



Principles of Business Operations

06 June 2018

Examination Paper

Answer any FIVE (5) questions.

Clearly cross out surplus answers.

Failure to do this will result in only the first FIVE (5) answers being marked.

Time: 3 hours

The maximum mark for this paper is 100.

Any reference material brought into the examination room must be handed to the invigilator before the start of the examination.

Answer any FIVE (5) questions

Marks

Question 1

- | | | |
|-----|---|---|
| a) | Assess how <i>satisfiers</i> and <i>dis-satisfiers</i> can influence the levels of customer satisfaction. | 4 |
| b) | Discuss how the following criteria can be used by customers to <i>assess the quality</i> of goods and services: | |
| i) | Search | 3 |
| ii) | Credence | 3 |
| c) | Describe the main characteristics of a <i>group layout pattern</i> used in facilities design. | 4 |
| d) | Examine why the following factors are important in workplace design: | |
| i) | Ergonomics | 3 |
| ii) | Safety | 3 |

Total 20 Marks

Question 2

- | | | |
|----|--|---|
| a) | Assess the relative importance of the THREE (3) key stages of <i>resource planning</i> . | 6 |
| b) | Discuss ONE (1) of the principles of <i>total quality management</i> (TQM). | 3 |
| c) | Explain why an organisation would use <i>Six Sigma</i> . | 6 |
| d) | Explain how <i>business intelligence systems</i> can help to improve the decision making of operations managers. | 5 |

Total 20 Marks

Question 3

- a) Describe the FOUR (4) *basic process types* that are used to build goods or services. 8

- b) Assess how effective *forecasting and demand planning* can help to improve customer service. 4

- c) Assess the following approaches to measuring capacity **and** identify which ONE (1) should be used for making capacity planning decisions in a manufacturing company, giving the reason for your choice: 8
 - Effective capacity
 - Theoretical capacity

Total 20 Marks

Question 4

- a) Analyse the key differences between *vertical integration* and *outsourcing*. 6

- b) Explain why the use of *global supply chains* can potentially pose a higher level of risk and uncertainty to an organisation. 5

- c) Explain why *service facilities* are often located close to the customer. 4

- d) Discuss how the use of a *customer relationship management (CRM)* system could help an organisation to increase its revenues and profits. 5

Total 20 Marks

Question 5

- a) Explain why *productivity* is seen as a key performance measure for many organisations in today's business environment. **6**
- b) Describe ONE (1) of the operations models that can be used to assess *organisational performance*. **3**
- c) Assess the *planning* and *organising* functions of operations management, giving your view on which of these is most important along with the reason(s) for your choice. **8**
- d) Explain why eliminating the sources of defects is a key requirement of *lean*. **3**

Total 20 Marks

Question 6

- a) Examine why supply chains based around *pull systems* are likely to result in lower inventory levels. **3**
- b) Explain why the following are commonly used measures of *supply chain performance*:
 - i) Customer satisfaction **3**
 - ii) Average inventory value **3**
- c) With reference to the *GAP model*, identify the FIVE (5) major areas where quality gaps can occur. **5**
- d) Eliminating waste is one of the four basic principles of *lean*. Discuss why this principle is important for a manufacturing organisation. **6**

Total 20 Marks

End of paper