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| *Indicate whether the statement is true or false.* |

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| 1. In the context of the value chain model, fewer resources are needed to achieve performance goals when "information replaces assets."   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False | |

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| 2. With interlinking models, managers can objectively make internal decisions that impact external outcomes.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False | |

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| 3. Actionable performance measures should be meaningful to a company's management and should provide the basis for decisions at the strategic level in an organization.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False | |

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| 4. In the context of the value chain model, when "information replaces assets," the costs increase.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False | |

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| 5. In the context of the analytics in operations management, it costs three to five times more to keep an existing customer than acquire a new customer.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False | |

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| 6. Quality measures the degree to which the output of a process conforms to the management's expectations and requirements.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False | |

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| *Indicate the answer choice that best completes the statement or answers the question.* |

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| 7. Key measures of innovation and learning include\_\_\_\_\_\_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | supply-chain performance | |  | b. | processing time | |  | c. | percentage of new products developed | |  | d. | the variance around the average time | |

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| 8. Dextron, a privately owned computer technology company, provides a wide range of customized laptops to suit the needs of students, corporate professionals, and small business owners. In this case, Dextron's ability to provide a wide range of customized laptops to suit its customers' needs best describes \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | volume flexibility | |  | b. | design flexibility | |  | c. | budget variance | |  | d. | manufacturing yield | |

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| 9. The innovation and learning perspective in the balanced scorecard model includes measures such as:   |  |  |  | | --- | --- | --- | |  | a. | return on investment, economic value added, and shareholder value. | |  | b. | number of cooperative customer–company design initiatives and percent of sale from new services. | |  | c. | training hours per employee, hiring process effectiveness, and revenue per employee. | |  | d. | service-quality levels, design and demand flexibility, and asset utilization. | |

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| 10. The time required to ramp up to an increased production output level in response to a surge in the sales of a product is a measure of \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | budget variance | |  | b. | volume flexibility | |  | c. | product recalls | |  | d. | service upset | |

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| 11. \_\_\_\_\_ measures the degree to which the output of a process meets customer requirements.   |  |  |  | | --- | --- | --- | |  | a. | Learning | |  | b. | Innovation | |  | c. | Variability | |  | d. | Quality | |

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| 12. In the context of the triple bottom line (TBL), which of the following measures includes the number of ethical violations?   |  |  |  | | --- | --- | --- | |  | a. | Responsiveness | |  | b. | Service quality | |  | c. | Social sustainability | |  | d. | Customer retention rate | |

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| 13. \_\_\_\_\_\_\_\_\_\_is the willingness to help customers and provide prompt recovery to service upsets.   |  |  |  | | --- | --- | --- | |  | a. | Responsiveness | |  | b. | Empathy | |  | c. | Assurance | |  | d. | Reliability | |

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| 14. Which of the following is a financial performance measure at an organizational level?   |  |  |  | | --- | --- | --- | |  | a. | Cost of quality | |  | b. | Revenue and profit | |  | c. | Budget variance | |  | d. | Labor and material costs | |

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| 15. Which of the following performance perspectives in the balanced scorecard model measures the ultimate value that a business provides to its shareholders?   |  |  |  | | --- | --- | --- | |  | a. | The financial perspective | |  | b. | The internal perspective | |  | c. | The learning perspective | |  | d. | The customer perspective | |

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| 16. \_\_\_\_\_ is the act of quantifying the performance of organizational units, goods and services, processes, people, and other business activities.   |  |  |  | | --- | --- | --- | |  | a. | Measurement | |  | b. | Forecasting | |  | c. | Fulfillment | |  | d. | Litigating | |

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| 17. The table below shows the data for the number of pair of shoes produced and the cost incurred by Fancy Trends Inc. for the year 2015.?   |  |  |  | | --- | --- | --- | | Pair of Shoes Produced |  | 150,000 | | Cost Incurred | Direct Labor Cost | $60,000 | |  | Energy Cost | $5,800 | |  | Raw Material Cost | $42,000 |   Based on the given data, the productivity of Fancy Trends Inc. for the year 2015 is \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | 1 pair/USD | |  | b. | 1.39 pairs/USD | |  | c. | 2 pairs/USD | |  | d. | 2.46 pairs/USD | |

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| 18. In an assembly line of a factory that makes gears, it takes fifteen minutes to complete a drilling operation using a lathe. The duration of this operation is called \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | delay time | |  | b. | queue time | |  | c. | processing time | |  | d. | standard time | |

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| 19. Which of the following performance perspectives in the balanced scorecard model includes the percent of sale from new goods and services?   |  |  |  | | --- | --- | --- | |  | a. | The financial perspective | |  | b. | The innovation perspective | |  | c. | The learning perspective | |  | d. | The customer perspective | |

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| 20. In the context of the triple bottom line (TBL), which of the following is a performance measure of economic sustainability?   |  |  |  | | --- | --- | --- | |  | a. | Fines for environmental violations | |  | b. | Corporate ethics and governance | |  | c. | Revenue from new goods and services | |  | d. | Measures of perceived value | |

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| 21. In the context of the types of performance measures, which of the following is a measure of innovation and learning?   |  |  |  | | --- | --- | --- | |  | a. | Patent applications | |  | b. | Employee retention | |  | c. | Product recalls | |  | d. | Labor productivity | |

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| 22. The\_\_\_\_\_\_\_\_\_\_is based on a set of cause-and-effect linkages between internal and external performance, and in this fashion, defines the key performance measurements on which service-based firms should focus.   |  |  |  | | --- | --- | --- | |  | a. | Service-Profit Chain model | |  | b. | value chain model | |  | c. | balanced scorecard | |  | d. | Malcolm Baldrige Performance Excellence program | |

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| 23. Which of the following is a quality performance measure at an operational level?   |  |  |  | | --- | --- | --- | |  | a. | Customer ratings of goods and services | |  | b. | Customer retention | |  | c. | Service representative courtesy | |  | d. | Product recalls | |

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| 24. \_\_\_\_\_ is the ability to provide goods and services to customers with minimum waste and maximum utilization of resources.   |  |  |  | | --- | --- | --- | |  | a. | Operational efficiency | |  | b. | Volume flexibility | |  | c. | Reliability | |  | d. | Sustainability | |

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| 25. Measures of\_\_\_\_\_\_\_\_\_\_focus on an organization's people and infrastructure.   |  |  |  | | --- | --- | --- | |  | a. | goods and service design flexibility | |  | b. | customer and market | |  | c. | service quality | |  | d. | innovation and learning | |

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| 26. Which of the following performance perspectives in the balanced scorecard model includes measures such as productivity, flow time, and asset utilization?   |  |  |  | | --- | --- | --- | |  | a. | The financial perspective | |  | b. | The customer perspective | |  | c. | The innovation and learning perspective | |  | d. | The internal perspective | |

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| 27. The quantitative modeling of cause-and-effect relationships between external and internal performance criteria is called\_\_\_\_\_\_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | productivity | |  | b. | operational efficiency | |  | c. | interlinking | |  | d. | sustainability | |

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| 28. According to research, which of the following is a key dimension that customers use to assess service quality?   |  |  |  | | --- | --- | --- | |  | a. | Operational efficiency | |  | b. | Flexibility | |  | c. | Empathy | |  | d. | Queue time | |

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| 29. A paint manufacturing company has three factories located in France, Germany, and Spain. The productivity data of the factories are as follows:   |  |  |  | | --- | --- | --- | | Factory Location | Amount of Paint Produced(US Gallons) | Total Input Cost (USD) | | Spain | 4,600,000,000 | $5,250,000 | | Germany | 5,500,000,000 | $5,250,000 | | France | 4,000,000,000 | $3,500,000 |   Based on the productivity analysis of all the factories, the productivity of the factory in:   |  |  |  | | --- | --- | --- | |  | a. | Germany is lower than that of the factory in Spain. | |  | b. | Spain is higher than that of the factory in France. | |  | c. | France is higher than that of the factory in Spain. | |  | d. | France is lower than that of the factory in Germany. | |

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| 30. In the context of the scope of business and operations performance measurement, which of the following measures is an example of an innovation and learning performance measure?   |  |  |  | | --- | --- | --- | |  | a. | Employee satisfaction | |  | b. | Flow processing or cycle time | |  | c. | Manufacturing yield | |  | d. | Product-related litigation | |

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| 31. Airline revenue per passenger mile and hotel revenue per full-time employee are examples of \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | reliability measures | |  | b. | flexibility measures | |  | c. | sustainability measures | |  | d. | productivity measures | |

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| 32. \_\_\_\_\_ include environmental measures such as energy consumption and recycling and other resource conservation activities.   |  |  |  | | --- | --- | --- | |  | a. | Operation efficiency measures | |  | b. | Innovation and learning measures | |  | c. | Sustainability measures | |  | d. | Financial measures | |

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| 33. In the context of the triple bottom line,\_\_\_\_\_\_\_\_\_\_measures include corporate ethics and governance.   |  |  |  | | --- | --- | --- | |  | a. | environmental sustainability | |  | b. | social sustainability | |  | c. | economic sustainability | |  | d. | political sustainability | |

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| 34. \_\_\_\_\_ is the ratio of the output of a process to the input.   |  |  |  | | --- | --- | --- | |  | a. | Productivity | |  | b. | Flexibility | |  | c. | Variability | |  | d. | Reliability | |

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| 35. The ability of an organization to respond quickly to changes in the quantity and type of demand is called \_\_\_\_\_.   |  |  |  | | --- | --- | --- | |  | a. | utility | |  | b. | reliability | |  | c. | demand variability | |  | d. | volume flexibility | |

**Answer Key**

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| 1. True |

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| 2. True |

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| 3. False |

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| 4. False |

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| 5. False |

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| 6. False |

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| 8. b |

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| 9. c |

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| 10. b |

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| 12. c |

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| 13. a |

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