

 **INTI International  
University & Colleges**

**FINAL  
Examination Paper**

(COVER PAGE)

Session : JANUARY 2018

Programme : Diploma in Business (DIB)

Course : MGT2100: Operations Management

Date of Examination : 7 March, 2018 (Wednesday)

Time : 2:00 pm – 4:00 pm 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, Kathleen Bagah, Mohd Fariz, Amiruddin Bin Awang, 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: JANUARY 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) Companies that choose highly specialized job design may contribute to employee's boredom. Discuss **THREE (3)** ways to reduce boredom among employees. Support your answer with relevant examples. (13 marks)

(b) Job specialization has both advantages and disadvantages. As an operation manager, what are the **FIVE (5)** advantages of using specialization in job design? Explain. (12 marks)

**Question 2**

(a) Explain the **THREE (3)** phases involve in managing a project. (8 marks)

(b) There are several ethical concerns faced in project management, state **FIVE (5)** of these problems. (17 marks)

**Question 3**

(a) As material cost represent 50-60% of cost of goods sold, insourcing and outsourcing decision is important for an organization. Explain with example, the concept of vertical integration, which includes forward and backward integration, in sourcing. (7 marks)

(b) Define Bullwhip Effect. With suitable examples, discuss **FOUR (4)** causes of Bullwhip Effect and **FOUR (4)** ways of counteracting this effect. (18 marks)

**Question 4**

The selection of facility location is influenced by a number of factors. Discuss any **FIVE (5)** 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) Identify **FOUR (4)** factors in addition to delivery speed (and its impact on holding cost) that may need to be considered when choosing the best mode of shipment. Explain with relevant examples.

(16 marks)

(b) Mohamad Faris, President of MFC Computer Components Sdn. Bhd. has the option of shipping computer transformers from its Penang plant via container ship or airfreight. The typical shipment has a value of RM75,000. A container ship takes 24 days and costs RM5,000; airfreight takes 1 day and costs RM8,000. Holding cost is estimated to be 40% in either case. How should shipments be made?

(9 Marks)

~THE END~

*mgt2100(f)/jan 18/formatted*

