

- forecasts in order to develop a single plan for meeting customer demand. (True) **(Medium)**
21. Purchasing goods or services from an outside supplier that were originally produced in-house is known as outsourcing. (True) **(Easy)**
22. With single-sourcing a company has less influence and control over the quality, cost, and delivery performance of a supplier, especially if the company has a major proportion of the supplier's business. (False) **(Medium)**
23. Order fulfillment is the process of ensuring on-time delivery of the customer's order. (True) **(Medium)**
24. The most important factor in transportation and distribution is cost. (False) **(Medium)**
25. Distribution is not an important supply chain component for Internet dot.com companies, such as Amazon.com. (False) **(Easy)**
26. A recent trend in distribution which moves some final manufacturing steps like assembly or product customization in to the warehouse or distribution center is known as postponement. (True) **(Medium)**
27. In vendor managed inventory (VMI) systems vendors, not manufacturers, generate orders. (False) **(Medium)**
28. Railroads are the main mode of freight transportation in the United States. (False) **(Easy)**
29. Enterprise Resource Planning (ERP) is software that helps integrate many of the supply chain components by sharing and organizing information and data among supply chain members. (True) **(Medium)**
30. In global trade the cost of producing, storing, and transporting a product to its destination or port is referred to as landed cost. (True) **(Medium)**

Multiple Choice Questions

31. The suppliers in a supply chain are referred to as
- downstream supply chain members
 - midstream supply chain members
 - upstream supply chain members**
 - nonintegrated supply chain members
- (Easy)**
32. Distributors, warehouses, and the eventual end-users are referred to as
- downstream supply chain members**
 - upstream supply chain members
 - procurement members
 - enablers
- (Easy)**
33. The integrated group of business processes and activities that form the supply chain include all of the following except
- procurement of services, materials, and components from suppliers

62. A company that produces small electric motors for treadmills had cost of goods sold last year of \$241,000,000. The average value of inventory for raw materials, work-in-process, and finished goods are shown in the table below:

Raw Materials	\$12,379,000
Work-In-Process	\$7,631,000
Finished Goods	\$9,275,000

Assuming the company operates 365 days a year the number of inventory turns would be

- a. 0.12
- b. 5.12
- c. **8.23**
- d. 14.53

(Hard)

63. A company that produces small electric motors for treadmills had cost of goods sold last year of \$241,000,000. The average value of inventory for raw materials, work-in-process, and finished goods are shown in the table below:

Raw Materials	\$12,379,000
Work-In-Process	\$7,631,000
Finished Goods	\$9,275,000

If the company operates 365 days a year the days of supply being held in inventory is

- a. **44.35**
- b. 27.39
- c. 8.23
- d. 0.1215

(Hard)

64. A company that produces specialized video equipment had cost of goods sold last year of \$127,000,000. The average value of inventory for raw materials, work-in-process, and finished goods are shown in the table below:

Raw Materials	\$6,189,000
Work-In-Process	\$2,541,000
Finished Goods	\$3,710,000

If the company operates 50 weeks per year then the number of inventory turns would be

- a. 0.0979
- b. **4.3795**