Multiple Choice Questions

43. A firm’s process strategy defines all of the following except its
   a. capital intensity
   b. process flexibility
   c. vertical integration
d. horizontal integration

(Easy)

44. The extent to which the firm will produce the inputs and control the outputs of
   each stage of the production process is known as
   a. vertical integration
   b. process flexibility
   c. horizontal integration
d. capital intensity

(Easy)

45. The organization’s overall approach for physically producing goods and
   providing services is known as its
   a. level of capital intensity
   b. level of process flexibility
c. process strategy
d. level of customer involvement

(Easy)

46. The ease with which resources can be adjusted in response to changes in demand,
   technology, products and services, and resource availability defines the firm’s
   a. vertical integration
   b. process flexibility
c. customer involvement
d. capital intensity

(Easy)

47. In most projects
   a. there are few customers and customer involvement is high
   b. there are many customers and customer involvement is high
c. there are few customers and customer involvement is low
d. there are many customers and customer involvement is low

(Easy)

48. Which of the following is not a potential risk of projects
   a. huge swings in resource requirements
   b. extensive learning curve benefits
   c. limited learning curve benefits
d. small customer base

(Medium)
61. As production systems move from projects to batch production to mass production to continuous production
   a. production systems become less capital-intensive
def. production systems become more capital intensive
   c. production systems become less automated
d. production systems become more flexible
   (Medium)

62. As production systems move from projects to batch production to mass production to continuous production
   a. demand volume increases
b. products become more customized
c. production systems become less automated
d. production systems become more flexible
   (Medium)

63. As production systems move from projects to batch production to mass production to continuous production
   a. demand volumes decrease
b. products become more customized
c. processes become less flexible
d. customer involvement with the process increases
   (Medium)

64. A company is considering producing a product for a new market. The fixed costs required for manufacturing and delivering the product is $50,000. Labor and material costs are estimated to be approximately $25.00 per product. If the product is sold for $35.00 each, the firm’s break-even volume would be
   a. 50,000 units
b. **5,000 units**
c. 2500 units
d. 500 units
   (Hard)

65. If a firm can sell a product for $40.00 each, then what is the volume needed to break-even if the fixed cost of production is $125,000.00 and labor and material costs are $30.00 per item?
   a. 125,000
b. 12,500
c. 4,167
d. 3,250
   (Hard)