

**FINAL**  
Examination Paper

(COVER PAGE)

Session : AUGUST 2019

Programme : Diploma in Business (DIB)

Course : **MGT2100: Operations Management**

Date of Examination : December 8, 2019 (Sunday)

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) : **Vasudevan Arumugam, Kathleen Bagah, and Gun Nee Chin**

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: AUGUST 2019 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) Define project and explain the **FOUR (4)** stages of project life cycle. Support your answers with relevant examples.

**(Total: 25 marks)**

**Question 2**

- (a) Identify and explain **FOUR (4)** types of inventory costs. Support your answers with relevant examples.

(20 marks)

- (b) The Nexgan Company currently maintains an average inventory of RM1,040,000. The company estimates its capital cost at 12 percent, its storage costs at 5 percent, and its risk costs at 8 percent. Calculate the annual holding costs for the Nexgan Company.

(5 marks)

**(Total: 25 marks)**

**Question 3**

- (a) Panther Shoe is deciding where to locate its new facility. The annual fixed and variable costs for each site under consideration have been as below. If demand is expected to be 2000 pairs of shoes, which location is the best?

(9 marks)

Location	Fixed costs	Variable costs
A	RM70,000	RM1/unit
B	RM34,000	RM5/unit

- (b) Identify **FOUR (4)** challenges that Panther Shoe may face during globalization.

(16 marks)

**(Total: 25 marks)**

**Question 4**

- (a) Describe the concept of mass customization. Provide example to support your answer.

(10 marks)

- (b) Identify **FIVE (5)** techniques for improving service productivity. For any two techniques, describe in a short paragraph, and include an example.

(15 marks)

**(Total: 25 marks)**

### Question 5

- (a) A product is currently made in a process-focused shop, where fixed costs are RM8,000 per year and variable cost is RM40 per unit. The firm currently sells 200 units of the product at RM200 per unit. The manager is considering a repetitive focus to lower costs (and lower prices, thus raising demand). The costs of this proposed shop are fixed costs = RM24,000 per year and variable costs = RM10 per unit. If a price of RM80 will allow 400 units to be sold, what profit (or loss) can this proposed new process expect?

Justify your decision with the proper calculation.

(15 marks)

- (b) An executive conference centre has the physical ability to handle 1,100 participants. However, conference management personnel believe that only 1,000 participants can be handled effectively for most events. The last event, although forecasted to have 1,000 participants, resulted in the attendance only 950 participants. What are the utilization and efficiency of the conference facility?

(10 marks)

**(Total: 25 marks)**

### Question 6

- (a) Explain, with examples, the following terms:

- |                       |           |
|-----------------------|-----------|
| (i) Job enrichment    | (5 marks) |
| (ii) Job rotation     | (5 marks) |
| (iii) Job enlargement | (5 marks) |

- (b) Identify **FIVE (5)** reasons for making in the make-or-buy decision. (10 marks)

**(Total: 25 marks)**

~The End~