



**FINAL**  
Examination Paper

(COVER PAGE)

Session : August 2014

Programme : Diploma In Business / Business Administration (DIB/DBADI)

Course : MGT 2100/2102 : Operations Management

Date of Examination : December 9, 2014

Time : 8:00am – 10:00am Reading Time: Nil

Duration : 2 Hours

Special Instructions :

Answer any **FOUR (4)** questions.

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Materials permitted : Nil

Materials provided : Nil

Examiner (s) : Mr. Lim Ghee Hean, Neo Kim Koon, Nanthakumar Karuppiah,  
David Low Sui Ming.

Moderator : Mr. Anthony Vaz

This paper consists of 3 printed pages, including the cover page.

INTI INTERNATIONAL COLLEGE SUBANG  
DIPLOMA IN BUSINESS (DIB)  
MGT2100: OPERATIONS MANAGEMENT  
FINAL EXAMINATION: AUG2014 SESSION

Instructions: This paper consists of **SIX (6)** questions. Answer any **FOUR (4)** questions in the answer booklet provided. All questions carry equal marks.

**Question 1**

- (a) Technology has been widely used by many firms as their competitive advantage in the market. List and describe with example **THREE (3)** applications of technology supporting competitive priorities. (9 marks)
- (b) Using technology as the competitive advantage has its positive and negative impact. List **THREE (3)** positive and **THREE (3)** negative impacts. (6 marks)
- (c) Service and manufacturing industry have differences and similarities. Describe **FIVE (5)** similarities between services and manufacturing. (10 marks)

**Question 2**

- (a) A company manufactures a product that contains a part requiring electroplating. An analyst is trying to decide whether it is more economical to buy the electroplating service or perform the electroplating in house. The electroplating vendor charges the company RM3.20 per piece for the service. To perform in house, there will be a fixed cost of RM25,000 annually and the variable cost is RM1.80 per piece. The company will manufacture 25,000 products per year. If part quality and delivery performance are about the same for the two alternatives, which alternative should be selected? (5 marks)
- (b) Define supply chain. What are the **THREE (3)** components of supply chain? (5 marks)
- (c) Many companies are going global with the advancement in information technology. However, global supply chain management has many complications. Describe the **FIVE (5)** potential areas that will create complications in the global supply chain environment. (15 marks)

**Question 3**

List and explain with example the stages of product life cycles and how can operations adapt to these stages.

Question 4

The selection of facility location is influenced by a number of factors. Please identify any 5 (FIVE) of these factors with relevant examples. (25 marks)

Question 5

(a) A company uses inventory for several purposes. List FIVE (5) usages of inventory in a company with relevant examples. (10 marks)

(b) A computer company has annual demand (D) of 15,000. They want to determine economic order quantity (EOQ) for circuit boards which have an annual holding cost (H) of RM5 per unit, and an ordering cost (S) of RM60. The leadtime is 7 days. The number of working days for the company is 250 days. Calculate

- i) Economic order quantity (Q) (5 marks)
- ii) Total inventory cost (TC) (5 marks)
- iii) Reorder point (R) (5 marks)

Question 6

(a) Total Quality Management (TQM) has been widely used by organizations to strengthen their competitive edge. Discuss with examples the SEVEN (7) philosophies of TQM. (21 marks)

(b) Philip Crosby developed the idea of cost of quality. List the FOUR (4) categories of "cost of quality". (4 marks)