

Latest Version: 6

Question: 1

The overall objective of an integrated supply chain can best be described as the achievement of:

- A. decreased lead time.
- B. increased supplier partnerships.
- C. an efficient flow of materials and information.
- D. an efficient flow of production.

Answer: C

Question: 2

A company's cost of goods sold would be found on which of the following financial documents?

- A. Balance sheet
- B. Income statement
- C. Cash flow statement
- D. Performance statement

Answer: B

Question: 3

In an assemble-to-order production environment, the master production schedule contains:

- A. standard items.
- B. finished items.
- C. raw materials.
- D. subassemblies.

Answer: D

Question: 4

Which of the following manufacturing systems involves the creation of one unit or a small number of units?

- A. Flow manufacturing
- B. Intermittent manufacturing
- C. Project manufacturing
- D. Continuous manufacturing

Answer: C

Question: 5

After a quality improvement program has been successfully implemented, the greatest cost of controlling quality typically is the cost of:

- A. failure.
- B. appraisal.
- C. prevention.
- D. inspection.

Answer: C

Question: 6

In the income statement, the cost of goods sold is related to the:

- A. sales dollars.
- B. total inventory dollars.
- C. marketing expenses.
- D. manufacturing expenses.

Answer: D

Question: 7

Manufacturing overhead includes which of the following types of costs?

- A. Interest expense
- B. Supervision
- C. Direct labor
- D. Direct material

Answer: B

Question: 8

The question below is based on the following cost information:

Capital cost	9%
Storage cost	11%
Risk cost	5%

What is the carrying cost?

- A. 14%
- B. 16%
- C. 20%
- D. 25%

Answer: D

Question: 9

Which of the following concepts could a firm implement to reduce defects?

- A. Hansei
- B. Jidoka
- C. Muri
- D. Heijunka

Answer: B

Question: 10

Inventory turns is an appropriate performance measure for which of the following functions?

- A. Material control
- B. Activity-based costing control
- C. Total quality management
- D. Flexible manufacturing

Answer: A