Module 3 Exam. Fall 2018

ugba-10
Principles of Business

Module 3 Exam Fall 2018

Instructions – read this carefully

- This is an exam. Do not talk.
- Books, notes, and electronic devices including calculators, must be put completely away, out of sight.
- Do not begin the exam until you are told to begin.
- Once you leave the exam room, you may not return. No bathroom or other breaks during the exam.
- Place your Scantron on top of the envelope for your exam version (A, B, C, D).
- Hold onto the exam until scores are posted. It will come in handy if you there are issues with your answer to question 38.
- If you do not have a Scantron form/pencil, you can purchase one now for $10. Take your seat, raise your hand and wait with your $10.
- Any contravention of these instructions will lead to your ejection from the exam with zero points.
- While you are waiting to begin, enter the following information on your Scantron:

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<tr>
<th>Scantron field</th>
<th>Information to enter</th>
<th>Example</th>
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<td>Tu 11-12P</td>
<td>Rajasi Desai</td>
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<td>102</td>
<td>Tu 2-3P</td>
<td>Jose Becerra</td>
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<td>Th 5-6P</td>
<td>Rajasi Desai</td>
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MAKE SURE TO:
5. BUBBLE IN ANSWERS FOR ALL 38 QUESTIONS ON YOUR SCANTRON
6. FILL OUT ALL SCANTRON FIELDS AS EXPLAINED ABOVE

IF YOUR UNIQUE EXAM CODE IS MISSING FROM YOUR SCANTRON, OR DOESN’T MATCH THAT ON Q38, OR HAS BEEN USED BY ANOTHER STUDENT, YOU WILL AUTOMATICALLY SCORE A ZERO ON THIS EXAM.
Select the best answer for each of the following questions.

1. Which one of the following is true for supply chain management?
   A) Supply chain applies to both manufacturing and service organizations.
   B) Supply chain applies only to manufacturing because it deals with flow of materials.
   C) Supply chain is about suppliers and does not include distributors or customers.
   D) Supply chain includes any operation that deals with materials.

2. Select the BEST answer. Which one of the following statements is NOT true?
   A) The three main line functions of any business include Operations, Finance and Marketing
   B) Quality is more easily measured in a service process than in a manufacturing process.
   C) Operations management refers to the direction and control of inputs that transform processes into products and services.
   D) As a functional area of a business, Operations translates materials and services into outputs.

3. According to the video, Social Entrepreneurship vs Climate Change, which of the following statements is NOT true:
   A) World population: more people were born between 1950-2000 than the previous 200 years combined (1750-1950)
   B) The expected increase in energy demand by 2035 is significant. Authors made an analogy and said that the increase in energy demand is equivalent to having a new China in this planet.
   C) The Aral Sea used to be one of the largest lakes in the world. Unfortunately, intensive agricultural practices and the construction of dams in the 1970s shrank the size of this lake. However, good sustainable practices have helped to return the size of the lake almost back to its previous size.
   D) Water is used for electricity generation therefore, an increase in energy demand due to population grow may also imply more pressure to the water resources.

4. Which of the following is NOT an example of stakeholder:
   A) Employees
   B) Customers
   C) Shareholders
   D) All of the above are stakeholders
5. Select the BEST answer. Manufacturing processes usually have:
   A) high levels of customer contact.
   B) output that cannot be inventoried.
   C) low levels of capital intensity.
   D) physical, durable output.

6. Select the BEST answer. Budgeting, recruiting, and scheduling are examples of a(n):
   A) project development.
   B) core process.
   C) support process.
   D) system.

7. In response to social and political moves to discourage cigarette smoking, major cigarette manufacturers have had to diversify into other products. Identifying the pressures against smoking is an example of:
   A) environmental scanning.
   B) market segmentation.
   C) CSR
   D) mission statement development.

8. Using an airline example for competitive priorities, the process capability of handling service needs of all market segments and promotional programs would be best described by:
   A) strategic alliances
   B) consistent quality.
   C) delivery speed.
   D) variety.

9. Select the BEST answer. Which one of the following statements is NOT true?
   A) Process decisions are strategic in nature.
   B) No process can exist without at least one product or service.
   C) Processes, by their nature, are found only in the operations function of an organization.
   D) Supply chain processes are simply business processes that have either external customers or external suppliers.

10. Select the BEST answer. People processing services require:
    A) a high degree of process structure.
    B) high capital intensity.
    C) physical presence.
    D) hybrid low volume—capital intensive operations.
11. Select the BEST answer. A process that is primarily back office is:
A) a taxi driver.
B) a call center agent dealing with your request.
C) the payroll clerk that calculates your paycheck.
D) the hostess at a fast food restaurant.

12. Which one of the following statements is NOT true?
A) A job process has the highest level of customization of the process choices.
B) Job processes generally have higher volumes than batch processes.
C) In a line process, there is little variability in the products manufactured, and production and material handling equipment are often specialized.
D) Petroleum refineries typically use continuous flow processes.

13. Which one of the following statements is NOT true?
A) A make-to-stock strategy involves holding items in stock for immediate delivery and is feasible for standardized products with high volumes and reasonably accurate forecasts.
B) The degree of process divergence is what keeps a large batch process from being economically produced using a line process.
C) Assemble-to-order strategy produces a wide variety of products from relatively few assemblies and components after orders are received.
D) An off-diagonal position in the product-process matrix is typically more profitable than a position on the diagonal.

14. Which of the following expressions is used to calculate Inventory Turnover?
A) Average aggregate inventory value divided by weekly sales (at cost)
B) Number of units divided by their dollar value
C) Annual sales (at cost) divided by the average aggregate inventory value
D) Average aggregate inventory value divided by monthly sales (at cost)

15. The Customer-Contact Matrix brings together the following elements EXCEPT:
A) Customer Contact
B) Modularity
C) Customization
D) Flexible Flows
16. According to the article, Strategy and Society, the following is NOT an example of Looking Inside Out to understand the effect of business operations to society and the environment:
   A) Green procurement practices
   B) Work safety and labor conditions
   C) Reduce packaging of finished goods
   D) Presence of clusters instead of isolated industries

17. An efficient supply chain should be preferred when:
   A) product variety is high.
   B) competitive priority is customization.
   C) demand is highly predictable.
   D) demand is unpredictable.

18. Berk-Inc. averages $10 million worth of inventory in all of its worldwide locations. They operate 50 weeks a year and each week average $5 million in sales (at cost). Their inventory turnover is:
   A) 1 turns.
   B) 25 turns.
   C) 10 turns.
   D) 2 turns.

19. Select the best answer. The type of goods for which a responsive supply chain is appropriate are:
   A) fashion goods.
   B) products with a long shelf life.
   C) expensive products.
   D) those with infrequent design changes.

20. Which one of the following correctly describes a production system?
   A) Airline: pilots→planes→transportation
   B) Bank: tellers→computer equipment→deposits
   C) Furniture manufacturer: wood→sanding→chair
   D) Telephone company: satellites→cables→communication

21. Mobile Inc. is a manufacturer that makes a generic mobile phone in five exciting colors. Once orders are received, the mobile guts are encased in the customer's choice of colored case at the factory. This approach to production is known as:
   A) channel assembly.
   B) product sourcing.
   C) postponement.
   D) lean processing.
22. Select the best answer. More fixed automation typically means:
A) decreased labor productivity.
B) longer cycle time.
C) higher demand volumes.
D) capability to increase the average aggregate inventory value

23. A firm that chooses to compete based on delivery speed and variety would most likely have:
A) a make-to-order production and inventory strategy.
B) an assemble-to-order production and inventory strategy.
C) a make-to-stock production and inventory strategy.
D) an engineer-to-order production and inventory strategy.

24. Refer to the figure below. Which is the best statement if a company simultaneously moves from point A to point B and from point D to point C?
A) The new supply chain efficiency curve is superior to the old one.
B) A new business model was adopted
C) The new supply chain is still inferior to the supply chain efficiency curve.
D) The new performance is worse, but the costs are lower.

25. In the article “Disrupt and Delight” by BBMG, which of the following statements is NOT part of their three steps to sustainable brand innovation?
A) Embed sustainability
B) Partner with large and credible non-government organizations
C) Inspire co-creativity
D) Unleash shared value
26. In his article "What is Strategy?" Michel Porter states a series of alternative new views of Strategy. Which of the following is NOT part of Porter’s presented alternatives for Sustainable Competitive Advantage?
   A) Unique competitive position for the company
   B) Sustainability comes from the activity systems, not the parts
   C) Competitive Advantage arises from fits across activities
   D) Benchmarking of all activities and achieving best practice

27. According to the article What is Your Strategy for Supply Chain Disclosure?, the Authors propose a disclosure radar which identifies four main categories of supply chain disclosure. Select the best answer. Which of the following is NOT part of the four main categories?
   A) Provenance
   B) Legal compliance
   C) Social information
   D) Membership

28. Based on the material covered in lecture, Managing Sustainable Supply Chains involves all of the following except which one?:
   A) Gather data on current supplier performance and use that information to screen new suppliers.
   B) Align the sustainability efforts of the company with its own marketing campaigns
   C) Engage in active supplier management utilizing ethical means.
   D) Provide periodic reports on the impact of supply chains on sustainability.

29. According to our lecture, Scholastic, J K Rowling and printers around the world work around the clock to release and distribute millions of books of the eagerly awaited seventh book of Harry Potter. Select the best answer. Which one of the following were not part of their actions:
   A) Warehouses were utilized at almost full capacity.
   B) Thousands of trucks and pallets of the same size were used.
   C) GPS transponders were used to deliver millions of individual orders simultaneously .
   D) Months of planning lead to big profits.

30. If a retail store owner does not have a popular item in stock because he underestimated the forecasted sales for that item, he most likely has a challenge with:
   A) managing processes.
   B) managing customer demand.
   C) managing supply chains.
   D) managing people.
31. Select the best answer. Which of the following characteristics is not true about Services Processes (SPs):
   A) The output of SPs is intangible or perishable
   B) SPs are more likely to have longer response times than Manufacturing Processes (MPs)
   C) SPs are more likely to be less capital intensive than Manufacturing Processes (MPs)
   D) In SPs, quality is not easily measured

32. According to the class on linking competitive priorities to products and processes, particularly on the case of Southwest Airlines, which of the following is not part of the Process Planning offering considered for the company:
   A) No ticket reservations, no seat reservations, no meals.
   B) Lean processes
   C) Fast Baggage transfers
   D) Secondary airports

33. Mass customization is adopted as a response to all of the following challenges except which one?
   A) Continuous processes need to operate at higher speeds to satisfy increases in customer demand.
   B) Customers want a personalized product or service and they want it fast.
   C) Firm’s can’t hold large inventories for all the type of products they may offer.
   D) Having a very large inventory is too costly and it increases the risks to end the season with excess and obsolete inventory.

34. Which of the following is not identified in the text as a competitive advantage of a mass customization strategy?
   A) improvement of the quality of parts produced
   B) management of customer relationships
   C) elimination of finished goods inventory
   D) an increase in perceived value of services or products

35. Which one of the following statements on the bullwhip effect is not correct:
   A) The bullwhip effect is a distribution channel phenomenon in which forecasts yield supply chain inefficiencies.
   B) The bullwhip effect refers to increasing swings in inventory in response to shifts in customer demand as you move further up the supply chain.
   C) Distortions and adjustments made by members of the supply chain amplify the perceived variability of demand.
   D) Faster delivery times allow having smaller fluctuations on the End-Consumer demand.
36. Which one of the following statements about process management is best?
   A) When customization must be high, equipment should be general purpose, and employees need to perform a broader range of duties.
   B) The traditional relationship between capital intensity and resource flexibility is that if one is high, so is the other.
   C) Creating a more capital-intensive process tends to reduce the fixed cost and raise the variable unit cost.
   D) Economies of scope mean that a process should be devoted to a single product or service to achieve high volumes.

37. I have carefully checked my Scantron. My section number and name are correctly shown
   A) Yes

38. This is version “C”: fill in the “C” bubble for this question and write the letter and unique exam code “2896” in the “TEST NO.” box of your Scantron.
   A) A
   B) B
   C) C
   D) D

IMPORTANT NOTE: IN THE EVENT YOU DO NOT WRITE YOUR UNIQUE IDENTIFIER NUMBER (2896) ON THE SCANTRON, IF YOUR CODE DOES NOT MATCH THAT SHOWN ABOVE OR IF IT HAS BEEN USED BY ANOTHER STUDENT, YOU WILL AUTOMATICALLY SCORE A ZERO ON THIS EXAM

YOU MUST SAVE YOUR COPY OF THIS EXAM UNTIL GRADES ARE POSTED IN CASE WE NEED TO AUTHENTICATE IT!