation process
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

5) Which of the following statements about the operations function is NOT correct?
A) Inputs to operations can take many different forms.
B) Nearly all operational activities require coordination with other business functions.
C) The outputs of an operations function are always tangible.
D) Operations management activities are information and decision intensive.
Answer: C
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: operations function, tangible outputs
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

6) Which of the following is NOT a flow typically found in a supply chain?
A) physical
B) information
C) monetary
D) risk
Answer: D
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain, flow
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7) Which of these statements about flows in a supply chain is best?
A) Information and monetary flows move upstream and downstream, but physical flows move downstream only.
B) Information flows move upstream and downstream, monetary flows move upstream only, and physical flows move downstream only.
C) Information and monetary flows move upstream only and physical flows move downstream only.
D) Information, physical and monetary flows move both upstream and downstream.
Answer: D
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: information flows, physical flows, monetary flows
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

8) In a supply chain where Alcoa extracts aluminum and sells to Ball Corporation, which then manufactures cans for Anheuser-Busch, which statement correctly identifies first-tier and second-tier supplier relationships?
A) Ball Corporation is a first-tier supplier to Anheuser-Busch; Alcoa is a first-tier supplier to Ball Corporation.
B) Alcoa is a first-tier supplier to Anheuser-Busch.
C) Ball Corporation and Alcoa are both first-tier suppliers to Anheuser-Busch.
D) Anheuser-Busch is a first-tier supplier to both Ball Corporation and Alcoa.
Answer: A
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: downstream, upstream, tier, supplier, customer, first-tier, second-tier
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

9) In the *Sweet Action!* supply chain, the flowers produce the nectar, which is collected by the bees. The busy bees take this nectar and produce honey, which is collected by the beekeeper, who puts it in quart jars and supplies it to the baker. The baker produces a lovely array of confections, which are purchased by the local restaurant. The restaurant sells these confections to their loyal diners, who gleefully consume them and nag the chef for his recipe. Which of these statements about this supply chain is best?
A) The busy bees are a first-tier supplier of the local restaurant.
B) The beekeeper is a first-tier supplier of the local restaurant.
C) The baker is a first-tier supplier of the local restaurant.
D) The baker is a first-tier supplier of the loyal diners.
Answer: C
Diff: 3
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: downstream, first-tier, supplier, customer
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10) In the *Sweet Action!* supply chain, the flowers produce the nectar, which is collected by the bees. The busy bees take this nectar and produce honey, which is collected by the beekeeper, who puts it in quart jars and supplies it to the baker. The baker produces a lovely array of confections, which are purchased by the local restaurant. The restaurant sells these confections to their loyal diners, who gleefully consume them and nag the chef for his recipe. Which of these statements about this supply chain is best?
A) The busy bees are a second-tier supplier of the local restaurant.
B) The beekeeper is a second-tier supplier of the local restaurant.
C) The baker is a second-tier supplier of the local restaurant.
D) The local restaurant is a second-tier supplier of the loyal diners.
Answer: B
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: downstream, second-tier, supplier, customer
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

11) In the *Sweet Action!* supply chain, the flowers produce the nectar, which is collected by the bees. The busy bees take this nectar and produce honey, which is collected by the beekeeper, who puts it in quart jars and supplies it to the baker. The baker produces a lovely array of confections, which are purchased by the local restaurant. The restaurant sells these confections to their loyal diners, who gleefully consume them and nag the chef for his recipe. Which of these statements about this supply chain is best?
A) The busy bees are within the span of the SCOR model of the local restaurant.
B) The beekeeper is within the span of the SCOR model of the local restaurant.
C) The loyal patrons are within the span of the SCOR model of the beekeeper.
D) The loyal patrons are within the span of the SCOR model of the busy bees.
Answer: B
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: SCOR model, supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

12) Which of the following lists is in the correct supply chain order?
A) first-tier supplier — manufacturer — distributor
B) retailer — manufacturer — distributor
C) first-tier supplier — second-tier supplier — third-tier supplier
D) consumer — retailer — distributor
Answer: A
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: downstream, tier, supplier, distributor, customer
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13) Which of the five elements of the SCOR model would Panera Bread's supply chain team be performing when they operate 24 fresh dough manufacturing facilities producing bread and bagels that are delivered to bakery-cafés daily?
A) Plan
B) Source
C) Make
D) Deliver
Answer: C
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: SCOR model, make, production, process
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

14) In the SCOR model, which process involves returning defective products or excess materials back through the supply chain for recycling or remanufacturing?
A) Plan
B) Source
C) Make
D) Return
Answer: D
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: SCOR model, return process
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

15) Every organization has an operations function.
Answer: TRUE
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: organization, operations function
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

16) Information and materials are two examples of inputs to the transformation process.
Answer: TRUE
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: information, materials, input, transformation process
AACSB: Application of Knowledge
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17) In general, operations management activities are information and decision intensive.
Answer: TRUE
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: information, decisions, operations management
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

18) Most organizations function as part of a larger supply chain.
Answer: TRUE
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: organization, supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

19) The supply chain is a network of manufacturers and service providers that work together to create products or services needed by end users.
Answer: TRUE
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: organization, supply chain, network
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

20) To participate in a supply chain, a firm must actually handle the physical goods at some point.
Answer: FALSE
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain, operations function
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

21) Of the three flows linking organizations in a supply chain, information and monetary flows always move upstream and physical flows always move downstream.
Answer: FALSE
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: information flows, monetary, physical flows, supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

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22) A second-tier supplier is downstream from a first-tier supplier in a supply chain.
Answer: FALSE
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: downstream, supply chain, second tier
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

23) Most of the participants in a supply chain are both suppliers and customers.
Answer: TRUE
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain, supplier, customer
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

24) A supply chain is composed of two or more operational functions.
Answer: TRUE
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain, operations function
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

25) The collection of people, technology, and systems within an organization that has primary responsibility for providing the organization's products or services is the _____.
Answer: operations function
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: operations function, product, service
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

26) Operations can be considered a transformation process that takes things like labor, and capital, called _____, and transforms them into goods or services, called _____.
Answer: inputs; outputs
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: operations function, transformation, inputs, outputs
AACSB: Application of Knowledge
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27) Most organizations function as part of larger _____ that are linked through physical, monetary, and information flows.
Answer: supply chains
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

28) An activity or firm that is positioned earlier in the supply chain relative to another activity or firm is said to be _____.
Answer: upstream
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: upstream, supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

29) Printing and binding a book takes place _____ from the conversion of wood to paper pulp in a publishing supply chain.
Answer: downstream
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: downstream, supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

30) The _____ model is used to define the processes, metrics and relationships in supply chain management.
Answer: SCOR
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: SCOR model, supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

31) A(n) _____-tier supplier for Acme sells directly to them.
Answer: first
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: first-tier, supply chain, supplier
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32) A second-tier supplier is located _____ from a first-tier supplier.
Answer: upstream
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: upstream, supply chain, supplier
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

33) A(n) _____ is a network of manufacturers and service providers that collaborate to create a product or service.
Answer: supply chain
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain, operations function
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

34) Describe the operations function's transformation process and provide an example for each element.
Answer: The transformation process view of operations management holds that inputs are transformed into outputs. Examples of inputs are raw materials, labor, capital, equipment, information, and intangible needs. The transformation process is the conversion of these inputs using either manufacturing or service operations (and sometimes both). Manufacturing operations might be painting, welding, machining, or assembling. Outputs of the transformation process are tangible goods, services, fulfilled needs, and satisfied customers. Specific examples may vary depending on the company chosen.
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: transformation process, operations function, input, output
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

35) Distinguish between upstream and downstream firms in a supply chain and provide an example.
Answer: Upstream and downstream are relative terms that describe the position of a supply chain member from one point of reference. A supply chain member that is upstream from a firm is sending their output to the firm for use as an input. A supply chain member that is downstream from a firm is taking the firm's output and using it as an input to their own processes. It is possible for a single member of a supply chain to be both upstream and downstream from one or more members of their supply chain. Examples may vary.
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: upstream, downstream, supply chain, input, output
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36) Distinguish between first-tier and second-tier suppliers in a supply chain and provide an example.
Answer: First-tier, second-tier, and any subsequent steps are measured relative to their position from a common point in the supply chain. All companies at a level (call it A) receive inputs from their first-tier suppliers (level B). These first-tier suppliers (at level B) in turn receive their inputs from their own first-tier suppliers (level C). These companies (level C) are considered second-tier suppliers of the companies at level A. Both tiers are upstream from level A, but level B is downstream from level C. Examples will vary.
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: first-tier, second-tier, upstream, downstream, supply chain, input, output
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

37) Supply chains have been in existence for over a century. What is different about supply chains in the 21st century from those in existence 100 years ago?
Answer: The active management of supply chain activities is the big difference between supply chains in existence today and those of decades ago. Active management includes relationship management and an examination of the supply chain as a whole to optimize it from a global perspective. In the past, the production managers of each company in the supply chain were more concerned with the operation and financial well-being of their own companies, often to the detriment of other members of the supply chain.
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

38) Offer definitions of the operations function and the supply chain. What is the relationship between operations and supply chain?
Answer: The operations function is the collection of people, technology, and systems within an organization that has primary responsibility for providing the organization's products or services. The supply chain is a network of manufacturers and service providers that work together to create products or services needed by end users. These manufacturers and service providers are linked together through physical flows, information flows, and monetary flows. The supply chain has multiple actors, each of which has their own operations function — the output of one operations function is the input to the downstream partner's operations function, and so on across the breadth of the supply chain.
Diff: 2
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: supply chain, operations function
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

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39) What are three reasons that the study of operations and supply chain management is important?
Answer: One reason that the study of operations management is important is that every organization must make a product or provide a service that someone values. Without this, there is no reason for the existence of the organization. The study of supply chain management is important because most organizations function as part of a larger supply chain. Finally, organizations must carefully manage their operations and supply chains in order to prosper. The better the supply chain and operations functions are coordinated, the greater chance for success of all members.
Diff: 1
Reference: 1.1 Why Study Operations and Supply Chain Management?
Keywords: organization, operations, supply chain
AACSB: Application of Knowledge
LO: 1.1: Describe why it's important to study operations and supply chains.

1.2 Important Trends

1) An electronic commerce system:
A) is used to transmit information upstream only.
B) uses computers and telecommunications technologies to conduct business electronically.
C) is used to transmit information downstream only.
D) links everyone in the supply chain except customers.
Answer: B
Diff: 2
Reference: 1.2 Important Trends
Keywords: e-commerce, business, communications, electronic commerce
AACSB: Information Technology
LO: 1.2: Describe three enduring trends in operations and supply chain management.

2) Efforts to improve cooperation among firms in the supply chain can be characterized as:
A) globalization.
B) domestic focus.
C) relationship management.
D) electronic commerce.
Answer: C
Diff: 2
Reference: 1.2 Important Trends
Keywords: relationship management, supply chain
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

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3) Among all supply chain functions, _____ is the most susceptible to breakdown.
A) production
B) logistics
C) supplier selection
D) relationship management
Answer: D
Diff: 2
Reference: 1.2 Important Trends
Keywords: relationship management, supply chain
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

4) A furniture manufacturing company receives a rush order from a major retailer and must increase production by 40% within two weeks. Which one of the three enduring trends in operations and supply chain management does this scenario best illustrate?
A) relationship management
B) agility
C) electronic commerce
D) supplier selection
Answer: B
Diff: 3
Reference: 1.2 Important Trends
Keywords: agility, production, demand
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

5) A smartphone manufacturer learns that its primary aluminum supplier in Southeast Asia has been disrupted by a natural disaster. The manufacturer quickly identifies alternative suppliers in India and Mexico, reroutes shipments, and adjusts production schedules to minimize customer impact. This capability is best described as:
A) electronic commerce.
B) relationship management.
C) supply chain agility.
D) process selection.
Answer: C
Diff: 3
Reference: 1.2 Important Trends
Keywords: agility, supply chain disruption, supplier
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

6) The greatest impact on business in the last quarter century has been made by information technology.
Answer: TRUE
Diff: 1
Reference: 1.2 Important Trends
Keywords: information technology
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

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7) Currently, there is a shortage of talented operations and supply chain professionals.
Answer: TRUE
Diff: 1
Reference: 1.2 Important Trends
Keywords: people
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

8) Electronic commerce refers to the use of information technology solutions to automate business transactions.
Answer: TRUE
Diff: 1
Reference: 1.2 Important Trends
Keywords: electronic commerce, e-commerce, information, technology
AACSB: Information Technology
LO: 1.2: Describe three enduring trends in operations and supply chain management.

9) The drive for efficiency has decreased the level of globalization in the world economy.
Answer: FALSE
Diff: 2
Reference: 1.2 Important Trends
Keywords: globalization
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

10) E-commerce is the component of a supply chain that is the most susceptible to breakdown.
Answer: FALSE
Diff: 2
Reference: 1.2 Important Trends
Keywords: e-commerce, electronic commerce, supply chain, relationship management
AACSB: Information Technology
LO: 1.2: Describe three enduring trends in operations and supply chain management.

11) To avoid supply chain problems, firms must manage relationships with their *downstream* suppliers as well as their *upstream* customers.
Answer: FALSE
Diff: 2
Reference: 1.2 Important Trends
Keywords: customer, relationship management, downstream, upstream
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

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12) _____ is the ability to recalculate plans in the face of market, demand, and supply volatility and deliver the same or comparable cost, quality and customer service.
Answer: Agility
Diff: 2
Reference: 1.2 Important Trends
Keywords: agility
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

13) _____ is the use of information technology solutions to conduct business via electronic transfer of data and documents.
Answer: Electronic commerce
Diff: 1
Reference: 1.2 Important Trends
Keywords: electronic commerce, e-commerce
AACSB: Information Technology
LO: 1.2: Describe three enduring trends in operations and supply chain management.

14) _____ is the term that describes efforts to improve operations by increasing supply chain members' willingness to cooperate.
Answer: Relationship management
Diff: 2
Reference: 1.2 Important Trends
Keywords: relationship, relationship management, supply chain
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

15) What is the meaning of *agility* to the operations and supply chain function?
Answer: Agility is an organization's ability to quickly adjust its operations, production processes, and inventory management to respond to changes in demand, supply, and the market overall.
Diff: 1
Reference: 1.2 Important Trends
Keywords: agility
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

16) What are some examples of agility for the operations and supply chain function?
Answer: Examples will vary. Some say that quickly adjusting production levels is one example of agility. Agility can also include the ability to quickly respond to interruptions in the supply chain, reconfigure the supply chain to include new partners, or even the ability to launch new products and services based on changing market conditions, all while simultaneously minimizing negative impacts on operational and financial performance.
Diff: 2
Reference: 1.2 Important Trends
Keywords: agility
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

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17) Briefly discuss the three important trends in business that have focused attention on operations and supply chain management.
Answer: The three trends are agility, information technologies, and people. Agility is the ability to recalculate plans in the face of market, demand, and supply volatility and deliver the same or comparable cost, quality, and customer service. Electronic commerce is the use of information technology, e.g., computer and telecommunications technologies, to conduct business via electronic transfer of data and documents. People refers specifically to the shortage of talented operations and supply chain professionals and the importance of relationship management.
Diff: 2
Reference: 1.2 Important Trends
Keywords: e-commerce, agility
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

18) What is the most impactful trend in supply chain management over the last quarter century? Justify your choice.
Answer: The authors name electronic commerce as the greatest influence on business. Electronic commerce is the use of information technology solutions to automate business transactions. E-commerce promises to improve the speed, quality, and cost of business communications and can be used to coordinate a supply chain. Entire industries and countless businesses have developed thanks to the Internet and e-commerce. In the entertainment industry alone, Netflix has moved from a distributor of DVDs to a streaming service, and the music industry has undergone a sea change in how new music is marketed and distributed. Answers may vary.
Diff: 2
Reference: 1.2 Important Trends
Keywords: e-commerce, supply chain
AACSB: Reflective Thinking
LO: 1.2: Describe three enduring trends in operations and supply chain management.

19) Of all the activities of supply chain management, which poses the greatest challenge and why? Cite examples in popular media.
Answer: The authors indicate that relationship management is the most difficult and therefore the most susceptible to breakdown. Poor relationships with any link in the supply chain can have disastrous consequences for all other supply chain members. An unreliable supplier can starve a plant, leading to inflated lead times and resulting in problems across the chain, all the way to the final customer. If organizations do not manage relationships with both upstream supply chain members as well as with their customers, they run this risk. If supply chain partners are separated geographically or culturally, or both, it is easy to have misunderstandings. In some cases, many components can be purchased only through foreign suppliers with proprietary knowledge. Examples will vary as time passes.
Diff: 2
Reference: 1.2 Important Trends
Keywords: relationship management, supply chain
AACSB: Application of Knowledge
LO: 1.2: Describe three enduring trends in operations and supply chain management.

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1.3 Operations and Supply Chain Management and You

1) Which of these operations and supply chain activities deals only with suppliers as interorganizational participants?
A) process selection
B) forecasting
C) inventory management
D) purchasing
Answer: D
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: supply management, purchasing, interorganizational participants
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

2) Which of these operations and supply chain activities deals only with customers as interorganizational participants?
A) process selection
B) logistics
C) inventory management
D) purchasing
Answer: A
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: supply management, process selection, interorganizational participants
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

3) Which of these operations and supply chain activities involves the greatest number of interfunctional participants?
A) process selection
B) forecasting
C) inventory management
D) purchasing
Answer: A
Diff: 3
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: supply management, process selection, interorganizational participants
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

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4) The organization that provides national and institutional leadership in purchasing and materials management is:
A) APICS.
B) ISM.
C) CLM.
D) ASQ.
Answer: B
Diff: 3
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: supply management, purchasing, ISM, Institute for Supply Management
AACSB: Application of Knowledge
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5) Which job title would be given to someone responsible for planning and controlling production in a manufacturing setting?
A) supply chain manager
B) production manager
C) supplier development manager
D) purchasing manager
Answer: B
Diff: 1
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: operations, production, manufacturing, manager
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6) Which job title would be given to someone responsible for managing the physical movement of goods throughout the supply chain?
A) supply chain manager
B) production manager
C) supplier development manager
D) international logistics manager
Answer: D
Diff: 1
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: logistics, manager
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7) What are the primary duties of a transportation manager?
A) creating timely, cost effective import/export supply chains
B) managing private, third party and contract carriage systems to ensure timely delivery and cost-effective transportation
C) using analytical and quantitative methods to understand, predict and improve processes
D) identifying global sources of materials, selecting suppliers and managing ongoing relationships
Answer: B
Diff: 1
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: logistics, transportation manager r
AACSB: Application of Knowledge
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8) Which department is least likely to interact with the purchasing function?
A) Engineering
B) Finance
C) Human resources
D) Operations
Answer: C
Diff: 3
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: marketing, purchasing, finance, engineering
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9) Compare the roles of a supply chain manager and a production manager in a manufacturing company. Which best describes their relationship?
A) They perform identical functions within different organizations.
B) The production manager focuses on internal operations while the supply chain manager coordinates with external partners.
C) The supply chain manager manages production scheduling.
D) They work exclusively on purchasing decisions.
Answer: B
Diff: 3
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: supply chain manager, production manager, operations, suppliers, customers
AACSB: Application of Knowledge
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10) Transportation and warehousing are examples of logistics activities.
Answer: TRUE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: logistics, transportation, warehousing
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

11) The professional society for persons interested in operations and supply chain management is called ASCM.
Answer: TRUE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: APICS, professional organization
AACSB: Application of Knowledge
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12) The Institute for Systems Management, ISM, is the branch of ASCM dedicated to ecommerce and enterprise systems.
Answer: FALSE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: ISM, institute for supply management
AACSB: Application of Knowledge
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13) Customers are key interfunctional participants in the operations and supply chain activity of capacity planning.
Answer: FALSE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: capacity planning, interfunctional participants
AACSB: Application of Knowledge
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14) Suppliers are key interorganizational participants in the operations and supply chain logistics activity.
Answer: TRUE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: logistics, interorganizational participants
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15) The purchasing activity identifies and qualifies suppliers of goods and services and manages the ongoing buyer-supplier relationships.
Answer: TRUE
Diff: 1
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: purchasing
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16) Forecasting counts suppliers and customers among its key interorganizational participants.
Answer: TRUE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: forecasting
AACSB: Application of Knowledge
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17) Scheduling and managing the flow of work through an organization and supply chain belongs to the logistics function of a supply chain.
Answer: FALSE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: logistics, planning and control
AACSB: Application of Knowledge
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18) There is no need for an organizational interface between the finance function and the operations and supply chain management function.
Answer: FALSE
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: interface, finance, operations
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19) A(n) _____ acquires knowledge in a specific market in which the organization purchases significant quantities of materials and services.
Answer: category manager
Diff: 3
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: commodity manager, commodity
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20) A(n) _____ plans and controls production in a manufacturing setting.
Answer: production manager
Diff: 1
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: production manager, production
AACSB: Application of Knowledge
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21) This organization, _____, is a leader in education and all aspects of quality improvement.
Answer: ASQ or American Society for Quality
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: quality, ASQ, professional organizations and American Society for Quality
AACSB: Application of Knowledge
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22) _____ is an operations activity with the purpose of designing and implementing the transformation processes that best meet the needs of the customer and firm.
Answer: Process selection
Diff: 3
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: process selection
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

23) The _____ function of an organization manages the movement of physical goods throughout the supply chain.
Answer: logistics
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: logistics, supply chain
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

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24) Describe the involvement of the engineering, IT and human resources functions as the operations and supply chain team are engaged in process selection.
Answer: The engineering and IT functions help identify the technologies needed. Human resources will help identify the people skills and training programs necessary to make the systems work.
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: process selection, human resources, engineering, IT
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

25) Choose any two non-operations business functions. Provide examples of an operations or supply chain activity that interfaces directly with each business function you have chosen.
Answer: The marketing function interfaces with operations and supply chain management during process selection, forecasting, capacity planning, planning and control, purchasing, and logistics. The finance function works closely with operations and supply chain management in process selection, forecasting, capacity planning, inventory management, and purchasing. The human resource function works directly with operations and supply chain management when making process selection, capacity planning decisions. The accounting function works with operations and supply chain management when capacity planning and forecasting is being performed.
The IT function is involved with operations and supply chain management while process selection, inventory management, and planning and control are taking place. Examples will vary.
Diff: 3
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: interfunctional participants, supply chain
AACSB: Application of Knowledge
LO: 1.3: Identify some of the major operations and supply chain activities, as well as career opportunities in these areas.

26) Which of the major operations and supply chain activities do not deal directly with customers? Explain why this is so.
Answer: The sole operations and supply chain activity that does not work directly with a customer is the purchasing function. Purchasing reaches upstream, i.e., in the opposite direction from the customer.
Diff: 2
Reference: 1.3 Operations and Supply Chain Management and You
Keywords: purchasing
AACSB: Application of Knowledge
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1.4 Employability Skills

1) Which of the following is an example of applying critical thinking in operations and supply chain management?
A) memorizing a list of all suppliers for an organization
B) using ERP software to record daily inventory levels without analyzing trends
C) evaluating different inventory management models to solve a sudden material shortage
D) copying another company's process without modification
Answer: C
Diff: 2
Reference: 1.4 Employability Skills
Keywords: critical thinking, inventory management, problem-solving
AACSB: Application of Knowledge
LO: 1.4: Understand the skills needed to succeed in business.

2) Two operations managers from different departments must plan how to share the limited warehouse space. Which employability skill are they primarily using?
A) knowledge of SCOR model
B) critical thinking
C) collaboration
D) forecasting
Answer: C
Diff: 1
Reference: 1.4 Employability Skills
Keywords: collaboration, teamwork, warehouse, planning
AACSB: Application of Knowledge
LO: 1.4: Understand the skills needed to succeed in business.

3) Which employability skill is being primarily demonstrated when an operations analyst learns a new inventory tracking software and applies it to improve order fulfillment accuracy?
A) critical thinking
B) knowledge application and analysis
C) collaboration
D) relationship management
Answer: B
Diff: 2
Reference: 1.4 Employability Skills
Keywords: IT skills, software, knowledge application, operations analyst
AACSB: Application of Knowledge
LO: 1.4: Understand the skills needed to succeed in business.

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4) An internship in a supply chain role requires students to create a report using Microsoft Excel to analyze supplier lead times. Which employability skill does this most directly assess?
A) relationship management
B) collaboration
C) information technology application and computing skills
D) forecasting
Answer: C
Diff: 1
Reference: 1.4 Employability Skills
Keywords: information technology, computing, Excel, data analysis, internship
AACSB: Application of Knowledge
LO: 1.4: Understand the skills needed to succeed in business.

1.5 Purpose and Organization of This Book

1) There are no items in this section.

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Instructor's Resource Manual (Download only) for Introduction to Operations and Supply Chain Management, 6e

Introduction to Operations and Supply Chain Management

Sixth Edition

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