

Production and Operations Management

1. Which of the following is (are) important consideration(s) concerning activity times?

- A. Activity time should be obtained from the person responsible for the completion of an activity
- B. Activity time must be independent of any influence which the preceding or succeeding activity may have on it.
- C. Activity time may assume that just the normal quantity of resources required to carry out the activity are available.
- D. All of the above

View answer

Correct answer: (D)

All of the above

2. Objective of Work Study is to improve -----

- A. Cycle time
- B. Productivity
- C. Production
- D. All of the above

View answer

Correct answer: (B)

Productivity

3. The following is not a major contributor in the development of Control Charts and Sampling plan

- A. F H Dodge
- B. H G Roming
- C. Walter Schewhart
- D. J M Juran

View answer

Correct answer: (D)

J M Juran

4. Organizational models are

- A. multinational model
- B. international model
- C. global organizational model
- D. All of the above

View answer

Correct answer: (D)

All of the above

5. The _____ is the defect level for which lots are regarded as bad lots.

- A. Acceptable quality level
- B. Consumer's risk
- C. Producer's risk
- D. Lot Tolerance Percentage Defective

View answer

Correct answer: (D)

Lot Tolerance Percentage Defective

6. What are the advantages of templates over diagrams?

- A. Can be conveniently moved on the graph paper
- B. Less laborious
- C. Saves time
- D. All of the above

View answer

Correct answer: (D)

All of the above

7. Attack strategies are

- A. Frontal attack
- B. Flank attack
- C. Encirclement attack
- D. All of the above

View answer

Correct answer: (D)

All of the above

8. Which of the following are assignable cause?

- A. Large variations in hardness of material
- B. Tool wear
- C. Errors in setting
- D. All of the above

View answer

Correct answer: (D)

All of the above

9. Which of the following are activities of corrective maintenance?

- A. Overhauling

- B. Emergency repairs
- C. Modifications and improvements
- D. All of the above

View answer

Correct answer: (D)

All of the above

10. Limitations of Traditional cost accounting are

- A. Assumes factory as an isolated entity
- B. It measures only the cost of producing
- C. both (A) and (B)
- D. none of the above

View answer

Correct answer: (C)

both (A) and (B)

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11. Which kind of defect can be called as minor defect?

- A. Which does not reduce the usability of the product for its intended use
- B. The cost of repairing the defect is less
- C. Both (A) and (B)
- D. None of the above

View answer

Correct answer: (A)

Which does not reduce the usability of the product for its intended use

12. General Electric Matrix is divided into how many cells

- A. 4
- B. 9
- C. 16
- D. 25

View answer

Correct answer: (B)

9

13. What is the reason of excessive friction between parts?

- A. Improper or lack of lubrication
- B. Material of parts
- C. both (A) and (B)
- D. None of above

View answer

Correct answer: (A)

Improper or lack of lubrication

14. Capacity decisions have a direct influence on performance of production system in respect of _____

- A. Delivery performance
- B. Quality control
- C. Plant size
- D. Manpower

View answer

Correct answer: (A)

Delivery performance

15. Business is rated on which dimensions

- A. Market attractiveness
- B. Business strength
- C. both (A) and (B)
- D. none of the above

View answer

Correct answer: (C)

both (A) and (B)

16. Which of the following policies is advisable in case of low product variety and large volumes?

- A. Skilled labour, special purpose machines
- B. Low skilled labour, general purpose machine
- C. Low Skilled Labour, Special Purpose Machines
- D. Any of the above

View answer

Correct answer: (C)

Low Skilled Labour, Special Purpose Machines

17. In an organization there may not be a formal PPC department if

- A. Work is highly repetitive in nature
- B. Planning activities are performed by the line staff
- C. Number of workmen is not very large
- D. All of the above

View answer

Correct answer: (D)

All of the above

18. 'W' in SWOT stands for

- A. What do you do well?
- B. What could you improve?
- C. What doors are open to you?
- D. What threats could harm you

View answer

Correct answer: (B)

What could you improve?

19. Which kind of labour force is required in case of Jobbing Production?

- A. Highly Skilled
- B. Semi skilled
- C. Unskilled
- D. Any of the above

View answer

Correct answer: (A)

Highly Skilled

20. Which of the following is not the characteristic of Project Production?

- A. Continuous flow of material
- B. Highly mechanised material handling
- C. Virtually zero manufacturing cycle time
- D. All of the above

View answer

Production and Operations Management

21. Like roots of a tree, _____ of organization is hidden from direct view.

- A. goodwill
- B. core competence
- C. Higher management
- D. Capital investment

View answer

Correct answer: (B)
core competence

22. Fixed position layout is adopted when

- A. Products are of different variety
- B. Product is very heavy involving assembly of large number of parts
- C. Products are in large numbers
- D. All of the above

View answer

Correct answer: (B)
Product is very heavy involving assembly of large number of parts

23. Which of the following is not a type of specification?

- A. Material specifications
- B. Dimensional specifications
- C. Manpower specification
- D. Performance specifications

View answer

Correct answer: (C)
Manpower specification

24. _____ should have the ability to develop a vision to see patterns into the future.

- A. Leaders
- B. Workers
- C. Management
- D. None of the above

View answer

Correct answer: (A)
Leaders

25. What is the location of lower control limit in the X bar-R control chart?

- A. 3 standard deviations below central line
- B. 2 standard deviations below central line
- C. 1 standard deviations below central line
- D. Any of the above

View answer

Correct answer: (A)

3 standard deviations below central line

26. Which of the following Principles of Management is not advocated by F W Taylor?

- A. Selection of best worker for each particular task
- B. Division of work between worker and management
- C. Training and development of the workmen
- D. Involvement of workers in strategy planning

View answer

Correct answer: (D)

Involvement of workers in strategy planning

27. Scale model used for layout analysis have following advantages

- A. Nontechnical person finds it easy to comprehend
- B. Overhead facilities can be shown
- C. Models can be shifted easily
- D. All of the above

View answer

Correct answer: (D)

All of the above

28. Which are three different bases to establish an activity time?

- A. Past experience
- B. Judgement
- C. Historical data
- D. All of the above

View answer

Correct answer: (D)

All of the above

29. Which photographic technique is used to record path of motions of the members of the body during method study?

- A. Acrograph
- B. Cyclograph
- C. Cyclogram
- D. Cycloscope

View answer

Correct answer: (B)

Cyclograph

30. Control should involve _____ amount of information.

- A. Minimum
- B. Sufficient
- C. Maximum
- D. Any of the above

View answer

Correct answer: (A)

Minimum

31. The term _____ implies the foregone profit due to inability of company to produce.

- A. Opportunity cost
- B. Marginal cost
- C. Overhead cost
- D. All of the above

View answer

Correct answer: (A)

Opportunity cost

32. OC curve of ideal sampling plan suggests that all lots less than 3% defectives have the probability of acceptance of _____.

- A. 0.25
- B. 0.5
- C. 0.75
- D. 1

View answer

Correct answer: (D)

1

33. Which of the following are the objectives of a good maintenance system?

- A. Minimisation of wear and tear of machines
- B. Ensuring maximum plant availability
- C. Both (A) and (B)
- D. None of the above

View answer

Correct answer: (C)

Both (A) and (B)

34. Inherent Safety' is one of the principle of good layout. In context of layout, this can be achieved by the following

- A. Clear gangway
- B. Location of material and material handling system
- C. Both (A) and (B)
- D. None of the above

View answer

Correct answer: (C)

Both (A) and (B)

35. In case of an OC curve, the risk of rejecting a good quality lot may vary between _____.

- A. 0.01 to 5%
- B. 0.01 to 10%
- C. 0.01 to 15%
- D. 0.01 to 20%

View answer

Correct answer: (B)

0.01 to 10%

36. How does 'structure' reduce external uncertainty arising out of human behaviour

- A. Research and planning
- B. Forecasting
- C. both (A) and (B)
- D. none of the above

View answer

Correct answer: (C)

both (A) and (B)

37. Inadequate production capacity ultimately leads to

- A. Poor quality
- B. Poor Customer Service
- C. Poor inventory control
- D. All of the above

View answer

Correct answer: (B)

Poor Customer Service

38. What do you understand by the inspection conducted on all non reworkable jobs prior to their movement to the scrap yard?

- A. Final inspection
- B. Endurance inspection
- C. Functional inspection
- D. Salvage inspection

View answer

Correct answer: (D)

Salvage inspection

39. A/An _____ history card is the record of all repairs, replacements and engineering changes carried out in the equipment during its period of service.

- A. Service
- B. Equipment
- C. Repair
- D. None of the above

View answer

Correct answer: (B)

Equipment

40. Which of the following are assignable cause?

- A. Large variations in hardness of material
- B. Tool wear
- C. Errors in setting
- D. All of the above

View answer

Correct answer: (D)

All of the above

41. A strategy which aims to produce a perfect product which will suit everybody is called:

- A. Marketing orientation.
- B. Production orientation.
- C. Product orientation.
- D. Perfection orientation.

View answer

Correct answer: (C)

Product orientation.

42. Someone who is responsible for finding out what individual customers need, and explaining how the firm's products meet those needs, is a _____.

- A. Brand manager
- B. Salesperson
- C. Sales manager
- D. Market research manager

View answer

Correct answer: (B)

Salesperson

43. Which of the following best describes strategic planning?

- | | | | | |
|----|--------------------------------|--------|----------|------------|
| A. | Time | | horizon: | Long-term |
| | Level | of | detail: | Summarised |
| | Source: Mainly internal | | | |
| B. | Level | of | detail: | Summarised |
| | Source: | Mainly | | external |
| | Degree of certainty: Certain | | | |
| C. | Time | | horizon: | Long-term |
| | Level | of | detail: | Summarised |
| | Degree of certainty: Uncertain | | | |
| D. | Time | | horizon: | Long-term |
| | Level | of | detail: | detailed |
| | Source: Mainly external | | | |

View answer

Correct answer: (C)

Time horizon: Long-term

Level of detail: Summarised

Degree of certainty: Uncertain

44. Psychologists use the term _____ to describe the way that individuals absorb information.

- A. Cognitive style
- B. Intelligence Quotient
- C. Human Computer Interaction
- D. Data Processing

View answer

Correct answer: (A)
Cognitive style

45. In a business continuity plan which of the following notification directories is the MOST important?

- A. Equipment and supply vendors
- B. Insurance company agents
- C. Contract personnel services
- D. A prioritized contact list

View answer

Correct answer: (D)
A prioritized contact list

46. An expansionist capacity strategy is NOT indicated when:

- A. A preemptive marketing strategy is used.
- B. Expansion will lead to economies of scale.
- C. Expansion is made in large increments.
- D. Capacity expansion is consistently ahead of demand.

View answer

Correct answer: (B)
Expansion will lead to economies of scale.

47. Costs that continue even if no units are produced are called

- A. Variable costs.
- B. Mixed costs.
- C. Marginal costs.
- D. Fixed costs.

View answer

Correct answer: (D)
Fixed costs.

48. Which of the following actions would be best if a firm faced highly seasonal demand for a perishable product?

- A. Hire and fire employees as demand fluctuates.
- B. Build up inventory when demand is low.
- C. Add warehouse and production building space to accommodate the highest period of demand.
- D. Offer a product with a complementary demand pattern.

View answer

Correct answer: (D)

Offer a product with a complementary demand pattern.

49. Which of the following is not a measure of utilisation?

- A. Uptime in a factory
- B. Number of hours available for production
- C. Room occupancy level in hotels
- D. Load factor for aircraft

View answer

Correct answer: (B)

Number of hours available for production

50. A strategy which aims to produce the maximum amount of goods at the lowest possible price is called:

- A. Production orientation.
- B. Selling orientation.
- C. Societal marketing.
- D. Cost orientation.

View answer

Correct answer: (A)

Production orientation.

51. Someone who has responsibility for marketing decisions concerning a group of products is:

- A. A marketing manager
- B. A brand manager.
- C. A sales manager.
- D. A product manager.

View answer

Correct answer: (D)

A product manager.

52. The paradigm that leads to more complex products at ever-increasing prices is _____.

- A. Product orientation
- B. Production orientation
- C. Marketing orientation
- D. Sales orientation

View answer

53. Which of the following best describes the decision making required in dealing with customer enquiries?

- A. Unstructured, strategic
- B. Unstructured, operational
- C. Structured, strategic
- D. Structured, operational

View answer

Correct answer: (B)

Unstructured, operational

54. Two systems are described as _____ if a change in the outputs of one causes a substantial change in the state of the other.

- A. Highly decoupled
- B. Highly coupled
- C. Black boxes
- D. Sub-systems

View answer

Correct answer: (B)

Highly coupled

55. Chang and Chang observe that the competition is increasing the size of its warehouses. They have decided to do the same. They are following a _____ strategy.

- A. Theory of Constraints
- B. Follow the leader
- C. Expansionist
- D. Wait-and-see

View answer

Correct answer: (B)

Follow the leader

56. A facility with a design capacity of 1,000 units, an actual average of 800 units, and effective capacity of 850 units has a utilization of _____ .

- A. 85%
- B. 80%
- C. 125%
- D. 94%

View answer

Correct answer: (B)

80%

57. Yield management is not especially useful where:

- A. The service/product can be stored
- B. Capacity is relatively fixed
- C. The service cannot be sold in advance
- D. The market can be fairly clearly segmented

View answer

Correct answer: (A)

The service/product can be stored

58. Which of the following is true?

- A. Value is always lower than price.
- B. Value is what consumers are prepared to pay.
- C. Cost is always lower than price.
- D. Price is always lower than value.

View answer

Correct answer: (B)

Value is what consumers are prepared to pay.

59. A specific satisfier for a need is called a _____.

- A. Product
- B. Demand
- C. Want
- D. Market

View answer

Correct answer: (C)

Want

60. Structured decisions are also called _____ decisions.

- A. Strategic
- B. Programmable
- C. Read-intensive
- D. Non-programmable

View answer

Correct answer: (B)

Programmable

61. Inputs come from and outputs are transferred to the _____ of a system.

- A. Environment
- B. Sub-system
- C. Comparator
- D. Effector

View answer

Correct answer: (A)

Environment

62. When evaluating alternative capacity decisions, qualitative concerns exclude:

- A. Cash flow.
- B. Uncertainties about demand.
- C. Competitive reaction.
- D. Technology change.

View answer

Correct answer: (A)

Cash flow.

63. When demand exceeds capacity, a firm should

- A. Lower prices.
- B. Add workers.
- C. Temporarily lay-off workers.
- D. Advertise.

View answer

Correct answer: (B)

Add workers.

64. The marketing concept should be central to business strategy because:

- A. Business strategy is aimed at customers.
- B. Companies have a moral responsibility to care for their customers.
- C. Marketing enables firms to persuade their customers to buy things they do not really need.
- D. Customers will only spend money with firms that look after their needs.

View answer

Correct answer: (D)

Customers will only spend money with firms that look after their needs.

65. One way to decouple the production system and the sales system is:

- A. To introduce a feedback loop
- B. To treat the systems as black boxes
- C. To decrease sales
- D. To introduce an inventory

View answer

Correct answer: (D)

To introduce an inventory

66. Long-term capacity planning deals with which of the following factors?

- A. Overtime budgets
- B. Workforce size
- C. Inventories
- D. Investment in new facilities

View answer

Correct answer: (D)

Investment in new facilities

67. Efficiency is given by

- A. Actual output divided by design capacity.
- B. Capacity divided by utilization.
- C. Effective capacity divided by actual output.
- D. Actual output divided by effective capacity.

View answer

Correct answer: (D)

Actual output divided by effective capacity.

68. The most aggressive and risky approach to capacity planning is

- A. Capacity lags with incremental expansion.
- B. Leading demand with one-step expansion.
- C. Leading demand with incremental expansion.
- D. Attempts to have an average capacity that straddles demand with incremental expansion.

View answer

Correct answer: (B)

Leading demand with one-step expansion.

69. Demand is created when:

- A. A need is identified.
- B. A significant group of people want to buy something.
- C. People who can afford something want to buy it.
- D. Marketers persuade people to want something.

View answer

Correct answer: (C)

People who can afford something want to buy it.

70. Input measures of capacity are preferred when there is/are:

- A. Service processes.
- B. High-volume processes.
- C. Flexible flow processes.
- D. Low customization.

View answer

Correct answer: (A)

Service processes.

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Production and Operations Management

71. In general, a less capital-intensive industry such as a hotel chain would do well with a utilization rate of:

- A. Approximately 18%.

- B. 30-40%.
- C. 60-70%.
- D. 100%.

View answer

Correct answer: (C)
60-70%.

72. A facility with a design capacity of 1,000 units, an actual average of 800 units, and effective capacity of 850 units has an efficiency of _____.

- A. 80%
- B. 50%
- C. 85%
- D. 94%

View answer

Correct answer: (D)
94%

73. The first steps of capacity planning and control do not include:

- A. Identifying the alternative capacity plans?
- B. Measuring aggregate demand and capacity?
- C. Studying the effect of queueing theory
- D. Choosing the most appropriate capacity plan?

View answer

Correct answer: (C)
Studying the effect of queueing theory

74. Someone who controls media purchases and deals with advertising agencies is _____.

- A. An advertising manager
- B. A brand manager
- C. A public relations manager
- D. A sales manager

View answer

Correct answer: (A)
An advertising manager

75. A measure of the reserve capacity a process has to handle in unexpected increases in demand is the:

- A. Capacity utilization rate.
- B. Capacity cushion.
- C. Capacity bottleneck.
- D. Capacity constraint limit.

View answer

Correct answer: (B)

Capacity cushion.

76. The maximum output of a system in a given period is called the

- A. Efficiency.
- B. Effective capacity.
- C. Design capacity.
- D. Break-even point.

View answer

Correct answer: (C)

Design capacity.

77. The multiple product case of determining breakeven in dollars

- A. Weights the variable cost of each product.
- B. Weights the selling price of each product.
- C. Weights the fixed cost attributable to each product.
- D. Weights the contribution of each product.

View answer

Correct answer: (D)

Weights the contribution of each product.

78. The basic break-even model

- A. Demonstrates that the break-even point increases as output volume increases.
- B. Demonstrates that fixed costs remain constant as output volume increases.
- C. Demonstrates that total revenue is fixed as output volume increases.
- D. Demonstrates that per unit variable costs vary as output volume increases.

View answer

Correct answer: (B)

Demonstrates that fixed costs remain constant as output volume increases.

79. Which of the following provides the best definition of 'information'?

- A. Computer hardware

- B. Data processed for a purpose
- C. Computer software
- D. Transaction Data

View answer

Correct answer: (B)

Data processed for a purpose

80. Which of the following decision is least likely to be supported by a management information system?

- A. Company reorganisation
- B. Analysis of performance
- C. Allocating budgets
- D. Dealing with customer enquiries

View answer

Correct answer: (A)

Company reorganisation

81. What are the four stages of Simon's model of decision making?

- A. Intelligence, design, choice, implementation
- B. Intelligence, design, computation, implementation
- C. Information, design, choice, implementation
- D. Intelligence, data, choice, implementation

View answer

Correct answer: (A)

Intelligence, design, choice, implementation

82. Which of the following best describes 'formal information'?

- A. Produced by standard procedures. Passed by word of mouth
- B. Produced by standard procedures. Objective
- C. Objective. Passed by word of mouth
- D. Subjective. Based on estimates

View answer

Correct answer: (B)

Produced by standard procedures. Objective

83. MRP stands for:

- A. Master Resources Production

- B. Management Reaction Planning
- C. Materials Requirements Planning
- D. Manufacturing Resource Planning

View answer

Correct answer: (C)

Materials Requirements Planning

84. A master production schedule contains information about

- A. Quantities and required delivery dates of all sub-assemblies
- B. Quantities and required delivery dates of final products
- C. Inventory on hand for each sub-assembly
- D. Inventory on hand for each final product

View answer

Correct answer: (B)

Quantities and required delivery dates of final products

85. Optimized production technology (OPT) is a computer-based technique and tool which helps to schedule production systems. Which of the following are not principles of OPT?

- A. Capacity is "king"
- B. Balance flow is what is required
- C. Process batch should be variable
- D. Bottlenecks govern throughput

View answer

Correct answer: (A)

Capacity is "king"

86. MPS stands for:

- A. Master Planning System
- B. Master Production Schedule
- C. Material Production Schedule
- D. Material Planning System

View answer

Correct answer: (B)

Master Production Schedule

87. A master production schedule contains information about

- A. Quantities and required delivery dates of all sub-assemblies
- B. Quantities and required delivery dates of final products
- C. Inventory on hand for each sub-assembly
- D. Inventory on hand for each final product

View answer

Correct answer: (B)

Quantities and required delivery dates of final products

88. Dependent demand and independent demand items differ in that

- A. For any product, all components are dependent-demand items
- B. The need for independent-demand items is forecasted
- C. The need for dependent-demand items is calculated
- D. All of the above are true

View answer

Correct answer: (D)

All of the above are true

89. A master production schedule specifies

- A. The financial resources required for production
- B. What component is to be made, and when
- C. What product is to be made, and when
- D. The labor hours required for production

View answer

Correct answer: (C)

What product is to be made, and when

90. Closed Loop MRP means:

- A. Actual inventory is counted regularly and adjustment made to the inventory records
- B. Capacity and resource planning is included in the MRP logic
- C. Unused materials are returned to stores and recorded back into the system
- D. Actual sales are netted off the forecasts in the MPS

View answer

Correct answer: (B)

Capacity and resource planning is included in the MRP logic

91. Enterprise Resource Planning (ERP) has been criticised on a number of grounds. Which of the following is not a common criticism of ERP?

- A. It doesn't allow decisions and databases from all parts of the organisation to be integrated
- B. Implementation is expensive
- C. The effect it has on businesses is disappointing
- D. It can have a disruptive effect on the organisation's operations

View answer

Correct answer: (A)

It doesn't allow decisions and databases from all parts of the organisation to be integrated

92. Demand for a given item is said to be dependent if

- A. the item has several children
- B. there is a deep bill of materials
- C. the finished products are mostly services (rather than goods)
- D. there is a clearly identifiable parent

View answer

Correct answer: (D)

there is a clearly identifiable parent

93. In MRP (Materials Requirements Planning) the Bill of Materials is:

- A. The required output from a process over time
- B. A list of required safety stock items
- C. The sum of stock-on-hand and work-in-progress
- D. The product structure showing where common parts are used

View answer

Correct answer: (D)

The product structure showing where common parts are used

94. What is measurementship?

- A. Trying to agree low objectives so as to look good later
- B. Discussing "the numbers" at every opportunity
- C. Surveying by naval architects.
- D. Collecting too much performance data

View answer

Correct answer: (A)

Trying to agree low objectives so as to look good later

95. The outputs of a MRP II system are:

- A. Sales order priorities / Bills of Materials / Material Requirement Plans
- B. Material Requirement Plans / scheduled purchase orders / capacity requirement plans
- C. Stock quantities / Bills of Materials / Master Production Schedule
- D. Capacity requirement plans / stock quantities / stock locations

View answer

Correct answer: (B)

Material Requirement Plans / scheduled purchase orders / capacity requirement plans

96. Three levels of planning. What are they?

- A. Top, middle and bottom
- B. Headquarters, divisional and local
- C. Operational, intermediate and strategic
- D. None of these

View answer

Correct answer: (C)

Operational, intermediate and strategic

97. Three inputs for every MRP system are:

- A. Sales forecast, delivery costs, capacity plan
- B. Average replenishment time, re-order point, economic order quantity
- C. Stock on hand, Master Production Schedule, Bill of Materials
- D. Bill of Materials, sales forecast, sales history

View answer

Correct answer: (C)

Stock on hand, Master Production Schedule, Bill of Materials

98. What three problems commonly hindering successful planning did we identify?

- A. An oversized planning department; poor co-operation between managers and planners; managers with little time to gather information.
- B. Procedures unsuited to change; negative organisational culture; poor interpersonal relationships.
- C. Lack of planning expertise; little top management support; misuse of planning specialists.
- D. Conflict among objectives; impossibility of measuring outcomes; confusion between means and ends.

View answer

Correct answer: (C)

Lack of planning expertise; little top management support; misuse of planning specialists.

99. What is the more formal term for what is known as 'Plan B'?

- A. A contingency plan
- B. A circumstantial plan
- C. A catastrophe plan
- D. A convergence plan

View answer

Correct answer: (A)

A contingency plan

100. What is the planning horizon?

- A. The time ahead for which there is no information.
- B. The time period within which uncertainty is very low.
- C. The maximum time for which managers can make plans.
- D. The time between making a plan and putting it into effect.

View answer

Correct answer: (D)

The time between making a plan and putting it into effect.