Chapter 1

*Student: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

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| --- | --- |
| 1. | Supply is a set of products or services a business offers to its customers.  True    False |

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| 2. | Consumption utility is composed of price and convenience.  True    False |

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| 3. | Firm A Pareto dominates firm B means that firm A’s product or service is inferior to that of firm B on all dimensions of the customer utility function.  True    False |

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| 4. | A firm reduces inefficiencies by making trade-offs.  True    False |

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| 5. | Reducing inefficiencies will increase a firm’s profitability.  True    False |

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| 6. | Every work requires operations.  True    False |

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| 7. | "Who are the customers?" is NOT an operations management–related question.  True    False |

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| 8. | The set of products or services a business offers to its customers is called:

|  |  |
| --- | --- |
| A.  | demand. |

|  |  |
| --- | --- |
| B.  | bundle. |

|  |  |
| --- | --- |
| C.  | supply. |

|  |  |
| --- | --- |
| D.  | value. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 9. | The set of products or services customers want is called:

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| --- | --- |
| A.  | demand. |

|  |  |
| --- | --- |
| B.  | bundle. |

|  |  |
| --- | --- |
| C.  | supply. |

|  |  |
| --- | --- |
| D.  | value. |

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| 10. | "Match supply with demand" means:

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| --- | --- |
| A.  | tell customers what they want. |

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| --- | --- |
| B.  | offer customers what they want. |

|  |  |
| --- | --- |
| C.  | explain to customers what they want. |

|  |  |
| --- | --- |
| D.  | invest in marketing. |

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| 11. | Which of the following is NOT a goal of operations management?

|  |  |
| --- | --- |
| A.  | Understanding the drivers of customer utility |

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| --- | --- |
| B.  | Match supply with demand |

|  |  |
| --- | --- |
| C.  | Make a profit while providing customers what they want |

|  |  |
| --- | --- |
| D.  | Provide great products at low prices to customers |

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| 12. | Which of the following is NOT a challenge of matching supply with demand?

|  |  |
| --- | --- |
| A.  | Delivering better products at low prices |

|  |  |
| --- | --- |
| B.  | Attempting to predict demand |

|  |  |
| --- | --- |
| C.  | Providing customers with what they want at a low cost |

|  |  |
| --- | --- |
| D.  | Reducing demand to match supply |

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| 13. | A customer’s desire for a product or service is measured by its:

|  |  |
| --- | --- |
| A.  | popularity. |

|  |  |
| --- | --- |
| B.  | costs. |

|  |  |
| --- | --- |
| C.  | utility. |

|  |  |
| --- | --- |
| D.  | advertisement. |

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| 14. | Economic theory suggests that a customer chooses a product or service to obtain the highest \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | demand |

|  |  |
| --- | --- |
| B.  | supply |

|  |  |
| --- | --- |
| C.  | utility |

|  |  |
| --- | --- |
| D.  | satisfaction |

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| 15. | Utility is composed of the following components EXCEPT:

|  |  |
| --- | --- |
| A.  | customer loyalty. |

|  |  |
| --- | --- |
| B.  | price. |

|  |  |
| --- | --- |
| C.  | inconvenience. |

|  |  |
| --- | --- |
| D.  | consumption utility. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. | The features of a product or service that most, if not all, customers prefer are called:

|  |  |
| --- | --- |
| A.  | consensus attributes. |

|  |  |
| --- | --- |
| B.  | consumption attributes. |

|  |  |
| --- | --- |
| C.  | fit attributes. |

|  |  |
| --- | --- |
| D.  | performance attributes. |

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| 17. | The many flavors of ice-cream offered by ice-cream parlors are reflective of the \_\_\_\_\_\_\_\_\_ of today’s customers.

|  |  |
| --- | --- |
| A.  | bargaining power |

|  |  |
| --- | --- |
| B.  | product-fit |

|  |  |
| --- | --- |
| C.  | heterogeneous preferences |

|  |  |
| --- | --- |
| D.  | knowledge base |

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| 18. | The inconvenience of obtaining a product or receiving a service is called:

|  |  |
| --- | --- |
| A.  | transaction cost. |

|  |  |
| --- | --- |
| B.  | fit. |

|  |  |
| --- | --- |
| C.  | timing. |

|  |  |
| --- | --- |
| D.  | unavailability. |

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| 19. | A restaurant promising a meal in two minutes or less attempts to cater to which part of the customer utility function?

|  |  |
| --- | --- |
| A.  | Timing |

|  |  |
| --- | --- |
| B.  | Preference |

|  |  |
| --- | --- |
| C.  | Ambience |

|  |  |
| --- | --- |
| D.  | Fit |

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| 20. | Price utility includes all of the following EXCEPT:

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| --- | --- |
| A.  | cost of owning the product. |

|  |  |
| --- | --- |
| B.  | shipping cost. |

|  |  |
| --- | --- |
| C.  | financing costs. |

|  |  |
| --- | --- |
| D.  | transaction costs. |

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| 21. | \_\_\_\_\_\_\_\_\_\_\_\_ is the study of how customers derive utility from products or services.

|  |  |
| --- | --- |
| A.  | Marketing |

|  |  |
| --- | --- |
| B.  | Operations |

|  |  |
| --- | --- |
| C.  | Economics |

|  |  |
| --- | --- |
| D.  | Management |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 22. | Which dimension of the customer utility function is emphasized with a restaurant’s slogan, "Eat Fresh"?

|  |  |
| --- | --- |
| A.  | Timing |

|  |  |
| --- | --- |
| B.  | Location |

|  |  |
| --- | --- |
| C.  | Performance |

|  |  |
| --- | --- |
| D.  | Fit |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 23. | A firm that offers tailor-made suits to its customers is appealing to the \_\_\_\_\_\_\_\_\_\_\_\_ dimension of the customers’ utility function.

|  |  |
| --- | --- |
| A.  | timing |

|  |  |
| --- | --- |
| B.  | location |

|  |  |
| --- | --- |
| C.  | performance |

|  |  |
| --- | --- |
| D.  | fit |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 24. | Which of the following statements about a firm’s capabilities is FALSE?

|  |  |
| --- | --- |
| A.  | A firm has capabilities to do well on some dimensions of its customers’ utility function. |

|  |  |
| --- | --- |
| B.  | A firm has capabilities to do well on all dimensions of its customers’ utility function. |

|  |  |
| --- | --- |
| C.  | A firm’s capabilities can be defined as the dimensions of the customer’s utility function it is able to satisfy. |

|  |  |
| --- | --- |
| D.  | How well a firm can satisfy its customers’ utility function is dependent on its capabilities. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 25. | You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
|  H1 | $100 | 2 |
|  H2 | $250 | 5 |
|  H3 | $200 | 4 |
|  H4 | $150 | 2 |

 Which of the following is a valid conclusion?

|  |  |
| --- | --- |
| A.  | H3 is Pareto dominated by H2 |

|  |  |
| --- | --- |
| B.  | H2 is Pareto dominated by H3 |

|  |  |
| --- | --- |
| C.  | H1 is Pareto dominated by H4 |

|  |  |
| --- | --- |
| D.  | H4 is Pareto dominated by H1 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 26. | You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
| H1 | $100 | 2 |
| H2 | $250 | 5 |
| H3 | $200 | 4 |
| H4 | $150 | 2 |

 Which of these hotels is NOT on the efficient frontier?

|  |  |
| --- | --- |
| A.  | H1 |

|  |  |
| --- | --- |
| B.  | H3 |

|  |  |
| --- | --- |
| C.  | H2 |

|  |  |
| --- | --- |
| D.  | H4 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 27. | You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
| H1 | $100 | 2 |
| H2 | $250 | 5 |
| H3 | $200 | 4 |
| H4 | $150 | 2 |

 Which of these hotels is inefficient?

|  |  |
| --- | --- |
| A.  | H1 |

|  |  |
| --- | --- |
| B.  | H2 |

|  |  |
| --- | --- |
| C.  | H3 |

|  |  |
| --- | --- |
| D.  | H4 |

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| 28. | Beyond just executing the current way of doing things, operations management is about:

|  |  |
| --- | --- |
| A.  | eliminating inefficiencies to move the firm away from the efficient frontier. |

|  |  |
| --- | --- |
| B.  | making strategic trade-offs to do well on all dimensions of the customers’ utility function. |

|  |  |
| --- | --- |
| C.  | managing inputs and resources to move the firm away from the efficient frontier. |

|  |  |
| --- | --- |
| D.  | innovating its operations to shift the efficient frontier. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 29. | By making many burgers before customers ask for them, a fast-food restaurant is sacrificing the dimension of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and improving the dimension \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the customers’ utility function.

|  |  |
| --- | --- |
| A.  | timing, fit |

|  |  |
| --- | --- |
| B.  | fit, timing |

|  |  |
| --- | --- |
| C.  | timing, price |

|  |  |
| --- | --- |
| D.  | price, timing |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 30. | A firm that targets a market segment of budget-conscious customers is likely to sacrifice some \_\_\_\_\_\_\_\_\_\_\_\_ to get a better \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | consumption utility, price |

|  |  |
| --- | --- |
| B.  | performance, fit |

|  |  |
| --- | --- |
| C.  | timing, location |

|  |  |
| --- | --- |
| D.  | location, utility |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 31. | Three restaurants are compared along the dimensions of responsiveness and cost performance, as shown below:Which of the following conclusions can be drawn about restaurant C?

|  |  |
| --- | --- |
| A.  | It is on the efficient frontier. |

|  |  |
| --- | --- |
| B.  | Pareto dominates A. |

|  |  |
| --- | --- |
| C.  | It is inefficient. |

|  |  |
| --- | --- |
| D.  | It is efficient. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 32. | Three restaurants are compared along the dimensions of responsiveness and cost performance, as shown below:Which of the following conclusions can be drawn?

|  |  |
| --- | --- |
| A.  | A is Pareto dominated by B. |

|  |  |
| --- | --- |
| B.  | A is on the efficient frontier. |

|  |  |
| --- | --- |
| C.  | C is Pareto dominating A and B. |

|  |  |
| --- | --- |
| D.  | C is on the efficient frontier. |

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| 33. | A firm invents an app that allows customers to make purchases with their smartphone. It is hoping that the new mobile payment app allows the firm to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ the efficient frontier through \_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | shift, innovation |

|  |  |
| --- | --- |
| B.  | stay on, innovation |

|  |  |
| --- | --- |
| C.  | stay on, imitations |

|  |  |
| --- | --- |
| D.  | shift, imitations |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 34. | The difference between revenue and costs is called:

|  |  |
| --- | --- |
| A.  | profit. |

|  |  |
| --- | --- |
| B.  | input. |

|  |  |
| --- | --- |
| C.  | supply. |

|  |  |
| --- | --- |
| D.  | demand. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 35. | A firm investing in a manufacturing plant is an example of which type of costs it incurs as a manufacturer?

|  |  |
| --- | --- |
| A.  | Output |

|  |  |
| --- | --- |
| B.  | Variable |

|  |  |
| --- | --- |
| C.  | Resources |

|  |  |
| --- | --- |
| D.  | Marketing |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 36. | A firm can increase its profitability by:

|  |  |
| --- | --- |
| A.  | increasing costs and reducing price. |

|  |  |
| --- | --- |
| B.  | moving away from the efficient frontier. |

|  |  |
| --- | --- |
| C.  | increasing inefficiencies. |

|  |  |
| --- | --- |
| D.  | reducing inefficiencies. |

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| 37. | Which of the following is NOT a system inhibitor?

|  |  |
| --- | --- |
| A.  | Inflexibility |

|  |  |
| --- | --- |
| B.  | Poor brand recognition |

|  |  |
| --- | --- |
| C.  | Variability |

|  |  |
| --- | --- |
| D.  | Waste |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 38. | Leftover bread that is not sold at a bakery is an example of:

|  |  |
| --- | --- |
| A.  | defect. |

|  |  |
| --- | --- |
| B.  | flexibility. |

|  |  |
| --- | --- |
| C.  | variability. |

|  |  |
| --- | --- |
| D.  | waste. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. | A long waiting line at the checkout of a supermarket at some moments in the day is an example of \_\_\_\_ and a symptom of \_\_\_\_:

|  |  |
| --- | --- |
| A.  | defect, waste. |

|  |  |
| --- | --- |
| B.  | inflexibility, profit. |

|  |  |
| --- | --- |
| C.  | variability, inflexibility. |

|  |  |
| --- | --- |
| D.  | waste, variability. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 40. | A sold-out concert that turns away music fans because it is not able to increase the number of seats is an example of:

|  |  |
| --- | --- |
| A.  | defect. |

|  |  |
| --- | --- |
| B.  | inflexibility. |

|  |  |
| --- | --- |
| C.  | variability. |

|  |  |
| --- | --- |
| D.  | waste. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 41. | Which of the following is NOT a source of supply variability?

|  |  |
| --- | --- |
| A.  | Customers having different requests |

|  |  |
| --- | --- |
| B.  | Power outage |

|  |  |
| --- | --- |
| C.  | Time to serve a customer |

|  |  |
| --- | --- |
| D.  | Wrong order entered |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. | To which system inhibitor does the following customer complaint relate: "I wish they could add more cashiers in the busy hours"?

|  |  |
| --- | --- |
| A.  | Defect |

|  |  |
| --- | --- |
| B.  | Inflexibility |

|  |  |
| --- | --- |
| C.  | Variability |

|  |  |
| --- | --- |
| D.  | Waste |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 43. | More guests showing up than expected in a party is an example of:

|  |  |
| --- | --- |
| A.  | demand variability. |

|  |  |
| --- | --- |
| B.  | supply variability. |

|  |  |
| --- | --- |
| C.  | demand inflexibility. |

|  |  |
| --- | --- |
| D.  | supply inflexibility. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 44. | Which of the following statements about system inhibitors is TRUE?

|  |  |
| --- | --- |
| A.  | Reducing waste will be enough in battling against system inhibitors. |

|  |  |
| --- | --- |
| B.  | Increasing profit is a way to overcome system inhibitors. |

|  |  |
| --- | --- |
| C.  | Fighting system inhibitors is a one-time process. |

|  |  |
| --- | --- |
| D.  | System inhibitors cause inefficiencies. |

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| 45. | Operations management is about:

|  |  |
| --- | --- |
| A.  | working harder. |

|  |  |
| --- | --- |
| B.  | doing away with work. |

|  |  |
| --- | --- |
| C.  | improving the way that we and/or others do their work. |

|  |  |
| --- | --- |
| D.  | dealing with customer feedback. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 46. | Which of the following statements about operations management is TRUE?

|  |  |
| --- | --- |
| A.  | Every work requires operations. |

|  |  |
| --- | --- |
| B.  | Operations is all about manufacturing plants. |

|  |  |
| --- | --- |
| C.  | Operations management is in all job descriptions. |

|  |  |
| --- | --- |
| D.  | Operations management is not important for lawyers. |

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| 47. | *Operations* comes from the Latin word "opus," which means:

|  |  |
| --- | --- |
| A.  | activity. |

|  |  |
| --- | --- |
| B.  | helping people. |

|  |  |
| --- | --- |
| C.  | improvement. |

|  |  |
| --- | --- |
| D.  | work. |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 48. | Operations management improves the way work is done by means of all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | overcoming efficiencies. |

|  |  |
| --- | --- |
| B.  | eliminating waste. |

|  |  |
| --- | --- |
| C.  | decreasing variability. |

|  |  |
| --- | --- |
| D.  | increasing flexibility. |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 49. | A doctor can apply his/her knowledge in operations management to:

|  |  |
| --- | --- |
| A.  | find a cure to cancer. |

|  |  |
| --- | --- |
| B.  | discover a new drug. |

|  |  |
| --- | --- |
| C.  | improve his/her work as a doctor. |

|  |  |
| --- | --- |
| D.  | improve his/her language skill. |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 50. | Which of the following is a job of an operations manager?

|  |  |
| --- | --- |
| A.  | Acquiring inputs and managing resources |

|  |  |
| --- | --- |
| B.  | Setting up an accounting system |

|  |  |
| --- | --- |
| C.  | Filing lawsuits against competitors |

|  |  |
| --- | --- |
| D.  | Developing a new logo |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 51. | Which of the following is NOT a job of an operations manager?

|  |  |
| --- | --- |
| A.  | Acquiring inputs |

|  |  |
| --- | --- |
| B.  | Managing resources |

|  |  |
| --- | --- |
| C.  | Overcoming inefficiencies |

|  |  |
| --- | --- |
| D.  | Developing a new logo |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 52. | Which of the following is NOT a job of an operations manager?

|  |  |
| --- | --- |
| A.  | Acquiring inputs |

|  |  |
| --- | --- |
| B.  | Managing resources |

|  |  |
| --- | --- |
| C.  | Overcoming inefficiencies |

|  |  |
| --- | --- |
| D.  | Filing lawsuits against competitors |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 53. | As an operations manager, you improve work by doing all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | eliminating waste. |

|  |  |
| --- | --- |
| B.  | increasing flexibility. |

|  |  |
| --- | --- |
| C.  | doing the work for others. |

|  |  |
| --- | --- |
| D.  | reducing variability. |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 54. | As an operations manager, you improve work by doing all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | eliminating waste. |

|  |  |
| --- | --- |
| B.  | increasing flexibility. |

|  |  |
| --- | --- |
| C.  | reducing variability. |

|  |  |
| --- | --- |
| D.  | setting up a new accounting system. |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 55. | A mismatch of supply and demand can be caused by all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | demand variability. |

|  |  |
| --- | --- |
| B.  | supply variability. |

|  |  |
| --- | --- |
| C.  | supply inflexibility. |

|  |  |
| --- | --- |
| D.  | demand inflexibility. |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 56. | Which of the following is NOT an operational problem that you will learn in this text?

|  |  |
| --- | --- |
| A.  | Process analysis |

|  |  |
| --- | --- |
| B.  | Process improvement |

|  |  |
| --- | --- |
| C.  | Process satisfaction |

|  |  |
| --- | --- |
| D.  | Process quality |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 57. | \_\_\_\_\_\_\_\_\_\_ addresses the question of how a firm should produce the products or services its customers want.

|  |  |
| --- | --- |
| A.  | Process analysis |

|  |  |
| --- | --- |
| B.  | Product development |

|  |  |
| --- | --- |
| C.  | Process satisfaction |

|  |  |
| --- | --- |
| D.  | Process quality |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 58. | \_\_\_\_\_\_\_\_\_\_ is a response to system inhibitors in order to answer the question of how a firm improves the productivity of its process by reducing waste.

|  |  |
| --- | --- |
| A.  | Demand anticipation |

|  |  |
| --- | --- |
| B.  | Inventory management |

|  |  |
| --- | --- |
| C.  | Process variability |

|  |  |
| --- | --- |
| D.  | Lean |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 59. | \_\_\_\_\_\_\_\_\_ helps a firm to answer the question of how much of a product should be made or how many customers should be served.

|  |  |
| --- | --- |
| A.  | Product development |

|  |  |
| --- | --- |
| B.  | Inventory management |

|  |  |
| --- | --- |
| C.  | Process variability |

|  |  |
| --- | --- |
| D.  | Lean |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 60. | Which of the following operational decisions corresponds to the inconvenience component of the consumer utility function?

|  |  |
| --- | --- |
| A.  | Who are the customers? |

|  |  |
| --- | --- |
| B.  | How efficiently will the products or the services be delivered? |

|  |  |
| --- | --- |
| C.  | What is the product or service to be delivered? |

|  |  |
| --- | --- |
| D.  | Where will the demand be fulfilled? |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. | Which of the following operational decisions corresponds to the performance attributes subcomponent of the consumer utility function?

|  |  |
| --- | --- |
| A.  | Who are the customers? |

|  |  |
| --- | --- |
| B.  | How efficiently will the products or the services be delivered? |

|  |  |
| --- | --- |
| C.  | What is the product or service to be delivered? |

|  |  |
| --- | --- |
| D.  | Where will the demand be fulfilled? |

 |

Chapter 1 Key

|  |  |
| --- | --- |
| 1. | Supply is a set of products or services a business offers to its customers.  **TRUE**Supply is a set of products or services a business offers to its customers. |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #1Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |
| --- | --- |
| 2. | Consumption utility is composed of price and convenience.  **FALSE**Consumption utility is composed of performance and fit.  |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #2Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |
| --- | --- |
| 3. | Firm A Pareto dominates firm B means that firm A’s product or service is inferior to that of firm B on all dimensions of the customer utility function.  **FALSE**Firm A Pareto dominates firm B means that firm A’s product or service is superior to that of firm B on all dimensions of the customer utility function. |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #3Difficulty: 1 EasyGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |
| --- | --- |
| 4. | A firm reduces inefficiencies by making trade-offs.  **FALSE**A firm reduces inefficiencies so that it does not have to sacrifice one performance dimension versus another.  |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #4Difficulty: 2 MediumGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |
| --- | --- |
| 5. | Reducing inefficiencies will increase a firm’s profitability.  **TRUE**Reducing inefficiencies by increasing what the customer is willing to pay and/or decreasing costs will increase a firm’s profitability. |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #5Difficulty: 1 EasyGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |
| --- | --- |
| 6. | Every work requires operations.  **TRUE**Every work requires operations to do the work and/or to improve the work.  |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #6Difficulty: 1 EasyGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management: An Overview of the Book* |

|  |  |
| --- | --- |
| 7. | "Who are the customers?" is NOT an operations management–related question.  **FALSE**"Who are the customers?" is an operations management–related question because it corresponds to the consumption utility component of the consumer utility function. |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #7Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 8. | The set of products or services a business offers to its customers is called:

|  |  |
| --- | --- |
| A.  | demand. |

|  |  |
| --- | --- |
| B.  | bundle. |

|  |  |
| --- | --- |
| **C.**  | supply. |

|  |  |
| --- | --- |
| D.  | value. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #8Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: IntroductionTopic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 9. | The set of products or services customers want is called:

|  |  |
| --- | --- |
| **A.**  | demand. |

|  |  |
| --- | --- |
| B.  | bundle. |

|  |  |
| --- | --- |
| C.  | supply. |

|  |  |
| --- | --- |
| D.  | value. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #9Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: IntroductionTopic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10. | "Match supply with demand" means:

|  |  |
| --- | --- |
| A.  | tell customers what they want. |

|  |  |
| --- | --- |
| **B.**  | offer customers what they want. |

|  |  |
| --- | --- |
| C.  | explain to customers what they want. |

|  |  |
| --- | --- |
| D.  | invest in marketing. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #10Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: IntroductionTopic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 11. | Which of the following is NOT a goal of operations management?

|  |  |
| --- | --- |
| **A.**  | Understanding the drivers of customer utility |

|  |  |
| --- | --- |
| B.  | Match supply with demand |

|  |  |
| --- | --- |
| C.  | Make a profit while providing customers what they want |

|  |  |
| --- | --- |
| D.  | Provide great products at low prices to customers |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #11Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: IntroductionTopic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 12. | Which of the following is NOT a challenge of matching supply with demand?

|  |  |
| --- | --- |
| A.  | Delivering better products at low prices |

|  |  |
| --- | --- |
| B.  | Attempting to predict demand |

|  |  |
| --- | --- |
| C.  | Providing customers with what they want at a low cost |

|  |  |
| --- | --- |
| **D.**  | Reducing demand to match supply |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #12Difficulty: 2 MediumGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: IntroductionTopic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 13. | A customer’s desire for a product or service is measured by its:

|  |  |
| --- | --- |
| A.  | popularity. |

|  |  |
| --- | --- |
| B.  | costs. |

|  |  |
| --- | --- |
| **C.**  | utility. |

|  |  |
| --- | --- |
| D.  | advertisement. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #13Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 14. | Economic theory suggests that a customer chooses a product or service to obtain the highest \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | demand |

|  |  |
| --- | --- |
| B.  | supply |

|  |  |
| --- | --- |
| **C.**  | utility |

|  |  |
| --- | --- |
| D.  | satisfaction |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #14Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 15. | Utility is composed of the following components EXCEPT:

|  |  |
| --- | --- |
| **A.**  | customer loyalty. |

|  |  |
| --- | --- |
| B.  | price. |

|  |  |
| --- | --- |
| C.  | inconvenience. |

|  |  |
| --- | --- |
| D.  | consumption utility. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #15Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. | The features of a product or service that most, if not all, customers prefer are called:

|  |  |
| --- | --- |
| A.  | consensus attributes. |

|  |  |
| --- | --- |
| B.  | consumption attributes. |

|  |  |
| --- | --- |
| C.  | fit attributes. |

|  |  |
| --- | --- |
| **D.**  | performance attributes. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #16Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 17. | The many flavors of ice-cream offered by ice-cream parlors are reflective of the \_\_\_\_\_\_\_\_\_ of today’s customers.

|  |  |
| --- | --- |
| A.  | bargaining power |

|  |  |
| --- | --- |
| B.  | product-fit |

|  |  |
| --- | --- |
| **C.**  | heterogeneous preferences |

|  |  |
| --- | --- |
| D.  | knowledge base |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyCachon - Chapter 01 #17Difficulty: 3 HardGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18. | The inconvenience of obtaining a product or receiving a service is called:

|  |  |
| --- | --- |
| **A.**  | transaction cost. |

|  |  |
| --- | --- |
| B.  | fit. |

|  |  |
| --- | --- |
| C.  | timing. |

|  |  |
| --- | --- |
| D.  | unavailability. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #18Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 19. | A restaurant promising a meal in two minutes or less attempts to cater to which part of the customer utility function?

|  |  |
| --- | --- |
| **A.**  | Timing |

|  |  |
| --- | --- |
| B.  | Preference |

|  |  |
| --- | --- |
| C.  | Ambience |

|  |  |
| --- | --- |
| D.  | Fit |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #19Difficulty: 2 MediumGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 20. | Price utility includes all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | cost of owning the product. |

|  |  |
| --- | --- |
| B.  | shipping cost. |

|  |  |
| --- | --- |
| C.  | financing costs. |

|  |  |
| --- | --- |
| **D.**  | transaction costs. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #20Difficulty: 2 MediumGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 21. | \_\_\_\_\_\_\_\_\_\_\_\_ is the study of how customers derive utility from products or services.

|  |  |
| --- | --- |
| **A.**  | Marketing |

|  |  |
| --- | --- |
| B.  | Operations |

|  |  |
| --- | --- |
| C.  | Economics |

|  |  |
| --- | --- |
| D.  | Management |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #21Difficulty: 1 EasyGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 22. | Which dimension of the customer utility function is emphasized with a restaurant’s slogan, "Eat Fresh"?

|  |  |
| --- | --- |
| A.  | Timing |

|  |  |
| --- | --- |
| B.  | Location |

|  |  |
| --- | --- |
| **C.**  | Performance |

|  |  |
| --- | --- |
| D.  | Fit |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyCachon - Chapter 01 #22Difficulty: 3 HardGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 23. | A firm that offers tailor-made suits to its customers is appealing to the \_\_\_\_\_\_\_\_\_\_\_\_ dimension of the customers’ utility function.

|  |  |
| --- | --- |
| A.  | timing |

|  |  |
| --- | --- |
| B.  | location |

|  |  |
| --- | --- |
| C.  | performance |

|  |  |
| --- | --- |
| **D.**  | fit |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyCachon - Chapter 01 #23Difficulty: 3 HardGradable: automaticLearning Objective: 01-01 Identify the drivers of customer utility.Topic: The Customers View of the World* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 24. | Which of the following statements about a firm’s capabilities is FALSE?

|  |  |
| --- | --- |
| A.  | A firm has capabilities to do well on some dimensions of its customers’ utility function. |

|  |  |
| --- | --- |
| **B.**  | A firm has capabilities to do well on all dimensions of its customers’ utility function. |

|  |  |
| --- | --- |
| C.  | A firm’s capabilities can be defined as the dimensions of the customer’s utility function it is able to satisfy. |

|  |  |
| --- | --- |
| D.  | How well a firm can satisfy its customers’ utility function is dependent on its capabilities. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #24Difficulty: 2 MediumGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 25. | You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
|  H1 | $100 | 2 |
|  H2 | $250 | 5 |
|  H3 | $200 | 4 |
|  H4 | $150 | 2 |

 Which of the following is a valid conclusion?

|  |  |
| --- | --- |
| A.  | H3 is Pareto dominated by H2 |

|  |  |
| --- | --- |
| B.  | H2 is Pareto dominated by H3 |

|  |  |
| --- | --- |
| C.  | H1 is Pareto dominated by H4 |

|  |  |
| --- | --- |
| **D.**  | H4 is Pareto dominated by H1 |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingBlooms: EvaluateCachon - Chapter 01 #25Difficulty: 3 HardGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 26. | You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
| H1 | $100 | 2 |
| H2 | $250 | 5 |
| H3 | $200 | 4 |
| H4 | $150 | 2 |

 Which of these hotels is NOT on the efficient frontier?

|  |  |
| --- | --- |
| A.  | H1 |

|  |  |
| --- | --- |
| B.  | H3 |

|  |  |
| --- | --- |
| C.  | H2 |

|  |  |
| --- | --- |
| **D.**  | H4 |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingBlooms: EvaluateCachon - Chapter 01 #26Difficulty: 3 HardGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 27. | You are considering four hotels that differ from each other with respect to their price and customer reviews:

|  |  |  |
| --- | --- | --- |
| **Hotel** | **Price** | **Reviews (1 = worst . . . 5 = best)** |
| H1 | $100 | 2 |
| H2 | $250 | 5 |
| H3 | $200 | 4 |
| H4 | $150 | 2 |

 Which of these hotels is inefficient?

|  |  |
| --- | --- |
| A.  | H1 |

|  |  |
| --- | --- |
| B.  | H2 |

|  |  |
| --- | --- |
| C.  | H3 |

|  |  |
| --- | --- |
| **D.**  | H4 |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingBlooms: EvaluateCachon - Chapter 01 #27Difficulty: 3 HardGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 28. | Beyond just executing the current way of doing things, operations management is about:

|  |  |
| --- | --- |
| A.  | eliminating inefficiencies to move the firm away from the efficient frontier. |

|  |  |
| --- | --- |
| B.  | making strategic trade-offs to do well on all dimensions of the customers’ utility function. |

|  |  |
| --- | --- |
| C.  | managing inputs and resources to move the firm away from the efficient frontier. |

|  |  |
| --- | --- |
| **D.**  | innovating its operations to shift the efficient frontier. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #28Difficulty: 2 MediumGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 29. | By making many burgers before customers ask for them, a fast-food restaurant is sacrificing the dimension of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and improving the dimension \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the customers’ utility function.

|  |  |
| --- | --- |
| A.  | timing, fit |

|  |  |
| --- | --- |
| **B.**  | fit, timing |

|  |  |
| --- | --- |
| C.  | timing, price |

|  |  |
| --- | --- |
| D.  | price, timing |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #29Difficulty: 2 MediumGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 30. | A firm that targets a market segment of budget-conscious customers is likely to sacrifice some \_\_\_\_\_\_\_\_\_\_\_\_ to get a better \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| **A.**  | consumption utility, price |

|  |  |
| --- | --- |
| B.  | performance, fit |

|  |  |
| --- | --- |
| C.  | timing, location |

|  |  |
| --- | --- |
| D.  | location, utility |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: EvaluateCachon - Chapter 01 #30Difficulty: 3 HardGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 31. | Three restaurants are compared along the dimensions of responsiveness and cost performance, as shown below:Which of the following conclusions can be drawn about restaurant C?

|  |  |
| --- | --- |
| A.  | It is on the efficient frontier. |

|  |  |
| --- | --- |
| B.  | Pareto dominates A. |

|  |  |
| --- | --- |
| **C.**  | It is inefficient. |

|  |  |
| --- | --- |
| D.  | It is efficient. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingBlooms: AnalyzeCachon - Chapter 01 #31Difficulty: 3 HardGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 32. | Three restaurants are compared along the dimensions of responsiveness and cost performance, as shown below:Which of the following conclusions can be drawn?

|  |  |
| --- | --- |
| A.  | A is Pareto dominated by B. |

|  |  |
| --- | --- |
| **B.**  | A is on the efficient frontier. |

|  |  |
| --- | --- |
| C.  | C is Pareto dominating A and B. |

|  |  |
| --- | --- |
| D.  | C is on the efficient frontier. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingBlooms: AnalyzeCachon - Chapter 01 #32Difficulty: 3 HardGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 33. | A firm invents an app that allows customers to make purchases with their smartphone. It is hoping that the new mobile payment app allows the firm to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ the efficient frontier through \_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| **A.**  | shift, innovation |

|  |  |
| --- | --- |
| B.  | stay on, innovation |

|  |  |
| --- | --- |
| C.  | stay on, imitations |

|  |  |
| --- | --- |
| D.  | shift, imitations |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyCachon - Chapter 01 #33Difficulty: 3 HardGradable: automaticLearning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier.Topic: A Firms Strategic Trade-Offs* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 34. | The difference between revenue and costs is called:

|  |  |
| --- | --- |
| **A.**  | profit. |

|  |  |
| --- | --- |
| B.  | input. |

|  |  |
| --- | --- |
| C.  | supply. |

|  |  |
| --- | --- |
| D.  | demand. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #34Difficulty: 1 EasyGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 35. | A firm investing in a manufacturing plant is an example of which type of costs it incurs as a manufacturer?

|  |  |
| --- | --- |
| A.  | Output |

|  |  |
| --- | --- |
| B.  | Variable |

|  |  |
| --- | --- |
| **C.**  | Resources |

|  |  |
| --- | --- |
| D.  | Marketing |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #35Difficulty: 2 MediumGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 36. | A firm can increase its profitability by:

|  |  |
| --- | --- |
| A.  | increasing costs and reducing price. |

|  |  |
| --- | --- |
| B.  | moving away from the efficient frontier. |

|  |  |
| --- | --- |
| C.  | increasing inefficiencies. |

|  |  |
| --- | --- |
| **D.**  | reducing inefficiencies. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #36Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 37. | Which of the following is NOT a system inhibitor?

|  |  |
| --- | --- |
| A.  | Inflexibility |

|  |  |
| --- | --- |
| **B.**  | Poor brand recognition |

|  |  |
| --- | --- |
| C.  | Variability |

|  |  |
| --- | --- |
| D.  | Waste |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #37Difficulty: 1 EasyGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 38. | Leftover bread that is not sold at a bakery is an example of:

|  |  |
| --- | --- |
| A.  | defect. |

|  |  |
| --- | --- |
| B.  | flexibility. |

|  |  |
| --- | --- |
| C.  | variability. |

|  |  |
| --- | --- |
| **D.**  | waste. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #38Difficulty: 2 MediumGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. | A long waiting line at the checkout of a supermarket at some moments in the day is an example of \_\_\_\_ and a symptom of \_\_\_\_:

|  |  |
| --- | --- |
| A.  | defect, waste. |

|  |  |
| --- | --- |
| B.  | inflexibility, profit. |

|  |  |
| --- | --- |
| **C.**  | variability, inflexibility. |

|  |  |
| --- | --- |
| D.  | waste, variability. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #39Difficulty: 2 MediumGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 40. | A sold-out concert that turns away music fans because it is not able to increase the number of seats is an example of:

|  |  |
| --- | --- |
| A.  | defect. |

|  |  |
| --- | --- |
| **B.**  | inflexibility. |

|  |  |
| --- | --- |
| C.  | variability. |

|  |  |
| --- | --- |
| D.  | waste. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #40Difficulty: 2 MediumGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 41. | Which of the following is NOT a source of supply variability?

|  |  |
| --- | --- |
| **A.**  | Customers having different requests |

|  |  |
| --- | --- |
| B.  | Power outage |

|  |  |
| --- | --- |
| C.  | Time to serve a customer |

|  |  |
| --- | --- |
| D.  | Wrong order entered |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #41Difficulty: 2 MediumGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. | To which system inhibitor does the following customer complaint relate: "I wish they could add more cashiers in the busy hours"?

|  |  |
| --- | --- |
| A.  | Defect |

|  |  |
| --- | --- |
| **B.**  | Inflexibility |

|  |  |
| --- | --- |
| C.  | Variability |

|  |  |
| --- | --- |
| D.  | Waste |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyCachon - Chapter 01 #42Difficulty: 3 HardGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 43. | More guests showing up than expected in a party is an example of:

|  |  |
| --- | --- |
| **A.**  | demand variability. |

|  |  |
| --- | --- |
| B.  | supply variability. |

|  |  |
| --- | --- |
| C.  | demand inflexibility. |

|  |  |
| --- | --- |
| D.  | supply inflexibility. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: AnalyzeCachon - Chapter 01 #43Difficulty: 3 HardGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 44. | Which of the following statements about system inhibitors is TRUE?

|  |  |
| --- | --- |
| A.  | Reducing waste will be enough in battling against system inhibitors. |

|  |  |
| --- | --- |
| B.  | Increasing profit is a way to overcome system inhibitors. |

|  |  |
| --- | --- |
| C.  | Fighting system inhibitors is a one-time process. |

|  |  |
| --- | --- |
| **D.**  | System inhibitors cause inefficiencies. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #44Difficulty: 2 MediumGradable: automaticLearning Objective: 01-03 Explain the three system inhibitors.Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 45. | Operations management is about:

|  |  |
| --- | --- |
| A.  | working harder. |

|  |  |
| --- | --- |
| B.  | doing away with work. |

|  |  |
| --- | --- |
| **C.**  | improving the way that we and/or others do their work. |

|  |  |
| --- | --- |
| D.  | dealing with customer feedback. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #45Difficulty: 1 EasyGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 46. | Which of the following statements about operations management is TRUE?

|  |  |
| --- | --- |
| **A.**  | Every work requires operations. |

|  |  |
| --- | --- |
| B.  | Operations is all about manufacturing plants. |

|  |  |
| --- | --- |
| C.  | Operations management is in all job descriptions. |

|  |  |
| --- | --- |
| D.  | Operations management is not important for lawyers. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #46Difficulty: 1 EasyGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 47. | *Operations* comes from the Latin word "opus," which means:

|  |  |
| --- | --- |
| A.  | activity. |

|  |  |
| --- | --- |
| B.  | helping people. |

|  |  |
| --- | --- |
| C.  | improvement. |

|  |  |
| --- | --- |
| **D.**  | work. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #47Difficulty: 1 EasyGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 48. | Operations management improves the way work is done by means of all of the following EXCEPT:

|  |  |
| --- | --- |
| **A.**  | overcoming efficiencies. |

|  |  |
| --- | --- |
| B.  | eliminating waste. |

|  |  |
| --- | --- |
| C.  | decreasing variability. |

|  |  |
| --- | --- |
| D.  | increasing flexibility. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #48Difficulty: 2 MediumGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 49. | A doctor can apply his/her knowledge in operations management to:

|  |  |
| --- | --- |
| A.  | find a cure to cancer. |

|  |  |
| --- | --- |
| B.  | discover a new drug. |

|  |  |
| --- | --- |
| **C.**  | improve his/her work as a doctor. |

|  |  |
| --- | --- |
| D.  | improve his/her language skill. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #49Difficulty: 2 MediumGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 50. | Which of the following is a job of an operations manager?

|  |  |
| --- | --- |
| **A.**  | Acquiring inputs and managing resources |

|  |  |
| --- | --- |
| B.  | Setting up an accounting system |

|  |  |
| --- | --- |
| C.  | Filing lawsuits against competitors |

|  |  |
| --- | --- |
| D.  | Developing a new logo |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #50Difficulty: 2 MediumGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 51. | Which of the following is NOT a job of an operations manager?

|  |  |
| --- | --- |
| A.  | Acquiring inputs |

|  |  |
| --- | --- |
| B.  | Managing resources |

|  |  |
| --- | --- |
| C.  | Overcoming inefficiencies |

|  |  |
| --- | --- |
| **D.**  | Developing a new logo |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #51Difficulty: 2 MediumGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 52. | Which of the following is NOT a job of an operations manager?

|  |  |
| --- | --- |
| A.  | Acquiring inputs |

|  |  |
| --- | --- |
| B.  | Managing resources |

|  |  |
| --- | --- |
| C.  | Overcoming inefficiencies |

|  |  |
| --- | --- |
| **D.**  | Filing lawsuits against competitors |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #52Difficulty: 2 MediumGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 53. | As an operations manager, you improve work by doing all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | eliminating waste. |

|  |  |
| --- | --- |
| B.  | increasing flexibility. |

|  |  |
| --- | --- |
| **C.**  | doing the work for others. |

|  |  |
| --- | --- |
| D.  | reducing variability. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #53Difficulty: 1 EasyGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 54. | As an operations manager, you improve work by doing all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | eliminating waste. |

|  |  |
| --- | --- |
| B.  | increasing flexibility. |

|  |  |
| --- | --- |
| C.  | reducing variability. |

|  |  |
| --- | --- |
| **D.**  | setting up a new accounting system. |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #54Difficulty: 1 EasyGradable: automaticLearning Objective: 01-04 Explain what work in operations management looks like.Topic: Operations Management at Work* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 55. | A mismatch of supply and demand can be caused by all of the following EXCEPT:

|  |  |
| --- | --- |
| A.  | demand variability. |

|  |  |
| --- | --- |
| B.  | supply variability. |

|  |  |
| --- | --- |
| C.  | supply inflexibility. |

|  |  |
| --- | --- |
| **D.**  | demand inflexibility. |

 |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #55Difficulty: 2 MediumGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 56. | Which of the following is NOT an operational problem that you will learn in this text?

|  |  |
| --- | --- |
| A.  | Process analysis |

|  |  |
| --- | --- |
| B.  | Process improvement |

|  |  |
| --- | --- |
| **C.**  | Process satisfaction |

|  |  |
| --- | --- |
| D.  | Process quality |

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| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #56Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 57. | \_\_\_\_\_\_\_\_\_\_ addresses the question of how a firm should produce the products or services its customers want.

|  |  |
| --- | --- |
| **A.**  | Process analysis |

|  |  |
| --- | --- |
| B.  | Product development |

|  |  |
| --- | --- |
| C.  | Process satisfaction |

|  |  |
| --- | --- |
| D.  | Process quality |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #57Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 58. | \_\_\_\_\_\_\_\_\_\_ is a response to system inhibitors in order to answer the question of how a firm improves the productivity of its process by reducing waste.

|  |  |
| --- | --- |
| A.  | Demand anticipation |

|  |  |
| --- | --- |
| B.  | Inventory management |

|  |  |
| --- | --- |
| C.  | Process variability |

|  |  |
| --- | --- |
| **D.**  | Lean |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #58Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 59. | \_\_\_\_\_\_\_\_\_ helps a firm to answer the question of how much of a product should be made or how many customers should be served.

|  |  |
| --- | --- |
| A.  | Product development |

|  |  |
| --- | --- |
| **B.**  | Inventory management |

|  |  |
| --- | --- |
| C.  | Process variability |

|  |  |
| --- | --- |
| D.  | Lean |

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|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberCachon - Chapter 01 #59Difficulty: 1 EasyGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 60. | Which of the following operational decisions corresponds to the inconvenience component of the consumer utility function?

|  |  |
| --- | --- |
| A.  | Who are the customers? |

|  |  |
| --- | --- |
| B.  | How efficiently will the products or the services be delivered? |

|  |  |
| --- | --- |
| C.  | What is the product or service to be delivered? |

|  |  |
| --- | --- |
| **D.**  | Where will the demand be fulfilled? |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #60Difficulty: 2 MediumGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. | Which of the following operational decisions corresponds to the performance attributes subcomponent of the consumer utility function?

|  |  |
| --- | --- |
| A.  | Who are the customers? |

|  |  |
| --- | --- |
| B.  | How efficiently will the products or the services be delivered? |

|  |  |
| --- | --- |
| **C.**  | What is the product or service to be delivered? |

|  |  |
| --- | --- |
| D.  | Where will the demand be fulfilled? |

 |

|  |
| --- |
| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandCachon - Chapter 01 #61Difficulty: 2 MediumGradable: automaticLearning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand.Topic: Operations Management: An Overview of the Book* |

Chapter 1 Summary

|  |  |
| --- | --- |
| *Category* | *# of Questions* |
| AACSB: Analytical Thinking | 61 |
| Accessibility: Keyboard Navigation | 56 |
| Blooms: Analyze | 3 |
| Blooms: Apply | 5 |
| Blooms: Evaluate | 4 |
| Blooms: Remember | 28 |
| Blooms: Understand | 21 |
| Cachon - Chapter 01 | 61 |
| Difficulty: 1 Easy | 28 |
| Difficulty: 2 Medium | 21 |
| Difficulty: 3 Hard | 12 |
| Gradable: automatic | 61 |
| Learning Objective: 01-01 Identify the drivers of customer utility. | 15 |
| Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. | 13 |
| Learning Objective: 01-03 Explain the three system inhibitors. | 10 |
| Learning Objective: 01-04 Explain what work in operations management looks like. | 11 |
| Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand. | 12 |
| Topic: A Firms Strategic Trade-Offs | 11 |
| Topic: Introduction | 5 |
| Topic: Operations Management at Work | 10 |
| Topic: Operations Management: An Overview of the Book | 9 |
| Topic: Overcoming Inefficiencies: The Three System Inhibitors | 13 |
| Topic: The Customers View of the World | 18 |