

Hello, here are some review questions for Unit 2, Module 1 – Production and Operations Management. They are all CAPE questions.

1. Huckleberry Processing Inc is a two year old company which produces lamb for the local market in Blackberry Isle. The Production Manager Mr. Knowles has noticed a shortage of carcasses on several occasions and has decided to institute a system of forecasting to overcome the problem. He wants to know which of the two methods of forecasting: least squares regression or consumer surveys is more appropriate.
 - a. Identify the FOUR main steps involved in customer surveys and explain Mr. Knowles may use these two develop a system for forecasting for his business. (12 marks)
 - b. Explain TWO strengths and TWO weaknesses of customer surveys compared to least squares regression as methods of forecasting. (8 marks)
 - c. Recommend and justify a forecasting method to Mr. Knowles. (5 marks)

2. Productivity and Total Quality Management (TQM) appear to be closely related concepts. With the aid of an example, distinguish between the two concepts and explain briefly how they are related. (6 marks)
 - a. Discuss ONE way in which each of the following factors may impact on the level of productivity and TQM in a large cement plant:
 - i. Supervisory skills
 - ii. Labour management relations
 - iii. Continuous employee training

(19 marks)

3. Define the term Just In Time (JIT) operations' and discuss THREE elements of approach to quality used by JIT systems. (14 marks)
 - a. Identify THREE requirements for effective inventory management. (3 marks)
 - b. State FOUR reasons why firms hold inventories. (8 marks)

4. The table below shows the amount of materials used at Afoor's, a manufacturing company, and the output of workers over a five week period.

| Week | Output (unit) | Workers | Materials (lbs) |
|------|---------------|---------|-----------------|
| 1 | 300 | 6 | 45 |
| 2 | 340 | 7 | 50 |
| 3 | 320 | 7 | 50 |
| 4 | 350 | 8 | 55 |
| 5 | 240 | 5 | 40 |

The standard price of materials at Afoor's is \$140 per unit. The employees work 40 hour weeks at a rate of \$12 per hour. Overhead is 1.5 times weekly labour cost and material cost is \$6 per pound.

- a. Compute the labour productivity for each of the five weeks shown, using output per worker per hour as a measure of labour productivity (10 marks)
- b. Explain the implication of the productivity figures for the company (3 marks)
- c. Afoor's has been experiencing low productivity at the factory. Discuss **THREE** steps that the company can take towards improving productivity. (12 marks)

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