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FINAL
Examination Paper

(COVER PAGE)

Session : January 2015

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

Course : MGT 2100/2102 : Operations Management

Date of Examination : March 12, 2015

Time : 2:00pm – 4:pm Reading Time: Nil

Duration : 2 Hours

Special Instructions :

Answer any FOUR (4) questions.

Materials permitted : Nil

Materials provided : Nil

Examiner (s) : Mr. Chang Foo Chung

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: JANUARY 2015 SESSION

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

Question 1

- (a) Define operations management. (2 marks)
- (b) Explain **FOUR (4)** reasons why operations management is so important. (8 marks)
- (c) “The operations strategy focuses on specific capabilities of the operation that give the company a competitive edge. These capabilities are known as competitive priorities.” List and explain **THREE (3)** competitive priorities. (15 marks)

Question 2

- (a) Product life cycle is one of the factors that influence a product design. Explain the product life cycle with illustration. (15 marks)
- (b) Identify and explain **FIVE (5)** organizational functions that are involved with product design and process selection. (10 marks)

Question 3

- (a) List **TEN (10)** benefits to the Buyers of engaging on e-purchasing. (10 marks)
- (b) Explain **FIVE (5)** characteristics each of Process Layouts, Product Layouts and Hybrid Layouts. (15 marks)

Question 4

- (a) Identify and explain critically **THREE (3)** main objectives of inventory management. (15 marks)
- (b) List and explain at least **FIVE (5)** critical decisions that operations manager should decide. (10 marks)

Question 5

- (a) Avril Levine, owner of Abey Dawn Manufacturing, is considering whether to produce a new product. She has considered the operations requirements for the product as well as the market potential. She estimates the fixed costs per annum to be \$40,000 and the variable costs for each unit produced to be \$50.
- (i) If Avril sells the product at a price of \$70, how many units of product does she have to sell in order to break even? Use both algebraic and graphical approaches.
- (ii) If Avril sells 3,000 units at the product price of \$70, what will be her contribution to profit?
- (10 marks)
- (b) Find the Economic Order Quantity (EOQ) and the reorder point, given the following information:
- Annual Demand (D) = 10,000 units
Ordering Cost (S) = \$75 per order
Annual Holding Cost (H) = \$6 per unit
Lead time (L) = 5 days
The company operates 250 days per year
- (8 marks)
- (c) With **ONE (1)** example, list and explain the concept of economies of scale.
- (7 marks)

Question 6

- (a) Just-In-Time (JIT) is widely applied by small to big companies such as Toyota. List and explain **FIVE (5)** advantages of implementing it.
- (10 marks)
- (b) List and explain any **FIVE (5)** quality tools used in quality control with relevant illustration for each tool.
- (15 marks)

~The End~
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