

**Q 1.** The law which states that a small percentage of the group usually accounts for a large percent of the results is which of the following?

**A)** Fredo's law

**B)** Newton's first law

**C)** Pareto's law

**D)** Nielsen's law

**Q 2.** A company has its warehouse divided so order pickers only pick in their area. This warehouse is operating under which of the following systems?

**A)** Zone system

**B)** Area system

**C)** Consolidated pick system

**D)** Modified pick system

**Q3.** A work center is to process 200 units of gear shaft. The setup time is 2hrs and run time 0.2 hrs per piece. Work center has an efficiency of 120%, a utilization of 80% and rated capacity of 50 hrs. How much time will be needed to run the order?

- A)** 43.8 hrs
- B)** 54.75 hrs
- C)** 45.625 hrs
- D)** 36.5 hrs

**Q 4.** In a flow manufacturing environment, product will generally flow consistently and constantly. As a result, there is little time to do inventory transactions to record the movement of parts through the line. To overcome this, many companies record their inventory by using:

- A)**pre flushing.
- B)**kanban.
- C)**cycle counts.
- D)**backflushing.

**Q 5.** Often, when placing an order, a customer will ask when the order will ship. The ability to answer this question rests with check of the uncommitted material and available capacity. Which of the following tools will most often be used to answer the question "when will my order ship?"

**A)** Pegging report to understand where demand is coming from

**B)** Available to promise portion of the MPS

**C)** The resource requirements at the key work centers

**D)** The ability of the supplier to provide materials within lead time

**Q6.** Parent *W* requires one of component *B* and two of component *C*. Both *B* and *C* are run on work center *X*. Setup time for *B* is 2 hrs and run time is 0.1 per piece. For *C*, setup time is 2 hrs and run time 0.15 per piece. If rated capacity is 80 hrs, how many *Ws* should be produced in a week?

**A)** 190

**B)** 210

**C)** 300

**D)** None of these

**Q 7.** Shop floor control systems often create more work than is necessary to be able to track data to the fourth decimal. Which of the following should be the most important consideration when designing a shop floor control system?

**A)** Cost accounting's ability to report costs

**B)** Ensuring the factory people can manage their own operations

**C)** Simplification so little training is necessary

**D)** Making sure the screens are easy to read

**Q 8.** In Canada, Coca-Cola Beverages has rolled out new marketing, technologies, and packaging to outmaneuver private-label Canadian cola bottlers, which have captured considerable market share. Coke will bring in a new just-in-time distribution system based on cross-docking distribution centers. Which of the following statements describes how Coke will use cross-docking?

**A)** Cross-docking will allow Coca-Cola to greatly reduce the need to store and warehouse products.

**B)** The use of cross-docking means Coca-Cola will rely more on business-to-business marketing.

**C)** The use of cross-docking means Coca-Cola will implement the customer service concept in its relations with ultimate consumers.

**D)** Cross-docking will allow Coca-Cola to use less freight forwarding.

**E)** Cross-docking will allow Coca-Cola to outsource its manufacturing.

**Q9.** Which of these characteristics will have highest impact on safety stock?

- A)** Supply uncertainty
- B)** Demand Uncertainty
- C)** Lead time
- D)** 1) and 2) equally

**Q 10.** Canadian graphic arts, publishing and advertising companies, as well as their clients and suppliers, can exchange camera-ready art and other images faster and cheaper than before as the result of an agreement between Bell Nexxia and Montreal-based Cenosis. These two companies market a(n) \_\_\_\_\_ for the graphic arts. It allows a graphic designer to transmit the full contents of a magazine to clients or printing firms across the country—reducing production costs and delivery time.

- A)** efficient response system
- B)** vendor-managed communication system
- C)** Extranet
- D)** online logistics system
- E)** communication bot

**Q 11.** Air Canada, a Montreal-based airline, uses its excess storage capacity on passenger flights to Europe to haul cargo. It typically collects several small shipments consigned to a common European destination. Shipment schedules are mandated by the passenger side of its business. Air Canada is an example of a(n):

- A)** third-party service provider.
- B)** Extranet.
- C)** vendor-managed logistics expert.
- D)** import agent
- E)** freight forwarder.

**Q12** . A bottling plant fills 2400 bottle every two hours. The lead time is 40 minutes and a container accommodates 120 bottles. Safety stock is 10%. How many KANBAN cards are needed?

**A)** 8

**B)** 7

**C)** 10

**D)** None of these

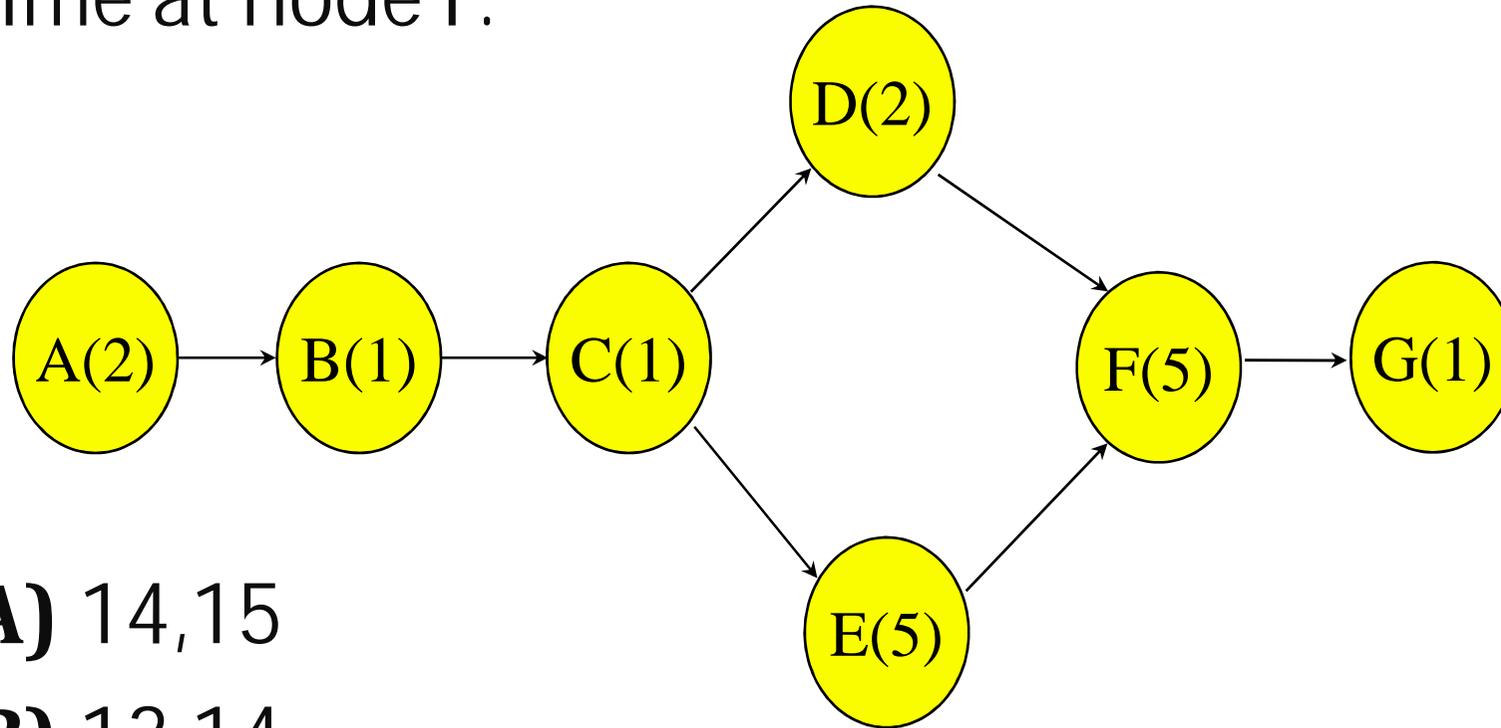
**Q 13.** Bombardier makes corporate jets and its strategy involves streamlining production activities, maintaining its reputation for quality, and reducing its costs. It has developed the Continental, an airplane assembled from just a dozen large component parts (not counting rivets). While building planes with subassemblies is not new, Bombardier is the first to not use vertical integration. All parts are supplied by carefully chosen independent companies that share the development costs and market risk. In terms of its supply chain, Bombardier has

- A)** lengthened its supply chain unnecessarily.
- B)** implemented a just-in-time materials handling policy.
- C)** created a marketing channel.
- D)** harmonized its supply chain and its strategy.
- E)** used a production repositioning strategy.

**Q14.** TransCanada Pipe Lines, a natural gas transmission and distribution company, launched an advertising campaign in national Canadian newspapers and the country's major dailies to educate people about what pipelines do and where they fit into the economics of the community. The advertising might have told Canadians that pipelines:

- A)** are expensive to use.
- B)** have a high degree of reliability.
- C)** are weather sensitive.
- D)** rank high in terms of accessibility.
- E)** are accurately described by all of the above.

**Q15 .** Determine early starts and late finish time at node F.



**A)** 14,15

**B)** 13,14

**C)** 9,14

**D)** None of these

**Q16.** Unifi, the leading U.S. maker of synthetic yarn, shares production-scheduling and quality-control information daily with Dupont, a principal supplier of raw materials. Dupont is part of Unifi's:

**A)** supply chain.

**B)** service continuum.

**C)** demand channel.

**D)** materials handling channel.

**E)** derived supply.

**Q17 .** Which is correct in case of face to face tight specs in comparison to face to face loose specs?

**A)** Low Production efficiency

**B)** High customer contact

**C)** Low sales opportunity

**D)** 1) & 2)

**Q18.** Consumers in Japan have access to cell phones with digital cameras to send snapshots by e-mail, built-in players for music downloads, global satellite positioning technology to tell them exactly where they are, and the ability to stream pictures of the caller. This high level of sophistication has led to the creation of a cutting-edge industry that develops increasingly more advanced handheld gadgetry. According to Michael Porter, conditions in Japan are examples of:

- A)** demand conditions.
- B)** country structure and strategy.
- C)** factor conditions.
- D)** synergy.
- E)** entropy.

**Q 19.** Purafil Inc., an Atlanta company that makes air-purification systems, exported just 15 percent of its \$22 million in sales last year to customers in South America. The government taxes, or \_\_\_\_\_ simply added too much to the final bill. Purafil thinks duty-free trade would allow its exports to jump to 25 percent of sales.

**A)**quotas.

**B)**countertrade fees

**C)**ethnocentric restrictions

**D)**trade binding agreements

**E)**tariffs

**Q 20.** The American company wanted its Spanish ad to read, "The business-to-consumer model is dead." When it had the Spanish ad translated back into English, it discovered the ad read, "The business-to-I drift of the consumer it is dead." This example shows why \_\_\_\_ is so important to global marketers.

- A)** counter-language
- B)** ethnocentric calibration
- C)** language mirroring
- D)** semiotic culture
- E)** back translation

**Q21** . Which is not the advantage of functional project?

- A)** A team member can work on several projects.
- B)** Technical expertise is maintained within the functional area.
- C)** Critical mass of specialized knowledge.
- D)** Shortened communication lines.

**Q22.** Capital Radio PLC, the United Kingdom's biggest commercial radio firm announced in 2002 that it would cooperate with Walt Disney Co. to create a radio network for children under the age of 16. The company will broadcast to a potential audience of 25 million under the name Capital Disney. This new radio network will be created as the result of:

- A)**unfair trade practices.
- B)**expropriation.
- C)**indirect exporting.
- D)**a dumping operation.
- E)**a joint venture.

**Q23.** A nutritional counselor has a morning in which she has no scheduled appointments but during which she plans on being available in her office. Which unique element of service best describes what is happening in this service example?

**A)** idle production capacity

**B)** the tangible nature of service

**C)** the separability of service provider and consumer

**D)** an equipment-based service

**E)** the incongruous relationship between service provider and service receiver

**Q 24.** One of the primary differences between tangible goods and services involves the consumer's ability to make prepurchase evaluations. For example, consumers can quite easily make comparisons and evaluations of clothing, automobiles, and appliances before making a purchase. On the other hand, consumers can evaluate services such as restaurants, beauty salons, and laundromats only during or after the purchase. Indeed, tangible products have \_\_\_\_\_ properties, while services have \_\_\_\_\_ properties.

- A)** consistent; inconsistent
- B)** search; experience
- C)** inconsistent; consistent
- D)** experience; search
- E)** consistent; search

**Q25.** Western Airlines operates five flights daily between Chicago and Phoenix during the winter. One flight leaves Phoenix at 12:10 AM. The plane, a Boeing 737, has a capacity of 120 passengers. During the past month, the flight has averaged only 24 passengers, a load factor of 20 percent. A load factor of 50 percent (60 passengers) is needed for the flight to break-even. What unique aspect of services does this situation describe?

- A) Incongruity**
- B) Intangibility**
- C) Inconsistency**
- D) Inseparability**
- E) service inventory**

**Q26.** Imagine a refrigerator connected to the Internet. A Korean manufacturer has developed a refrigerator that lets you surf the Internet, plan meals, send e-mail, check the inventory of the refrigerator without opening the doors, and that also can connect with Web-enhanced microwaves and washers. The LG Internet Refrigerator would be an example of a:

- A)** continuous innovation.
- B)** discontinuous innovation.
- C)** dynamically continuous innovation.
- D)** symbiotic innovation.
- E)** simultaneous innovation.

**Q27.** Lands' End is primarily known as a catalog retailer. However, it operates some retail stores and it sells at its website [www.landsend.com](http://www.landsend.com). Lands' End is an example of one of the trends in retailing because it has:

**A)** used all of the elements of the utility mix.

**B)** created customers' needs where needs used to not exist.

**C)** uses a variety of sales locations to continually reposition itself on the retail positioning matrix.

**D)** eliminated the need for intermediaries to perform facilitating functions.

**E)** become a multichannel retailer.

**Q28.** Which of the following would best describe the purpose of the Quick Response movement?

**A)** The exchange of vital information between retailers and their suppliers to speed replenishment and reduce costs in the supply chain

**B)** The ability of a manufacturer's supplier to quickly deliver parts after notification of demand

**C)** The ability to provide cross dock information, to retailers, on the label adhered to a master carton

**D)** The ability to quickly develop designs and provide quotes for product

**Q29.** In their article, "Value Innovation: The Strategic Logic of High Growth", Kim and Mauborgne argue that the logic of value innovation differs from conventional strategic logic along the five dimensions of strategy. Which of the following is one of the differences?

**A)** Value innovators expand on the use of existing assets and capabilities.

**B)** Value innovators segment and expand the customer base.

**C)** Value innovators let competitors set the parameters of their thinking first.

**D)** Value innovators do not accept their industry condition as a given and set strategy accordingly.

**Q 30.** Which of the following are reasons a time fence is used in master production scheduling?

**A)** Because manufacturing resources are committed after a certain point

**B)** To regulate changes in the schedule

**C)** To ensure materials arrive on time to support MPS

**D)** None of the above

**Q31.** Which of the following best describes the term customer backlog?

- A)** Orders promised after the customer wants them
- B)** Orders received but not yet shipped
- C)** Orders shipped but not yet billed
- D)** Orders received but not entered into system

**Q32.** In a make-to-order business, which of the following can be used to forecast cash flow?

**A)** Month end balance of finished goods inventory

**B)** Capacity utilization

**C)** Final assembly schedule

**D)** Labor efficiency

**Q33** . In exponential forecasting technique in each increment of time, past demand data is decreased by

**A)**  $1/$

**B)**

**C)**  $(1- )$

**D)** None of these

**E)**  $1/(1- )$

**Q34.**Who defined quality as “conformance to requirements”?

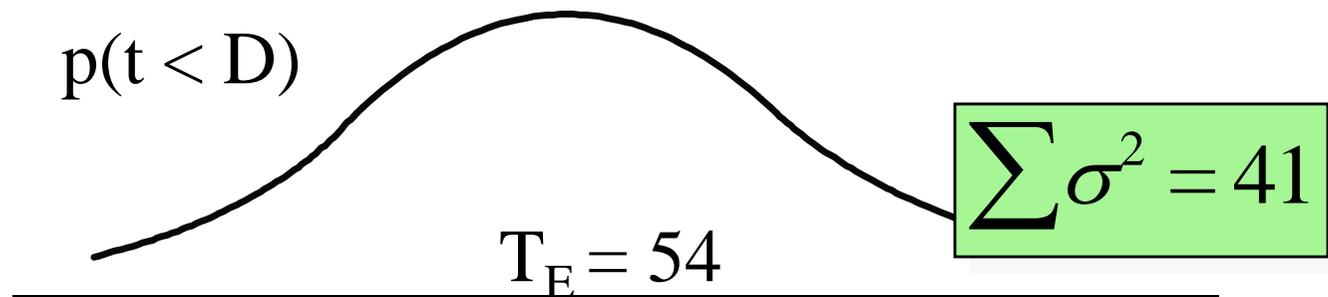
**A)** Deming

**B)** Crosby

**C)** Juran

**D)** Taguchi

**Q35** . What is the probability of finishing the below given project in less than 53 days?



- A)** 72%
- B)** 43%
- C)** 77%
- D)** 54%