

Question: 1

The question below is based on the following information:

District Warehouse	Daily Usage	On-hand Inventory
A	10	60
B	30	160
C	20	140

Which of the following distributions would be the central warehouse allocation of 120 units of inventory to district warehouses A, B, and C if the equal run-out method were used?

- A. 20 units to A, 53 units to B, 47 units to C
- B. 20 units to A, 60 units to B, 40 units to C
- C. 20 units to A, 80 units to B, 20 units to C
- D. 100 units to A, 0 units to B, 20 units to C

Answer: C

Question: 2

A warehouse has 20,000 orders per year with an average of 10 line items per order. The warehouse experiences 800 backorders per year averaging 5 line items per backorder. What level of customer service is achieved when the percentage of line items shipped on schedule is used?

- A. 96%
- B. 97%
- C. 98%
- D. 99%

Answer: C

Question: 3

Which of the following communicates in-transit inventories to a warehouse?

- A. Bill of distribution
- B. Master schedule
- C. Order acknowledgment to warehouse
- D. Distribution requirements planning

Answer: D

Question: 4

Which of the following data is an input to distribution requirements planning?

- A. Location points
- B. Shipping schedules
- C. Interplant demand
- D. Order value

Answer: C

Question: 5

Which of the following issues is most likely to lead to the use of a short-term, rather than long-term, forecasting process?

- A. How to respond to a competitor's test marketing of a new product
- B. How to configure the supply chain to support a new market segment
- C. Whether to outsource a capital-intensive subassembly process
- D. Whether to take a price-leadership or a product-differentiation posture

Answer: A

Question: 6

Which of the following factors has the greatest effect on the length of the forecast horizon?

- A. Cumulative product lead time
- B. Purpose of the forecast
- C. Frequency of forecast revision
- D. Size of forecast period

Answer: B

Question: 7

Which of the following statements about both econometric models and market research is true?

- A. They are examples of intrinsic forecasting techniques.

-
- B. They are useful in forecasting at the stockkeeping unit level.
 - C. They are useful in aggregate planning.
 - D. They can be used in place of adaptive smoothing.

Answer: C

Question: 8

When quantitative data are being evaluated, a very small bias in a forecast can best be explained by which of the following statements?

- A. Positive forecast errors approximately offset negative forecast errors.
- B. The absolute values of all forecast errors were approximately equal.
- C. The variability of forecast data was skewed.
- D. A very small alpha factor was used.

Answer: A

Question: 9

The forecast tracking signal is the ratio of the:

- A. forecast to the MAD.
- B. cumulative error to the MAD.
- C. cumulative error to the forecast.
- D. standard deviation to the MAD.

Answer: B

Question: 10

A demand filter can best be used for which of the following purposes?

- A. To remove scrap loss from a work center history
- B. To adjust the alpha factor
- C. To flag a large order
- D. To remove seasonal variability from forecast data

Answer: C

Question: 11

Elements calculated in the master scheduling process include:

- A. service-parts forecast.
- B. available-to-promise.
- C. time fences.
- D. allocations.

Answer: B

Question: 12

Available-to-promise data facilitates the process of:

- A. inventory planning.
- B. capacity planning.
- C. forecasting.
- D. order entry.

Answer: D

Question: 13

A bill of resources typically contains information about a product's:

- A. inventory balances.
- B. key work centers.
- C. production schedule.
- D. complete list of components.

Answer: B

Question: 14

Which of the following actions is best for a company to take when a 2-week plant shutdown for retooling is planned for the next year?

- A. Increase planned production.
- B. Increase material requirements planning safety-stock levels.

-
- C. Decrease the planned sales level during the shutdown.
 - D. Alter the strategic plan.

Answer: A