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:      |  |  | | --- | --- | | A. | demand. |  |  |  | | --- | --- | | B. | bundle. |  |  |  | | --- | --- | | C. | supply. |  |  |  | | --- | --- | | D. | value. | |

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| 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. | |

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| 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 | |

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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:      |  |  | | --- | --- | | 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. | |

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| 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. | |

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| 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. | |

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| 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 | |

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| 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 | |

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| 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 | |

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| 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. | |

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| 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. | |

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| 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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| 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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| 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 | |

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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 | |

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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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| 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? | |

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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? | |

Chapter 1 Key

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| 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. |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #1 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #2 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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.    **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. |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #3 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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| 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. |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #4 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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| 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. |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #5 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #6 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management: An Overview of the Book* |

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| 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. |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #7 Difficulty: 1 Easy Gradable: automatic Learning 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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| 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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #8 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: Introduction Topic: The Customers View of the World* |

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| 9. | The set of products or services customers want is called:      |  |  | | --- | --- | | **A.** | demand. |  |  |  | | --- | --- | | B. | bundle. |  |  |  | | --- | --- | | C. | supply. |  |  |  | | --- | --- | | D. | value. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #9 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: Introduction Topic: The Customers View of the World* |

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| 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. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #10 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand. Topic: Introduction Topic: The Customers View of the World* |

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| 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 | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #11 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand. Topic: Introduction Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #12 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-05 Articulate the key operational decisions a firm needs to make to match supply with demand. Topic: Introduction Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #13 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #14 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #15 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #16 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Apply Cachon - Chapter 01 #17 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #18 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #19 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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| 20. | Price utility includes all of the following EXCEPT:      |  |  | | --- | --- | | A. | cost of owning the product. |  |  |  | | --- | --- | | B. | shipping cost. |  |  |  | | --- | --- | | C. | financing costs. |  |  |  | | --- | --- | | **D.** | transaction costs. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #20 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #21 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Apply Cachon - Chapter 01 #22 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Apply Cachon - Chapter 01 #23 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-01 Identify the drivers of customer utility. Topic: The Customers View of the World* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #24 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Blooms: Evaluate Cachon - Chapter 01 #25 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Blooms: Evaluate Cachon - Chapter 01 #26 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Blooms: Evaluate Cachon - Chapter 01 #27 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #28 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #29 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Evaluate Cachon - Chapter 01 #30 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Blooms: Analyze Cachon - Chapter 01 #31 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Blooms: Analyze Cachon - Chapter 01 #32 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Apply Cachon - Chapter 01 #33 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-02 Explain inefficiencies and determine if a firm is on the efficient frontier. Topic: A Firms Strategic Trade-Offs* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #34 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #35 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #36 Difficulty: 1 Easy Gradable: automatic Learning 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* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #37 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #38 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #39 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #40 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #41 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Apply Cachon - Chapter 01 #42 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Analyze Cachon - Chapter 01 #43 Difficulty: 3 Hard Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #44 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-03 Explain the three system inhibitors. Topic: Overcoming Inefficiencies: The Three System Inhibitors* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #45 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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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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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #46 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 47. | *Operations* comes from the Latin word "opus," which means:      |  |  | | --- | --- | | A. | activity. |  |  |  | | --- | --- | | B. | helping people. |  |  |  | | --- | --- | | C. | improvement. |  |  |  | | --- | --- | | **D.** | work. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #47 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #48 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #49 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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 | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #50 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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 | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #51 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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 | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #52 Difficulty: 2 Medium Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #53 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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. | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #54 Difficulty: 1 Easy Gradable: automatic Learning Objective: 01-04 Explain what work in operations management looks like. Topic: Operations Management at Work* |

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| 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 Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #55 Difficulty: 2 Medium Gradable: automatic Learning 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 Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #56 Difficulty: 1 Easy Gradable: automatic Learning 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 | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #57 Difficulty: 1 Easy Gradable: automatic Learning 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 | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #58 Difficulty: 1 Easy Gradable: automatic Learning 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 Thinking Accessibility: Keyboard Navigation Blooms: Remember Cachon - Chapter 01 #59 Difficulty: 1 Easy Gradable: automatic Learning 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? | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #60 Difficulty: 2 Medium Gradable: automatic Learning 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? | |

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| *AACSB: Analytical Thinking Accessibility: Keyboard Navigation Blooms: Understand Cachon - Chapter 01 #61 Difficulty: 2 Medium Gradable: automatic Learning 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

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| --- | --- |
| *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 |