1. A company starts producing books with hardback covers in order to compete with its rival, which only sells paperback books. The hardback covers, however, are a little more expensive than the paperback covers. What is this an example of?

   a. A focus approach  
   b. A differentiation approach  
   c. A cost leadership approach  
   d. None of the above

2. A bread making company sets the price of its white bread lower than its competitor in order to obtain greater market share. This is an example of:

   a. Price skimming  
   b. A differentiation approach  
   c. A cost leadership approach  
   d. A focus approach

3. Eating a meal at a fine dining restaurant can be considered a:

   a. Good and service  
   b. Good  
   c. Service  
   d. None of the above

4. A business purchases a new piece of machinery to improve its operations and become more efficient. It also means that staff must be trained to use the new machine. The decision to purchase the new machine indicates the interdependence between:

   a. Operations and Money  
   b. Operations and Finance  
   c. Operations and Marketing  
   d. Marketing and Finance

5. As a result of global expansion, RedScope Steel now has access to new technology that will allow it to mine ore more efficiently. This is an example of what influence on operations?

   a. Globalisation  
   b. Technology  
   c. Quality expectations  
   d. Both a and b

6. The introduction of a carbon tax to encourage a reduction in carbon represents what kind of influence on operations?

   a. Environmental sustainability  
   b. Government policy  
   c. Deregulation  
   d. Social responsibilities

7. Which of the following demonstrates the impact of environmental sustainability on the types of outputs produced by a firm?

   a. Producing an electric car  
   b. Using solar power as a source of energy  
   c. Producing a lower amount of large cars  
   d. All of the above
8. Which of the following is NOT a legal regulation imposed on business?
   a. A carbon tax
   b. Food labelling requirements
   c. Producing environmentally friendly products
   d. Car safety requirements

9. Critical Path Analysis shows?
   a. The longest route that can be taken through the network diagram
   b. The shortest route that can be taken through the network diagram
   c. The longest route of the Gantt chart
   d. The benefits of Gantt charts

10. Which of the following is a list of performance objectives?
    (a) Quality, speed, dependability and cost
    (b) Quality, flexibility, customisation and profit
    (c) Speed, cost, flexibility and choice
    (d) Dependability, customisation, profit and choice

11. Which is NOT an important aspect of quality?
    (a) Control
    (b) Assurance
    (c) Process
    (d) Improvement

12. What is the correct order of steps in the product design and development process?
    (a) Market research, product design and prototype, prototype testing, product
distribution and product refinement
    (b) Market research, product design and prototype, prototype testing and assessment,
product and production processes refined, product distribution and launch
    (c) Market research, product refinement, prototype testing and assessment, product
development, product launch and product line extension
    (d) Product design and prototype, prototype testing and assessment, product
refinement, market research and production, distribution and specification
development

13. Which is NOT a trend in supply chain management (SCM)?
    (a) Cost minimisation
    (b) Supplier rationalisation
    (c) Responsive supply chain processes
    (d) Forward vertical integration

14. Which is an essential aspect of logistics?
    (a) Creating a budget for new machinery
    (b) Materials handling and packaging
    (c) Checking the quality of outputs
    (d) Undertaking a skills audit

15. What is a cost associated with warehousing?
    (a) Costs of new machinery
    (b) The expenses associated with borrowing
    (c) Insurance and security of the stock held
    (d) The time saving in distribution
16. Which is not a form of outsourcing?
   (a) Business Process Outsourcing (BPO)
   (b) Finance and Accounting Outsourcing (FAO)
   (c) Knowledge Process Outsourcing (KPO)
   (d) Marketing Processes Outsourcing (MPO)

17. Which is an example of established technology?
   (a) Laptop computers
   (b) Nano particle technology
   (c) Bluetooth technology that can cross the globe
   (d) None of the above

18. What is a disadvantage of carrying stocks of unsold inventory?
   (a) If a particular product line runs out, an alternative can be offered thereby generating income for the business instead of a lost sale.
   (b) It reduces lead times between order and delivery.
   (c) Stocks give the opportunity for a business to generate immediate revenue. It is very hard to generate revenue from partially transformed inputs.
   (d) The cost of obsolescence

19. Which of the following is NOT a financial cost associated with change?
   (a) Redundancies
   (b) Inertia
   (c) Purchase of new equipment
   (d) Retraining

20. Nike, Apple and Mercedes-Benz are examples of manufacturers that have created a product aimed at the non-specialist market; however, the products have unique characteristics that are recognised by the industry. This is known as:
   a) Cost leadership
   b) Differentiation strategy
   c) Pricing strategy
   d) Economies of scale

21. Technology developments strongly influence operations and production management. This is referring to:
   a) CAD and CAM
   b) Globalisation
   c) JIT management
   d) Creativity

22. When a company’s management analyses data and compares performance over time, against similar businesses and against industry standards, to bring together the best methods and ideas about how to make its product or provide its service, they are focusing on:
   a) Staff turnover
   b) Benchmarking
   c) Controlling
   d) Evaluating
23. An organisation that deals with fresh produce needs to manage its stock effectively. The most effective method for this would be:
   a) LIFO
   b) FIFO
   c) JIT
   d) MRT

24. When paint manufacturers, such as Dulux, introduce a smartphone application that allows customers to photograph their colour of choice and use the 'app for matching', this refers to:
   a) Mass customisation
   b) Flexibility
   c) Cost
   d) Speed

25. Which inventory control system would minimise warehousing costs?
   (A) Just-in-time
   (B) Just-for-now
   (C) Bulk purchasing
   (D) Longest lead time

26. Which of the following best defines operations strategy?
   (A) How the business will employ its production capabilities to reach its strategic operations objectives
   (B) How a business makes goods and supplies services
   (C) How a business uses market research to produce goods that customers desire
   (D) The amount of capital or labour used to produce

27. Which of the following is a disadvantage of upgrading technology?
   (A) Better quality and employees with new skills
   (B) Lower operations costs in the short term
   (C) Disruption to the operations process
   (D) More effective communication

28. What is an operational advantage of a business vertically integrating?
   (A) The business has better quality control over its inputs
   (B) The business can earn revenue from the business it has purchased
   (C) The business can distribute its products to more countries
   (D) The business will have a global supply chain
29. Which business would use the FIFO system of inventory management?
   (A) A car dealership
   (B) Qantas
   (C) An electronics retailer
   (D) BHP Billiton

30. What is a stock-out?
   (A) When a business runs the risk of running out of stock to make or supply products
   (B) When stock levels reach the minimum buffer level
   (C) The difference between when stock is ordered and when it arrives
   (D) When a business is oversupplied with stock

31. What is an advantage of large-scale operations?
   (A) Greater efficiency in production
   (B) Low costs for the supply of inputs
   (C) Higher average costs
   (D) Access to a larger global market

32. What is e-commerce?
   (A) When a business uses email to communicate to customers and suppliers
   (B) When a business has an online store
   (C) When a business uses the internet to both buy and sell goods and services
   (D) When a business uses technology to get access to overseas markets

33. Which of the following are financial costs to a business of implementing change?
   (A) Retraining staff and redundancies
   (B) Personal inertia of employees
   (C) Lost markets from changing the products
   (D) The cost of purchasing a supplier

34. Which of the following identifies disadvantages of outsourcing?
   (A) Access to a specialist knowledge and expertise, which can be expensive
   (B) Shorter lead times, increased speed and quality of outputs
   (C) Loss of control over quality, reliability and even costs
   (D) A possibility that two businesses share the same supplier

35. 1b, 2c, 3a, 4b, 5d, 6b, 7a, 8c 9a, 10a, 11c, 12b, 13d, 14a, 15c, 16d, 17a, 18d, 19b, 20b, 21a, 22b, 23b, 24a, 25c, 26d, 27d, 28c, 29c, 30a, 31e, 32a, 33c, 34a.