

Sample Exam 1

1. Which appears to provide the best opportunity for increases in productivity?

- a. labor
- b. capital
- c. management
- d. none of the above
- e. all of the above

2. Productivity increases when

- a. inputs increase while outputs remain the same
- b. inputs decrease while outputs remain the same
- c. outputs decrease while inputs remain the same
- d. inputs and outputs increase proportionately
- e. none of the above

3. A mission statement is

- a. an action plan
- b. a set of goals
- c. the decisions that must be made to achieve goals
- d. the purpose of an organization
- e. none of the above

4. The ten decisions of operation's management are:

_____ ,
_____, _____, _____,
_____, _____, _____,
_____ and _____.

5. An *international business* is a firm which
- a. uses raw materials from outside the country
 - b. hires non-U.S. citizens
 - c. produces a wide range of products
 - d. which engages in international trade or investment
 - e. none of the above
6. Companies may decide to globalize their operations to
- a. reduce costs
 - b. reduce risk
 - c. provide better goods and services
 - d. all of the above
 - e. none of the above
7. The six tools of quality management are:
- a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
 - f. _____
8. 100% inspection
- a. will always catch all of the defective parts
 - b. means that only good parts will be shipped to a customer
 - c. is always practical and generally a good idea
 - d. means that every part is checked to see whether or not it is defective
 - e. none of the above
9. Taguchi's quality loss function is a
- a. linear formula
 - b. negative exponential
 - c. hyper exponential
 - d. quadratic
 - e. all of the above

10. Forecasting time horizons include
 - a. long range
 - b. medium range
 - c. short range
 - d. all of the above

11. A forecast that projects a company's sales is a(n)
 - a. economic forecast
 - b. technological forecast
 - c. demand forecast
 - d. none of the above

12. Organizations that produce something other than physical products are called
 - a. transformation organizations
 - b. data transfer groups
 - c. service organizations
 - d. cultural goods transformation
 - e. all of the above

Problem 1

Company X wants to develop control charts to assess the quality of its steel plate. They take ten (10) sheets of steel plate and compute the number of cosmetic flaws on each plate. Based on the following data, develop limits for the control chart and determine whether the process is in control.

<u>Sheet</u>	<u>Number of flaws</u>
1	6
2	1
3	3
4	2
5	1
6	2
7	1
8	0
9	0
10	2