

 **INTI** International
University & Colleges

FINAL
Examination Paper

(COVER PAGE)

Session : APRIL 2018

Programme : Diploma in Business (DIB)

Course : MGT2100: Operations Management

Date of Examination : August 2, 2018 (Thursday)

Time : 5.00pm – 7.00pm Reading Time : Nil

Duration : 2 Hours

Special Instructions :

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

Materials permitted : Non-programmable Calculator

Materials provided : Nil

Examiner(s) : Lim Ghee Hean, Shakila Rajh Rao, Rabtah Hanum and Shoba Gunarasa

Moderator : Dr Rajendran Muthuveloo

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

DIPLOMA IN BUSINESS PROGRAMME (DIB)
MGT2100: OPERATIONS MANAGEMENT
FINAL EXAMINATION: APRIL 2018 SESSION

Instruction: 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) Identify the **FIVE (5)** differences between service and manufacturing organizations. Explain an example of a service and manufacturing company and compare them. (15 marks)
- (b) Describe the operations function's transformation process and provide an example for each element. (10 marks)

Question 2

- (a) A firm uses five plants to produce its products. Each final product has a value of RM100. The following table provides last week's output, labor hours used (at RM15 per hour), and materials cost per unit.

Plant	Output	Labor Hours	Materials Cost per Unit
Plant 1	2000	400	RM20
Plant 2	5000	900	RM18
Plant 3	9000	2000	RM20
Plant 4	1000	150	RM30
Plant 5	2000	440	RM18

Which plant was **most** productive last week?

(12 marks)

- (b) Explain with an example of an organization that achieves competitive priority through cost leadership. (13 marks)

Question 3

- (a) Many companies are going global with the advancement in information technology. However, global supply chain management has many complications. Explain with example the **FIVE (5)** potential areas that will create complications in the global supply chain environment.

(20 marks)

- (b) 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)

Question 4

For a project to be conducted successfully, there are several factors that have to be present. Discuss **FIVE (5)** of these factors with relevant examples.

(25 marks)

Question 5

Identify **SEVEN (7)** major concepts of TQM. Explain, with example, **FOUR (4)** of these concepts.

(25 marks)

Question 6

- (a) The basic economic order quantity (EOQ) model is based on certain assumptions to be effective. Identify and explain **FOUR (4)** of these assumptions.

(16 marks)

- (b) The soft goods department of a large department store sells 175 units per month of a certain large bath towel. The unit cost of a towel to the store is RM2.50 and the cost of placing an order has been estimated to be RM12.00. The store uses an inventory carrying charge of 27% per year. Determine the:

- i. optimal order quantity,
- ii. order frequency, and
- iii. the annual cost of inventory management.

(9 marks)

~ The End ~
MGT2100(F)/Apr 18

