

MASTER OF BUSINESS ADMINISTRATION  
Third Semester  
Production and Operations Management  
(MBA - 18)

Duration: 3Hrs.

Full Marks: 70

Part-A (Objective) =20  
Part-B (Descriptive)=50

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

1. Answer the following questions (any five)

2×5=10

- Name six elements of 'operations strategy'?
- What is capacity utilisation rate?
- Mention two common approaches to scheduling service operations.
- Define the term –“acquisition cost” and “carrying cost”.
- What is a “Just- in- Time System”?
- What is process charts?

2. Answer the following questions (any five)

3×5=15

- Differentiate between production management and operation management.
- Explain how the following factors help improve the competitiveness of a manufacturing organisation;
  - Low production costs
  - On time deliveries
  - High quality products/ services
- Calculate the break-even point for the following:  
Product manager of a unit wants to know from what quantity he can use automatic machine as against semi-automatic machine.

Data	Automatic	Semi-automatic
Time for the job	2mts.	5 mts.
Set up time	2 hrs	1.5 hrs
Cost per unit	Rs. 20	Rs. 12

- Describe the characteristics of good product design.
- “There are many ways for a firm to change its capacity” - What are they?
- Distinguish between “Big JIT” and “Little JIT”.

**3. Answer the following questions in details (any five)**

**5×5=25**

- a) Discuss the various factors involved in the location of a plant with an emphasis on a cement plant.
- b) What is “make or buy analysis “Discuss the various factors to be considered in make-or-buy decisions.
- c) XYZ company is trying to determine how best to produce a new product. The new product could be produced in house using either process A or process B or purchased from a supplier. Cost data is given below:

Process	Fixed	Variable cost/ Unit
Make (Process A)	Rs. 8000	Rs. 10
Make (Process B)	Rs.20,000	Rs. 4
Purchase	Nil	Rs.20

For what level of demand should each alternative be chosen?

- d) Enumerate in detail the interactions PPC will have with other departments such as marketing, finance, purchase and production.
- e) What is quality control? What are its objectives and benefits?
- f) Bring out the organisational arrangement for inventory control.

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*(The figures in the margin indicate full marks for the questions)*

**Duration: 20 minutes**

**Marks – 20**

**PART A- Objective Type**

**Choose the correct answer from the given options: 1×20=20**

1. Which of the following questions is not relevant in making a facility decision?
  - a. Where should the capacity be located?
  - b. When is the capacity needed?
  - c. What kind of capacity needed?
  - d. How much of capacity is needed?
2. Which of the following departments is not directly affected by the facilities location decision?
  - a. Production/ operations
  - b. Marketing
  - c. Personnel
  - d. None of the above
3. Ship building and construction of dams and bridges are typical examples of
  - a. Fixed position layout
  - b. Functional layout
  - c. Product layout
  - d. None of above
4. Which of the following would you consider in facility layout
  - a. a process plant
  - b. a reading room of a library
  - c. a hospital
  - d. a primary school

5. An investment that pays a fixed number of Rupees per year for a limited number of years is called
- a good investment
  - a perpetuity
  - an annuity
  - None of these
6. The aggregate production plan spans
- short time horizon
  - intermediate time horizon
  - long time horizon
  - None of these
7. Which of the following is the major capacity decisions
- How much capacity to be installed?
  - When to increase capacity
  - How much to increase
  - All of these
8. Objectives of product design are
- To achieve the desired product quality.
  - Product layout
  - Cost reduction
  - None of these
9. Factors considered in Make or Buy decisions are
- Available capacity
  - Expertise
  - Quality
  - All of these
10. Strategic management offers the benefits of
- Financial
  - Non financial
  - both financial and non financial
  - None of these
11. Break –even Analysis focuses on relationship between
- cost revenue and volume output
  - cost revenue and variable cost
  - fixed cost and volume output
  - None of these
12. Production Planning system consists of \_\_\_\_\_ inter related subsystems
- two
  - three
  - four
  - None of these
13. \_\_\_\_\_ is the process of determining the sequence of operations to be performed in the production process.
- Loading
  - Scheduling
  - routing
  - None of these
14. \_\_\_\_\_ is a long –term strategic decision that establishes a firm’s overall level of resources.
- Capacity planning
  - Strategic management
  - Production management
  - None of these
15. Fast food restaurants can close off when demand is low (between 3 pm to 5pm) During this close off period, the employees can perform other activities in preparation for peak demand. This strategy in scheduling is known as
- Cross- training
  - Sharing Capacity
  - Adjustable Capacity
  - All of these

16. Scheduling of service system involve scheduling

- a. customers, Work force and Equipment
- b. Cost, Demand and product
- c. both a) and b)
- d. None of these

17. \_\_\_\_\_ is concerned with any function which contributes to the quality of goods produced.

- a. Quality Assurance
- b. Quality Control
- c. Process control
- d. None of these

18. The term "inventory" originates from the French word

- a. Inventaire
- b. Inventariom
- c. Both a) and b)
- d, None of these

19. JIT system was first implemented most successfully at the

- a. TATA Motor company
- b. Toyota Motor Company
- c. Maruti motor Company
- d. None of these

20. \_\_\_\_\_ is the philosophy of operation management that seeks to eliminate waste in all aspects of a firm's production activities .

- a. Little JIT
- b. Big JIT
- c. TQM
- d. None of these.

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