Package Title: Practice

Course Title: Boone, Contemporary Business, Third Canadian Edition

Chapter Number: 10

Shuffle: No

Question type: True/False

1) Production creates form utility.

Answer: True

Difficulty: Easy

Learning Objective 1: LO10.1 Explain the strategic importance of production.

Section Reference 1: Chapter Overview

Bloom’s Taxonomy: Comprehension

AACSB: Communication

Question type: Multiple Choice

2) How are production and manufacturing different?

a) Production is a narrower term that applies only to services.

b) Manufacturing describes extractive processes.

c) Production applies to both manufacturing and service industries.

d) Production can be automated; manufacturing cannot be.

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.1 Explain the strategic importance of production.

Section Reference 1: Chapter Overview

Bloom’s Taxonomy: Comprehension

AACSB: Communication

3) The want-satisfying power of a good or service is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) conversion process

b) utility

c) authority

d) information sharing

Answer: b

Difficulty: Easy

Learning Objective 1: LO10.1 Explain the strategic importance of production.

Section Reference 1: Chapter Overview

Bloom’s Taxonomy: Comprehension

AACSB: Communication

4) The \_\_\_\_\_\_\_\_\_\_ is just as crucial in non-profit organizations, such as the hospital for Sick Children and Goodwill Industries, because the goods or services they offer justify their existence.

a) production phase

b) operations process

c) management phase

d) production process

Answer: d

Difficulty: Hard

Learning Objective 1: LO10.1 Explain the strategic importance of production.

Section Reference 1: The Strategic Importance of Production

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

5) \_\_\_\_\_\_\_\_\_\_is useful when combined with lean production methods that use automation and information technology to reduce requirements for workers and inventory.

a) customer-driven production

b) flexible production

c) continuous production

d) synthetic production

Answer: b

Difficulty: Hard

Learning Objective 1: LO10.1 Explain the strategic importance of production.

Section Reference 1: The Strategic Importance of Production

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

6) The timber industry is an example of a(n) \_\_\_\_\_\_\_ production system.

a) analytic

b) synthetic

c) continuous

d) intermittent

Answer: a

Difficulty: Medium

Learning Objective 1: LO10.2 Describe the four main categories of production processes.

Section Reference 1: Production Processes

Bloom’s Taxonomy: Application

AACSB: Communication

7) Which of these production processes creates products in short production runs?

a) analytic

b) synthetic

c) continuous

d) intermittent

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.2 Describe the four main categories of production processes.

Section Reference 1: Production Processes

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

8) Which of these production processes is the reverse of an analytic system?

a) analytic

b) synthetic

c) continuous

d) intermittent

Answer: b

Difficulty: Medium

Learning Objective 1: LO10.2 Describe the four main categories of production processes.

Section Reference 1: Production Processes

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

9) A “lights out” factory relies heavily on which of the four factors of production?

a) natural resources

b) human resources

c) capital/technology

d) risk tolerance

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Synthesis

AACSB: Analytic

10) LEED guides firms in the construction of new plants that will minimize \_\_\_\_\_\_\_\_\_\_\_.

a) costs of construction

b) environmental impact

c) redundancy in work flow

d) labour needs

Answer: b

Difficulty: Medium

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Comprehension

AACSB: Communication

11) Which industries were pioneers in using robots in the production process?

a) apparel and food

b) building materials and building supplies

c) electronics and automotive

d) beverages and container

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Knowledge

AACSB: Communication

12) Robots are useful for jobs that are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) expensive

b) repetitive or dangerous

c) difficult to standardize

d) sophisticated and require nonprogrammed decision making

Answer: b

Difficulty: Medium

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Knowledge

AACSB: Communication

13) \_\_\_\_\_\_\_\_\_ is a production system in which computers help with product design, control machines, handle materials, and oversee the production function in an integrated manner.

a) Computer-Aided Design (CAD)

b) Flexible Manufacturing System (FMS)

c) Computer-Aided Manufacturing (CAM)

d) Computer-Integrated Manufacturing (CIM)

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Knowledge

AACSB: Technology

14) \_\_\_\_\_\_\_\_\_ is a process used by engineers to diagram parts and entire products on the computer.

a) Computer-Aided Design (CAD)

b) Flexible Manufacturing System (FMS)

c) Computer-Aided Manufacturing (CAM)

d) Computer-Integrated Manufacturing (CIM)

Answer: a

Difficulty: Medium

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Knowledge

AACSB: Technology

15) \_\_\_\_\_\_\_\_\_\_ is a computer tool that a manufacturer uses to analyze CAD output and the steps that a machine must take to produce a needed product or part.

a) DAP

b) CAM

c) SMF

d) MIC

Answer: b

Difficulty: Easy

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Comprehension

AACSB: Technology

16) This \_\_\_\_\_\_\_\_\_system has been enhanced by powerful new software that allows machine tools to be reprogrammed while they are running.

a) field robots

b) perpetual inventory

c) flexible manufacturing

d) computer-aided design

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.3 Explain the role of technology in the production process.

Section Reference 1: Technology and the Production Process

Bloom’s Taxonomy: Comprehension

AACSB: Technology

17) A small retailer would be most interested in a location that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) was near raw materials.

b) allowed easy disposal of hazardous wastes.

c) offered many transportation alternatives.

d) had a high labour supply.

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.4 Identify the factors involved in a plant location decision.

Section Reference 1: The Location Decision

Bloom’s Taxonomy: Application

AACSB: Analytic

18) Biotech firms would probably want to locate \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) near shipping facilities.

b) in remote, low cost counties where land is inexpensive.

c) close to raw materials.

d) near a reliable source of highly trained researchers.

Answer: d

Difficulty: Hard

Learning Objective 1: LO10.4 Identify the factors involved in a plant location decision.

Section Reference 1: The Location Decision

Bloom’s Taxonomy: Application

AACSB: Analytic

19) A firm that wants to locate near a community often must prepare a \_\_\_\_\_\_\_ that analyzes how a proposed plant would affect the quality of life in the surrounding area.

a) resident impact study

b) economic impact study

c) environmental impact study

d) safety impact study

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.4 Identify the factors involved in a plant location decision.

Section Reference 1: The Location Decision

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

20) Which of the following is **not** a human factor in a decision where to locate a production facility?

a) area’s labour supply

b) living conditions

c) taxes

d) energy

Answer: d

Difficulty: Hard

Learning Objective 1: LO10.4 Identify the factors involved in a plant location decision.

Section Reference 1: The Location Decision

Bloom’s Taxonomy: Application

AACSB: Analytic

21) Which of the following is **not** a physical variable factor in a decision where to locate a production facility?

a) water supplies

b) weather

c) local regulations

d) available energy

Answer: c

Difficulty: Hard

Learning Objective 1: LO10.4 Identify the factors involved in a plant location decision.

Section Reference 1: The Location Decision

Bloom’s Taxonomy: Application

AACSB: Analytic

22) Which of the following is **not** one of the steps that production managers take in implementing the production plan?

a) selecting a plant location

b) controlling inventory

c) determining whether to make, buy, or lease components

d) selecting suppliers

Answer: a

Difficulty: Medium

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

23) Boeing assembles aircraft at a large facility in Everett, Washington. After the airplane is assembled, it taxis across a highway overpass to a separate building where it is painted according to the customer’s specifications. The paint facility is an example of ­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) a fixed position assembly process

b) product-specific assembly

c) process layout

d) customer-oriented layout

Answer: c

Difficulty: Hard

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Application

AACSB: Analytic

24) Which of the following layouts places the product in one spot, and the workers, materials, and equipment go to the product’s location?

a) a fixed position layout

b) product layout

c) process layout

d) customer-oriented layout

Answer: a

Difficulty: Hard

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

25) Which layout below is **not** part of a basic facility layout?

a) process layout

b) customer-oriented layout

c) inventory control layout

d) fixed-position layout

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

26) Since suppliers often offer virtually identical quality levels and prices, the final decision on supplier selection often depends on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) the firm’s past experience with each supplier

b) the location of the supplier

c) which supplier the competitor is using

d) which supplier has an Internet site

Answer: a

Difficulty: Medium

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

27) A function that balances the costs of storing inventory with the need to have stock on hand to meet demand is referred to as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) just-in-time inventory system

b) inventory control

c) inventory management

d) materials requirement planning

Answer: b

Difficulty: Medium

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

28) Production managers use \_\_\_\_\_\_\_\_\_\_to create schedules that identify the specific parts and materials required to produce an item.

a) DAC

b) MRP

c) MAP

d) TIR

Answer: b

Difficulty: Medium

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Comprehension

AACSB: Communication

29) The goal of just-in-time inventory systems is to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) lower the cost of raw materials

b) provide the right part at the right place at the right time

c) eliminate multiple vendors

d) increase quality

Answer: b

Difficulty: Medium

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Comprehension

AACSB: Communication

30) When Boeing (an airplane company) decides what inputs to purchase, managers must choose the best vendors for its needs. This process is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) streamlining

b) implementing the production plan

c) fixed-position layout

d) selection of suppliers

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.5 Outline the job of production managers.

Section Reference 1: The Job of Production Managers

Bloom’s Taxonomy: Comprehension

AACSB: Communication

31) Creating well-defined procedures for coordinating people, materials, and machinery to provide the greatest production efficiency is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) benchmarking

b) process management

c) best practices

d) production control

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.6 Identify the steps in the production control process.

Section Reference 1: Controlling the Production Process

Bloom’s Taxonomy: Knowledge

AACSB: Communication

32) The first step in production control is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) routing.

b) scheduling.

c) dispatching.

d) production planning.

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.6 Identify the steps in the production control process.

Section Reference 1: Controlling the Production Process

Bloom’s Taxonomy: Knowledge

AACSB: Communication

33) PERT charts help an organization in the \_\_\_\_\_\_\_\_ phase of production control.

a) planning

b) routing

c) scheduling

d) dispatching

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.6 Identify the steps in the production control process.

Section Reference 1: Controlling the Production Process

Bloom’s Taxonomy: Knowledge

AASCB: Communication

34) The phase of production control in which the manager instructs each department on what work to do and the time allowed for its completion is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) benchmarking

b) follow up

c) job rotation

d) dispatching

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.6 Identify the steps in the production control process.

Section Reference 1: Controlling the Production Process

Bloom’s Taxonomy: Knowledge

AACSB: Communication

35) From the options below, which one BEST defines the purpose of benchmarking?

a) forces companies to reduce labour costs

b) helps spot defective products

c) helps a firm determine performance standards and best practices

d) only works for companies within the same industry

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.7 Discuss the importance of quality control.

Section Reference 1: Importance of Quality

Bloom’s Taxonomy: Comprehension

AACSB: Communication

36) Why is it important to pay attention to negative feedback from customers?

a) Complaints are objective measures of quality.

b) Negative feedback sends a signal that firms are not achieving appropriate quality standards.

c) Complaints allow the competitors to learn about your business.

d) Customers have expectations that are difficult to meet so negative feedback has limited value to the firm.

Answer: b

Difficulty: Hard

Learning Objective 1: LO10.7 Discuss the importance of quality control.

Section Reference 1: Importance of Quality

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

37) Research shows that ISO 9000 certification results in which of the following:

a) minimizes harm to the environment

b) creates barriers to entry in industries

c) encourages trade disputes between international competitors

d) enhances a company’s competitiveness and leads to improved business performance

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.7 Discuss the importance of quality control.

Section Reference 1: Importance of Quality

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

38) What should direct the production manager in the choice of a company to benchmark?

a) operates in same industry

b) in close proximity of plant location

c) employs a process for desired study and to emulate

d) one that competitors agree is the firm to beat

Answer: c

Difficulty: Medium

Learning Objective 1: LO10.7 Discuss the importance of quality control.

Section Reference 1: Importance of Quality

Bloom’s Taxonomy: Comprehension

AASCB: Analytic

39) Which ISO standards are for environmental management?

a) 9004

b) 14001

c) 1007

d) 14000

Answer: d

Difficulty: Medium

Learning Objective 1: LO10.7 Discuss the importance of quality control.

Section Reference 1: Importance of Quality

Bloom’s Taxonomy: Knowledge

AASCB: Communication

Question type: True/False

40) The International Organization for Standardization (ISO) carries out all auditing and certification for its standards.

Answer: False

Difficulty: Easy

Learning Objective 1: LO10.7 Discuss the importance of quality control.

Section Reference 1: Importance of Quality

Bloom’s Taxonomy: Knowledge

AASCB: Analytic