Value can be defined as:

- conformance to specifications.
- fitness for use.
- least cost benefit.
- quality relative to price.

Answer: D

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The classic literature on competitive strategy suggests that a firm can possess two basic types of competitive advantage:

- low cost and differentiation.
- low turnover and customer satisfaction.
- high employee loyalty and customization.
- wide product variety and economies of scale.

Answer: A

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____ is/are the only factor that competitors cannot copy.

- Human resource
- Product differentiation
- Cost-leadership
- Quality methods

Answer: A

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The sleekness of an automobile’s exterior and the black “high-tech” look of modern stereo components is an example of the _____ dimension of product design.

- performance
- features
- durability
- aesthetics

Answer: D

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Which of the following is not a popular method of collecting information?

- Getting workers involved in collecting information.
- Top managers acting as customers of their own organization.
- Inviting customers to inspect plant and operational facilities.
- Monitoring the Internet.
In services, customer satisfaction or dissatisfaction takes place during instances in which a customer comes in contact with an employee of the company. These instances are called:

a. critical to quality moments.
b. turning points.
c. moments of truth.
d. focal points.

Answer: C

_____ are measurable performance levels or expectations that define the quality of customer contact.

a. Features and benefits
b. Contact quality measures
c. Service standards
d. Satisfaction standards

Answer: C

Which of the following is not one of the guidelines for purchase decisions?

a. Purchasing decisions should be based primarily on the product cost.
b. Purchasing personnel traditionally have been rewarded primarily for negotiating low prices.
c. Low purchase cost often does not equal low overall cost.
d. Pressing suppliers for ever-lower prices will minimize their profits.

Answer: A

Which of the following is not a disadvantage of reducing the number of suppliers?

a. Increases the dependence of the organization on the supplier
b. Weakens its bargaining position
c. Exposes the firm to the possibility of an interruption in supply
d. Increases the variability in the incoming products

Answer: D

The time to introduce a new product is an example of:

a. cycle time.
b. turnaround time.
c. product innovation time.
d. lead time.
Answer: A
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Which of the following is not one of the key dimensions of service quality?
- a. Reliability
- b. Cost-effectiveness
- c. Tangibles
- d. Responsiveness
Answer: B
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The total time required by a company to deliver a finished product that satisfies customers’ needs is referred to as the:
- a. product lead time
- b. delivery time.
- c. turnaround time.
- d. cycle time.
Answer: A
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Lagging measures:
- a. tell what has happened.
- b. predict what will happen.
- c. relate results to its causes.
- d. compare historical results.
Answer: A
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The _____ of a firm defines its reason for existence.
- a. vision
- b. mission
- c. strategy
- d. core competence
Answer: B
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. _____ direct the journey to a vision by defining attitudes and policies for all employees that are reinforced through conscious and subconscious behavior at all levels of the organization.

   a. Core competencies
   b. Strategies
   c. Strategic objectives
   d. Values

   Answer: D
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. The Japanese deploy strategy through a process known as:

   a. kaizen.
   b. hoshin planning.
   c. kanban implementation.
   d. seiketsu deployment.

   Answer: B
   AACSB: Analytic
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. _____ processes are those that are most important to an organization’s value creation processes, employees, and daily operations, but generally do not add value directly to the product or service.

   a. Non-core
   b. Support
   c. Supplementary
   d. Non value-added

   Answer: B
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. _____ are generally standard flowcharts that describe a process as a sequence of steps.

   a. Task-job charts
   b. Organization maps
   c. Process maps
   d. Operations schedules

   Answer: C
   AACSB: Analytic
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. One type of structural change associated with TQ is the creation of a high-level planning group called _____, invested with the responsibility for guiding the organization’s performance excellence.

   a. strategic planning group
   b. steering committee
   c. quality board
d. performance management team  
Answer: B  
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. Steering committees are more commonly known today as _____ teams.  
a. leadership  
b. management  
c. power  
d. strategic  
Answer: A  
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. Job _____ is the process in which workers’ jobs are expanded to include several tasks rather than one single, low-level task.  
a. rotation  
b. reengineering  
c. enrichment  
d. enlargement  
Answer: D  
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. Job _____ is a technique by which individual workers learn several tasks by changing from one to another.  
e. rotation  
f. enlargement  
g. enrichment  
h. multitasking  
Answer: A  
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. Job _____ entails “vertical job loading” in which workers are given more authority, responsibility, and autonomy rather than simply more or different work to do.  
a. enlargement  
b. enrichment  
c. rotation  
d. reengineering  
Answer: B  
AACSB: Analytic  
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Which of the following is not one of the suggestions in redesigning organizations for performance excellence?
a. Make quality everyone’s job
b. Recognize internal customers
c. Consolidate hierarchy
d. Redesign work systems
Answer: C

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Processes involve all activities that are performed to incorporate customer requirements, new technology, and past learning into the functional specifications of a manufactured good or service, and thus define its fitness for use.
a. Design
b. Value-creation
c. Performance management
d. Core
Answer: A

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Promoting the idea of internal customer shifts the focus from _____ to _____.
a. external customer; production worker
b. manager; employee
c. supervision; management
d. vertical; horizontal
Answer: D

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The purpose of job _____ is to renew interest or motivation of the individual and to increase his or her complement of skills.
a. enrichment
b. rotation
c. enlargement
d. redesign
Answer: B

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