

1. Efficiency means doing the right things to create the most value for the company.

**FALSE**

Efficiency means doing something at the lowest possible cost.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. Effectiveness means doing the right things to create the most value for the company.

**TRUE**

Effectiveness means doing the right things to create the most value for the company.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. A doctor completes a surgical procedure on a patient without error. The patient dies anyway. In operations management terms, we could refer to this doctor as being efficient but not effective.

**TRUE**

Efficiency means doing something at the lowest possible cost. Effectiveness means doing the right things to create the most value. The doctor performed the surgery without error. Because the patient died, no value was created.

*AACSB: Analytic*

*Accessibility: Keyboard Navigation*

*Bloom's: Analyze*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. A worker can be efficient without being effective.

**TRUE**

Efficiency means doing something at the lowest possible cost. Effectiveness means doing the right things to create the most value. These are different things.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. A process can be effective without being efficient.

**TRUE**

Often, maximizing effectiveness and efficiency at the same time creates conflict between the two goals. "Being efficient" at the customer service counter at a local store or bank means using the smallest number of clerks possible at the counter. Being effective, though, means minimizing the amount of time customers need to wait in line.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. Operations and supply chain management is defined as the design, operation, and improvement of the systems that create and deliver the firm's primary products and services.

**TRUE**

Operations and supply chain management is defined as the design, operation, and improvement of the systems that create and deliver the firm's primary products and services.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

1. The term "value" refers to the relationship between quality and the price paid by the consumer.

**TRUE**

Related to efficiency and effectiveness is the concept of value, which can be metaphorically defined as quality divided by price.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. Attempting to balance the desire to efficiently use resources while providing a highly effective service may create conflict between the two goals.

**TRUE**

Often maximizing effectiveness and efficiency at the same time creates conflict between the two goals.

*AACSB: Analytic*

*Accessibility: Keyboard Navigation*

*Bloom's: Analyze*

*Difficulty: 1 Easy*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

9. Central to the concept of operations strategy are the concepts of operations focus and trade-offs.

**TRUE**

Central to their thinking was the notion of factory focus and manufacturing trade-offs. Because a factory cannot excel on all performance measures, its management must devise a focused strategy, (to perform) a limited set of tasks extremely well. This requires trade-offs.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

1. OSCM is concerned with management of the trickiest parts of the system that produces a good or delivers a service.

**FALSE**

OSCM is concerned with the management of the entire system that produces a good or delivers a service.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

11. OSCM is a functional field of business with clear line management responsibilities.

**TRUE**

OSCM is a functional field of business with clear line management responsibilities.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

12. The supply network as can be thought of as a pipeline through which cash, material, and information flows.

**FALSE**

Think of the supply network as a pipeline through which material and information flows.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

13. Supply networks cannot be constructed for every product or service.

**FALSE**

Networks such as this can be constructed for any product or service.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

1. "Operations" refers to manufacturing and service processes used to transform resources employed by a firm into products desired by customers.

**TRUE**

Operations refers to manufacturing, service, and health care processes that are used to transform the resources employed by a firm into products desired by customers.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

1. "Supply Chain" refers to processes that move information and material to and from the manufacturing and service processes of the firm.

**TRUE**

Supply chain refers to processes that move information and material to and from the manufacturing and service processes of the firm.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

16. "Supply Chain" includes only inbound freight and inventory.

**FALSE**

Supply chain refers to processes that move information and material to and from the manufacturing and service processes of the firm.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management*

1. It is critical that a sustainable strategy meet the needs of shareholders and employees. It is also highly desirable that it preserves the environment.

**FALSE**

A sustainable strategy that meets the needs of shareholders and employees while preserving the environment is critical.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

18. Planning is where a firm must determine how anticipated demand will be met with available resources.

**TRUE**

Planning consists of the processes needed to operate an existing supply chain strategically. Here a firm must determine how anticipated demand will be met with available resources.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: Operations and Supply Chain Processes*

1. Although planning involves determining how the various supply chain processes (sourcing, making, delivering, and returning) will be met, planning itself is not considered a supply chain process.

**FALSE**

Operations and supply chain processes can be conveniently categorized…as planning, sourcing, making, delivering, and returning.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: Operations and Supply Chain Processes*

20. The supply chain processes mentioned in the textbook are: planning, sourcing, delivering, and returning.

**FALSE**

Operations and supply chain processes can be conveniently categorized…as planning, sourcing, making, delivering, and returning.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: Operations and Supply Chain Processes*

21. All managers should understand the basic principles that guide the design of transformation processes.

**TRUE**

All managers should understand the basic principles that guide the design of transformation processes.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

1. Operations and supply management changes constantly because of the dynamic nature of competing in global business and the constant evolution of information technology.

**TRUE**

The field of operations and supply management is ever changing due to the dynamic nature of competing in global business and the constant evolution of information technology.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

23. Internet technology has made the sharing of reliable real-time information expensive.

**FALSE**

Internet technology has made the sharing of reliable real-time information inexpensive.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

1. Capturing information directly from the source through such systems as point-of-sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has had little impact on Operations and Supply Chain Management.

**FALSE**

Capturing information directly from the source through such systems as point-of -sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has shifted the focus to understanding both what all the information is saying and also how good are the decisions that can be made using it.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

1. Use of systems like point-of-sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has made it more difficult to understand what all the information is saying.

**FALSE**

Capturing information directly from the source through such systems as point-of -sale, radio-frequency identification tags, bar-code scanners, and automatic recognition has shifted the focus to understanding both what all the information is saying and also how good are the decisions that can be made using it.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

1. Operations and supply chain processes can be conveniently categorized as planning, sourcing, making, and delivering.

**FALSE**

Operations and supply chain processes can be conveniently categorized as planning, sourcing, making, delivering, and returning.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-01*

*Topic: Operations and Supply Chain Processes*

27. A major aspect of planning involves developing a set of metrics to monitor the supply chain.

**TRUE**

A major aspect of planning is developing a set of metrics to monitor the supply chain so that it is efficient and delivers high quality and value to customers.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: Operations and Supply Chain Processes*

28. Returning involves processes for receiving worn-out, defective, and excess products back from customers but does not involve support for customers who have problems with the product.

**FALSE**

Returning involves the processes for receiving worn-out, defective, and excess products back from customers and support for customers who have problems with delivered products.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: Operations and Supply Chain Processes*

1. Delivering is not considered in supply chain analysis when outside carriers are contracted to move products to customers.

**FALSE**

Delivering is also referred to as logistics processes. Carriers are picked to move products to warehouses and customers, coordinate and schedule the movement of goods and information through the supply network, develop and operate a network of warehouses, and run the information systems that manage the receipt of orders from customers, and invoicing systems to collect payments from customers.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: Operations and Supply Chain Processes*

30. Services are intangible processes that cannot be weighed or measured.

**TRUE**

There are five essential differences between services and goods. The first is that a service is an intangible process that cannot be weighed or measured, whereas a good is a tangible output of a process that has physical dimensions.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Differences between Services and Good*

31. Service innovations can be patented.

**FALSE**

A service innovation, unlike a product innovation, cannot be patented.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

32. Services are homogeneous.

**FALSE**

The third is that services are inherently heterogeneous

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

33. Services are defined and evaluated as a package of features that affect the five senses.

**TRUE**

The specifications of a service are defined and evaluated as a package of features that affect the five senses.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

34. Automobiles and appliances are classified as "pure goods."

**FALSE**

Automobiles and appliances are classified as "core goods."

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

35. Core service providers integrate tangible goods into their product.

**TRUE**

Core service providers must integrate tangible goods.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

1. "Product-service bundling" refers to a company building service activities into its product offerings for its customers.

**TRUE**

Product-service bundling refers to a company building service activities into its product offerings for its customers.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

1. In contrast to careers in finance and marketing, careers in OSCM involve hands-on involvement with people and processes.

**TRUE**

OSCM jobs are hands-on, working with people and figuring out the best way to do things.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03*

*Topic: Careers in Operations and Supply Chain Management*

38. A bank branch manager position is not an OSCM-type of job.

**FALSE**

Listed as an OSCM job: Branch manager (bank). Oversees all aspects of financial transactions at a branch.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Careers in Operations and Supply Chain Management*

39. A supply chain manager is an OSCM job while a purchasing manager is not.

**FALSE**

Both supply chain manager and purchasing manager are listed as typical management and staff jobs in operations and supply chain management.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-03*

*Topic: Careers in Operations and Supply Chain Management*

40. Just in time (JIT) production was a major breakthrough in manufacturing philosophy pioneered by the Japanese.

**TRUE**

JIT was pioneered by the Japanese.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

41. Lean manufacturing refers to just in time production coupled with total quality control.

**TRUE**

JIT, coupled with total quality control (TQC)—is now a cornerstone in many manufacturers' production practices, and the term lean manufacturing is used to refer to the set of concepts.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

1. The Baldrige National Quality Award was started under the direction of the National Institute of Standards and Technology.

**TRUE**

Helping the quality movement along is the Baldrige National Quality Award, which was started in 1987 under the direction of the National Institute of Standards and Technology.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

1. The approach that advocates making revolutionary changes as opposed to evolutionary changes is called creation theory.

**FALSE**

Business Process Reengineering seeks to make revolutionary changes as opposed to evolutionary changes.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

1. The approach that advocates making revolutionary changes as opposed to evolutionary changes is called "business process reengineering."

**TRUE**

Business Process Reengineering seeks to make revolutionary changes as opposed to evolutionary changes.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

1. Business process reengineering, which seeks revolutionary change, is contrasted with total quality management which commonly advocates incremental change.

**TRUE**

Business Process Reengineering seeks to make revolutionary changes as opposed to evolutionary changes (which are commonly advocated in TQM).

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

46. The "triple bottom line" relates to the economic, employee, and environmental impact of a firm's strategy.

**TRUE**

Management must now consider the mandates related to the ongoing economic, employee, and environmental viability of the firm (the triple bottom line).

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

47. Sustainability is the ability to maintain profits in a system.

**FALSE**

Sustainability is the ability to maintain balance in a system.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

48. Raising senior management awareness of OSCM as a competitive weapon is not an important issue.

**FALSE**

Many senior executives entered the organization through finance, strategy, or marketing and built their reputations on work in these areas and, as a result, often take operations for granted. This can be a critical mistake.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

49. Green and black belt programs teach six-sigma quality tools to managers at many corporations.

**TRUE**

Originally developed in the 1980s as part of total quality management, six-sigma quality in the 1990s saw a dramatic expansion as an extensive set of diagnostic tools was developed. These tools have been taught to managers as part of "Green and Black Belt Programs" at many corporations.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

50. The central idea of supply chain management is to apply a total system approach to managing the flow of information, materials, and services from raw material suppliers through factories and warehouses to the end customer.

**TRUE**

The central idea of supply chain management is to apply a total system approach to managing the flow of information, materials, and services from raw material suppliers through factories and warehouses to the end customer.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

51. The term "electronic commerce" refers to the buying and selling of electronic products and devices.

**FALSE**

The term electronic commerce refers to the use of the internet as an essential element of business activity.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

52. The term "electronic commerce" refers to the use of the internet as an essential element of business activity.

**TRUE**

The term electronic commerce refers to the use of the internet as an essential element of business activity.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

 53. "Business Analytics" involves the analysis of data through a unique combination of linear programming, game theory, and queuing theory to better solve business problems.

**FALSE**

Business analytics is the use of current business data to solve business problems using mathematical analysis.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*loom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

1. The mathematical results of Business Analytics are used to automate decision making and eliminate the decision maker.

**FALSE**

These mathematical results can either be used to support the decision maker or to automate decision-making.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

*Topic: Historical Development of Operations and Supply Chain Management*

1. Operations and supply chain strategy are not important issues to investors who tend to focus on growth, dividends, and earnings per share.

**FALSE**

Comparing firms from an operations view is important to investors since the relative cost of providing a good or service is essential to high earnings growth.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. Investors pay close attention to efficiency and productivity measures like net income per employee because they are interested in how well the firm manages its workforce relations.

**FALSE**

Investors are most often interested in financial returns. Comparing firms from an operations and supply chain view is important to investors since the relative cost of providing a good or service is essential to high earnings growth. How well a firm manages its' workforce is of less interest to investors.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

1. During a recession, efficient firms often have an opportunity to increase market share while maintaining profitability

**TRUE**

Highly efficient firms usually shine when demand drops during recession periods since they often can continue to make a profit due to their low- cost structure. These operations-savvy firms may even see a recession as an opportunity to gain market share as their less-efficient competitors struggle to remain in business.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

58. Wall Street analysts are not particularly concerned with how efficient companies are from an operations and supply management view.

**FALSE**

Comparing firms from an operations view is important to investors since the relative cost of providing a good or service is essential to high earnings growth.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

59. One reason for studying operations and supply chain management (OSCM) is which of the following?

1. OSCM is essential for understanding organizational behavior
2. Most business graduates do OSCM work regardless of their job title

**C.** All managers should understand the basic principles that guide the design of transformation processes.

1. OSCM is a required course in all business degree programs
2. OSCM is the most rigorous business discipline

All managers should understand the basic principles that guide the design of transformation processes.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01*

*Topic: What is Operations and Supply Chain Management?*

60. The Goods–Services Continuum consists of which set of the following categories?

 A. No goods, some goods, even mix, some service, no service

**B.** Pure goods, core goods, core services, pure services

1. No service, some service, good service, excellent service
2. Self-service, help desk service, face-to-face service, service-with-a-smile
3. None of these

*AACSB: Analytic*

*Accessibility: Keyboard Navigation*

*Bloom's: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Differences between Services and Goods*

61. Which of the following are defined as core goods?

1. Chemicals
2. Airlines

**C.** Data storage systems

1. Hotels
2. None of these

Data storage systems is the correct answer.

*AACSB: Analytic*

*Accessibility: Keyboard Navigation*

*Bloom's: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-02*

*Topic: Differences between Services and Goods*

62. Current issues in OSCM do not include:

A. Coordinating relationships between organizations

B. Making senior management aware that OSCM can be a competitive weapon

C. Managing customer touch points

**D.** Increasing global supply chain employment

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

63. Which of the following are not listed in the text as jobs in OSCM?

1. Department store manager
2. Project manager
3. Hospital administrator

**D.** Data Center manager

E. Call center manager

Typical management and staff jobs in operations and supply chain management do not list Data Center manager.

*AACSB: Analytic*

*Accessibility: Keyboard Navigation*

*Bloom's: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-03*

*Topic: Careers in Operations and Supply Chain Management*

64. Which of the following is not a characteristic that distinguishes services from goods?

**A.** Service jobs are unskilled

B. A service is intangible

C. Services are perishable

D. Services are heterogeneous

E. None of these

*AACSB: Analytic*

*Accessibility: Keyboard Navigation*

*Bloom's: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

65. Which of the following is not a way that operations and supply processes are categorized?

1. Planning
2. Returning
3. Delivering
4. Selecting
5. Making

Operations and supply chain processes can be conveniently categorized as planning, sourcing, making, delivering, and returning.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Operations and Supply Chain Processes*

66. One of the "package of features" that make up a service is:

A. Appearance

**B.** Facilitating goods

1. Packaging
2. Cost
3. Implied use

The package of features that make up a service is listed on page 9 of the text and includes facilitating goods.

*AACSB: Analytic*

*Accessibility: Keyboard Navigation*

*Bloom's: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-04*

*Topic: Differences between Services and Goods*

1. Which of the following is not a measure of operations and supply chain management efficiency used by Wall Street?
2. Inventory turnover
3. Revenue per employee
4. Receivable turnover
5. Earnings per share
6. Asset turnover

Earnings per Share is not a measure of operations and supply chain efficiency.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02*

*Topic: Efficiency, Effectiveness, and Value*

68. Which of the following is a measure of operations and supply management efficiency used by Wall Street?

1. Dividend payout ratio
2. Current ratio
3. Receivable turnover

**D.** Earnings per share growth

E. Financial leverage

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Bloom's: Understand*

*Difficulty: 1 Easy*

*Difficulty: 2 Medium*

*Learning Objective: 01-01*

*Learning Objective: 01-02*

*Learning Objective: 01-04*

*Topic: Efficiency, Effectiveness, and Value*

*Topic: Historical Development of Operations and Supply Chain Management*

69. Managing customer touch points becomes a concern under current issues in OCSM when:

A. Complaints arise about shaking hands with customers in cultures that is frowned upon.

**B.** Firms striving to become superefficient begin to scrimp on staffing and training customer support personnel.

C. A firm has a workforce trained in specifically diverse situations and the correct level of service may be hard to discern.

D. Firms market global products.

E. Senior executives fail to recognize the contribution OCSM can make to their success

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-01*

*Topic: Historical Development of Operations and Supply Chain Management*

70. What kind of product is defined by a set of intangible features?

A. An evening gown or a tuxedo

B.A championship football game

**C.**A service

D.A sports car

E.All of the above

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04*

71. When considering the concept of value, how is quality defined?

 A. By the price of the product

B. By the producer’s reputation in the industry

C. By the weight of the product

**D.** By the attractiveness of the product considering its features and durability

E. By the product’s uniqueness relative to other similar products

 *AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Bloom's: Understand*

*Learning Objective: 01-01*

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