

***Operations and Supply Chain Management 2nd
edition Collier Test Bank***

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TRUE/FALSE

1 : In the context of the value chain model, when "information replaces assets," the costs increase.

A : true

B : false

Correct Answer : B

2 : In the context of the analytics in operations management, it costs three to five times more to keep an existing customer than acquire a new customer.

A : true

B : false

Correct Answer : B

3 : Actionable performance measures should be meaningful to a company's management and should provide the basis for decisions at the strategic level in an organization.

A : true

B : false

Correct Answer : B

4 : With interlinking models, managers can objectively make internal decisions that impact external outcomes.

A : true

B : false

Correct Answer : A

5 : In the context of the value chain model, fewer resources are needed to achieve performance goals when "information replaces assets."

A : true

B : false

Correct Answer : A

6 : Quality measures the degree to which the output of a process conforms to the management's expectations and requirements.

A : true

B : false

Correct Answer : B

7 : Performance measures should support customer requirements.

A : true

B : false

Correct Answer : A

8 : Actionable measures are not bound by time.

A : true

B : false

Correct Answer : B

MULTIPLE CHOICE

9 : Dextron, a privately owned computer technology company, provides a wide range of customized laptops to suit the needs of students, corporate professionals, and small business owners. In this case, Dextron's ability to provide a wide range of customized laptops to suit its customers' needs best describes _____.

- A : volume flexibility
- B : design flexibility
- C : budget variance
- D : manufacturing yield

Correct Answer : B

10 : _____ is the ability to provide goods and services to customers with minimum waste and maximum utilization of resources.

- A : Operational efficiency
- B : Volume flexibility
- C : Reliability
- D : Sustainability

Correct Answer : A

11 : Key measures of innovation and learning include _____.

- A : supply-chain performance
- B : processing time
- C : percentage of new products developed
- D : the variance around the average time

Correct Answer : C

12 : _____ is the act of quantifying the performance of organizational units, goods and services, processes, people, and other business activities.

- A : Measurement
- B : Forecasting
- C : Fulfillment
- D : Litigating

Correct Answer : A

13 : _____ is the act of quantifying the performance of organizational units, goods and services, processes, people, and other business activities.

- A : 1 pair/USD
- B : 1.39 pairs/USD
- C : 2 pairs/USD
- D : 2.46 pairs/USD

Correct Answer : B

14 : In the context of the types of performance measures, which of the following is a measure of innovation and learning?

- A : Patent applications
- B : Employee retention
- C : Product recalls
- D : Labor productivity

Correct Answer : A

15 : In the context of the triple bottom line _____ sustainability measures include corporate ethics and governance.

- A : environmental
- B : social
- C : economic
- D : political

Correct Answer : B

16 : Which of the following is a quality performance measure at an operational level?

- A : Customer ratings of goods and services
- B : Customer retention
- C : Service representative courtesy
- D : Product recalls

Correct Answer : C

17 : In the context of the triple bottom line (TBL), which of the following measures includes the number of ethical violations?

- A : Responsiveness
- B : Service quality
- C : Social sustainability
- D : Customer retention rate

Correct Answer : C

18 : In the context of the scope of business and operations performance measurement, which of the following measures is an example of an innovation and learning performance measure?

- A : Employee satisfaction
- B : Flow processing or cycle time
- C : Manufacturing yield
- D : Product-related litigation

Correct Answer : A

19 : _____ measures the degree to which the output of a process meets customer requirements.

- A : Learning
- B : Innovation
- C : Variability
- D : Quality

Correct Answer : D

20 : _____ measures include environmental measures such as energy consumption and recycling and other resource conservation activities.

- A : Operation efficiency
- B : Innovation and learning
- C : Sustainability
- D : Financial

Correct Answer : C

21 : According to research, which of the following is a key dimension that customers use to assess service quality?

- A : Operational efficiency
- B : Flexibility
- C : Empathy
- D : Queue time

Correct Answer : C

22 : According to research, which of the following is a key dimension that customers use to assess service quality?

- A : Germany is lower than that of the factory in Spain.
- B : Spain is higher than that of the factory in France.
- C : France is higher than that of the factory in Spain.
- D : France is lower than that of the factory in Germany.

Correct Answer : C

23 : Which of the following performance perspectives in the balanced scorecard model includes measures such as productivity, flow time, and asset utilization?

- A : The financial perspective
- B : The customer perspective
- C : The innovation and learning perspective
- D : The internal perspective

Correct Answer : D

24 : Measures of _____ focus on an organization's people and infrastructure.

- A : goods and service design flexibility
- B : customer and market
- C : service quality
- D : innovation and learning

Correct Answer : D

25 : Which of the following performance perspectives in the balanced scorecard model measures the ultimate value that a business provides to its shareholders?

- A : The financial perspective
- B : The internal perspective
- C : The learning perspective
- D : The customer perspective

Correct Answer : A

26 : The innovation and learning perspective in the balanced scorecard model includes measures such as:

- A : return on investment, economic value added, and shareholder value.
- B : number of cooperative customer–company design initiatives and percent of sale from new services.
- C : training hours per employee, hiring process effectiveness, and revenue per employee.
- D : service-quality levels, design and demand flexibility, and asset utilization.

Correct Answer : C

27 : _____ is the ratio of the output of a process to the input.

- A : Productivity
- B : Flexibility
- C : Variability
- D : Reliability

Correct Answer : A

28 : _____ is the willingness to help customers and provide prompt recovery to service upsets.

- A : Responsiveness
- B : Empathy
- C : Assurance
- D : Reliability

Correct Answer : A

29 : The _____ is based on a set of cause-and-effect linkages between internal and external performance, and in this fashion, defines the key performance measurements on which service-based firms should focus.

- A : Service-Profit Chain model
- B : value chain model
- C : balanced scorecard
- D : Malcolm Baldrige Performance Excellence program

Correct Answer : A

30 : The time required to ramp up to an increased production output level in response to a surge in the sales of a product is a measure of _____.

- A : budget variance
- B : volume flexibility
- C : product recalls
- D : service upset

Correct Answer : B

31 : Airline revenue per passenger mile and hotel revenue per full-time employee are examples of _____ measures.

- A : reliability
- B : flexibility
- C : sustainability
- D : productivity

Correct Answer : D

32 : Which of the following is a financial performance measure at an organizational level?

- A : Cost of quality
- B : Revenue and profit
- C : Budget variance
- D : Labor and material costs

Correct Answer : B

33 : In the context of the triple bottom line (TBL), which of the following is a performance measure of economic sustainability?

- A : Fines for environmental violations
- B : Corporate ethics and governance
- C : Revenue from new goods and services
- D : Measures of perceived value

Correct Answer : A

34 : In an assembly line of a factory that makes gears, it takes fifteen minutes to complete a drilling operation using a lathe. The duration of this operation is called _____ time.

- A : delay
- B : queue
- C : processing
- D : standard

Correct Answer : C

35 : The quantitative modeling of cause-and-effect relationships between external and internal performance criteria is called _____.

- A : productivity
- B : operational efficiency
- C : interlinking
- D : sustainability

Correct Answer : C

36 : Which of the following performance perspectives in the balanced scorecard model includes the percent of sale from new goods and services?

- A : The financial perspective
- B : The innovation perspective
- C : The learning perspective
- D : The customer perspective

Correct Answer : D

37 : The ability of an organization to respond quickly to changes in the quantity and type of demand is called _____.

- A : utility
- B : reliability
- C : demand variability
- D : volume flexibility

Correct Answer : D