

Self check

1 The two common denominators used in business to express, calculate and measure activities are:

- a** Time and money
- b** People and money
- c** People and equipment

2 In a business using a project or jobbing process, capacity is measured by the:

- a** Number of staff hours
- b** Number of equipment hours
- c** Both a and b

3 Efficiency is measured as:

- a** Actual output compared to the level of output expected in the number of hours worked
- b** Expected level of output in the number of hours worked
- c** Actual number of hours worked compared with those planned to be worked

4 Which of the following is **not** a factor affecting the definition of capacity:

- a** The make-or-buy decision
- b** The service or product range and specification
- c** The level of market demand

5 An example(s) of unpredictable aspect(s) of managing capacity is(are):

- a** Absenteeism
- b** Short-term demand changes
- c** Both a and b

6 Which of the following is true:

- a** Cost structures and workforce availability are critical issues in location decisions
- b** The cost of changing to a more suitable location can always be justified
- c** It is still difficult to locate operations facilities in China and Eastern Europe

7 The purpose of rough-cut capacity planning is to:

- a** Determine how demand levels can be met in the short term
- b** Establish feasible medium-term plans to meet demand levels in situations where capacity is considered relatively fixed
- c** Establish medium-term plans to meet demand levels where capacity is considered relatively flexible

8 Which of the following is a method(s) used to manage demand:

- a** Annualized hours
- b** Fixed service schedules
- c** Both a and b

9 Which of the following is a method(s) used to manage capacity:

- a** Overtime
- b** Annualized hours
- c** Both a and b

10 Most organizations choose to acquire capacity:

- a** Before demand

b After demand

c In areas of highly skilled staff